

# Key Features Document

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January 2025



## Introduction

**The Financial Conduct Authority is a financial services regulator. It requires us, Organon SIPP Services Limited, to give you this important information to help you to decide whether the Organon SIPP is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.**

**This document summarises the key features of the Organon SIPP (the Plan), operated by Organon SIPP Services Limited (Organon Trustees), and should be read in conjunction with the Plan's Terms and Conditions.**

Organon Trustees is a trading style of Organon SIPP Services Limited, registered in England & Wales No: 06633255. 8th Floor, Regent House, Heaton Lane, Stockport, SK4 1BS. Organon SIPP Services Limited is authorised and regulated by the Financial Conduct Authority under FCA registration number 486798.

The Plan is a Self-Invested Personal Pension ("SIPP") established under master trust by a Trust Deed and Rules. Unlike traditional personal pensions, often taken out through insurance companies, a SIPP allows individuals much greater freedom in determining how and when funds are invested.

Please note that Organon Trustees is not regulated to give investment or financial advice and in the event that you consider such advice is required, you should seek this from a competent and suitably qualified financial adviser prior to entering into any commitment to establish the Plan.

## Aims of the Plan

- To provide a flexible and tax efficient vehicle to save for your retirement
- To provide a regular income when you retire with the option of taking part of your fund as a tax-free lump sum
- To provide a regular income and/or lump sum for your dependant(s) on your death
- To allow you (and your adviser) control over your pension savings by deciding yourself how they should be invested

## Your Commitment

**To pay regular and/or at least one single contribution and/or a transfer payment into the Plan**

- To notify Organon Trustees of any changes in your personal circumstances, which may affect your membership of the SIPP
- To regularly review (with your adviser if applicable) your investment portfolio, contribution levels and income withdrawals



## What are the risk factors?

### General

Fees are fixed irrespective of the size of your SIPP investment. Therefore, if your SIPP fund is small, the charges may be disproportionate and a less expensive arrangement may be more appropriate for you.

Stakeholder Pension schemes are generally available and may meet your needs as well as the Organon SIPP.

The Organon SIPP is offered on an execution-only basis without pension advice and we cannot give you any advice as to whether a SIPP is suitable for you. You should seek advice on this from an Independent Financial Adviser.

However, in order to ensure the Organon SIPP offers fair value we would expect your fund to be valued at £200,000 or more, although a lower figure may be acceptable where investment in commercial property is envisaged.

You cannot cash in your SIPP. You must take benefits in accordance with the Rules, no earlier than age 55. The minimum pension age rises to 57 from 6 April 2028.

You can though transfer your SIPP assets to another registered pension scheme, subject to additional charges.

Your future benefits from the SIPP are not guaranteed and may be adversely affected by factors such as: contribution levels being lower than anticipated; investments growing less than expected; annuity rates being lower than expected and/or you take benefits at a high rate meaning the pension fund is exhausted quickly.

This key features document is based on our current understanding of tax law in relation to the SIPP - these laws may change in the future.

### Transfers in

By transferring other pension benefits into your SIPP you may be giving up the right to guarantees in the form of benefits, the amount you will receive and also the level of increases that will be applied to your pension in future.

Should you wish to transfer in benefits with any form of guarantee ("Safeguarded Rights") you may only do so under the guidance of a suitability qualified Independent Financial Adviser.

You may be giving up the right to receive a terminal bonus on with-profit pension plans and/or a penalty may be applied to your current pension plan.

### Investment

You are responsible for deciding where to invest your SIPP assets. If you do not use a professional adviser, the risk will be all yours. We do not make investment recommendations. Any investment information is provided solely to enable you to make your own investment decisions and must not be treated as solicitation or recommendation to buy, sell or otherwise deal in any particular investment. We are not authorised to give you any investment advice.

The value of investments can fall as well as rise and is not guaranteed. Past performance is no guide to future performance.

The investment returns on your fund may be less than those shown in any illustrations you may receive from us or your advisor.

You will be able to deal in a range of investments each of which carries a different level of risk and you should note that we do not monitor the performance of the investments in your SIPP. It is up to you or your adviser to do this.

Some investments, e.g. property, can be illiquid and any delayed sale may impact on when you can take your benefits.

## Permitted Investments

The following represent the types of investments which qualify for a tax free return and which are acceptable investments in the Organon SIPP:

- Cash
- Cash funds
- Exchange traded commodities
- Government & local authority bonds and other fixed interest stocks
- Investment notes (structured products)
- Shares in Investment trusts
- Managed pension funds
- National Savings and Investment products
- Permanent interest bearing shares (PIBs)
- Physical gold bullion
- Real estate investment trusts (REITs)
- Securities admitted to trading on a regulated venue
- UK commercial property
- Units in Regulated collective investment schemes

## Non-Permitted Investments

Whilst not exhaustive, the following types of investments are examples of asset types which we are unable to hold in the Organon SIPP:

- Third party loans
- Overseas property
- Any Property with a residential element (for example a flat above a shop or public house)
- Unlisted shares
- Units in Unregulated Collective Investment Schemes (UCIS)
- Forrestry or Woodland
- Unregulated bonds or Loan Notes



## Questions and Answers

### What is a SIPP?

A SIPP is a special type of pension scheme offering a flexible and tax-efficient means of saving for retirement. A SIPP is "self-invested", which means that not only can you (and your adviser if you have one) choose how your funds are invested but also that you are able to invest in a much wider range of assets than traditional pension plans.

### Who can have a SIPP?

If you have earnings that are subject to UK tax or have no earnings but are resident in the UK for tax purposes then you may make personal contributions to a SIPP or alternatively, have them paid on your behalf by a third party (for example, your employer).

### How much can be paid in?

You and/or your employer can pay contributions to the SIPP at any time from age 18 to age 75 with no minimum contribution level. Contributions can be paid regularly or as one-off payments, stopped or varied at any time.

Contributions will be treated for tax as follows:

- Personal contributions up to the higher of £3,600 or 100% of your earnings receive tax relief at the highest marginal rate. The Organon SIPP will claim basic rate tax relief (20%) from HM Revenue & Customs ("HMRC"), for example if you pay in £80 and basic tax rate is 20% then we reclaim £20 and the SIPP has received a total of £100.
- If you are a higher rate tax payer you claim your extra relief through your tax return.
- Company contributions are paid gross and receive tax relief if HMRC deem them appropriate to your role in the company.
- If contributions to all your pension arrangements exceed the "Annual Allowance" you will normally be subject to a tax charge on the excess. The Annual Allowance is currently £60,000.
- Annual Allowances for each of the previous three tax years may be carried forward to the current year to the extent that they were not previously utilised, as long as the SIPP member was the member of a registered pension scheme during the years in question.
- Where you have already accessed retirement income flexibility, i.e. via 'Flexi-Access Drawdown' or 'Uncrystallised Funds Pension Lump Sum' a special restricted 'Money Purchase Annual Allowance' (MPAA) will apply. The MPAA is currently £10,000 per annum with no provision to carry forward unused allowances from previous years.
- For high-earners, i.e. those with "Adjusted Income" over £260,000 for the tax year and "Threshold Income" over £200,000, the Annual Allowance will be reduced by £1 for every £2 of Adjusted Income over £260,000. The maximum reduction is £50,000 which means anyone with Adjusted Income over £360,000 will have an Annual Allowance of £10,000.

### Are there any other tax advantages?

In addition to Income and Corporation Tax relief received on personal and employer contributions respectively, the following tax benefits apply to the Organon SIPP:

- Your pension fund is free from UK income and capital gains taxes except that tax may not be reclaimed on UK dividends.
- On retirement 25% of your fund may be paid to you as a lump sum entirely free of tax.

### Can I transfer my existing pension into my SIPP?

You can transfer benefits from any registered pension scheme into your SIPP. It should be noted that Organon Trustees will not advise on the merits of such transfers and therefore suggests that you consult a suitably qualified financial adviser before proceeding with any transfer of benefits.

### Can I transfer my SIPP to another pension?

Subject to prevailing legislation you can transfer your SIPP to another UK registered pension scheme or to a qualifying recognised overseas pension scheme at any time should you so wish.

### When can I take my retirement benefits?

Other than on ill-health grounds, you will not normally be able to commence benefits until you have reached "minimum pension age" which is currently 55. From 6 April 2028 this will increase to 57.

### Can I change my mind?

You have the right to cancel your SIPP within the first 30 days after you have received notice of this right which will be sent to you on receipt of your application. If you wish to cancel your SIPP you will need to provide Organon Trustees with written confirmation and return this to them within 30 days of receiving the reminder from us.

If you cancel your SIPP your funds will be returned to you, any funds transferred into the SIPP during this period will be kept on deposit in your Pension Fund Account.

Each time you apply to transfer an existing pension into the SIPP you have a right to cancel the transfer.

Each transfer can be cancelled separately up to 30 days after you have advised us of your intention to transfer. In regards to a transfer, we will progress the transfer during the cancellation period unless you instruct us not to. This means the transfer may be received prior to the end of the 30-day cancellation period. In this case, if you decide to cancel the transfer, we will request that the transferring scheme takes back the transfer value, however they are under no obligation to do so. If they refuse to take back the transfer and you are cancelling your Organon SIPP, you will need to arrange for the funds to be transferred to another pension scheme.

The right to cancel also applies at the point when benefits are first accessed from your SIPP. A notice of your cancellation rights will be sent to you when you first take benefits from your SIPP and you will have the right to change your mind within 30 days of this notice. **If you cancel your decision to take income you must return any lump sum or pension income paid to you**



## Questions and Answers cont...

In certain circumstances, subject to the advice of your financial adviser, you may choose to waive the right to the 30-day cancellation period for your SIPP - you will need to write to us with your specific instruction if you wish to take this option.

### **What benefits will be available when I retire?**

You will normally be allowed to take up to 25% of your fund as a tax-free lump sum with the remainder being used to provide income.

If you don't need the full tax-free lump sum as one payment you can choose to take this across a number of withdrawals.

Any withdrawals above 25% of the pension fund will be subject to income tax at your marginal rate.

### **What options will I have to take an income at retirement?**

Assuming that you take 25% of your fund as a tax-free lump sum you will be able to choose how you take any income from the remainder of your pension fund.

You will be able to take the whole fund in one go, take smaller lump sums when you want them or take a regular income. In each case income tax will be deducted at source.

You will be able to draw your income directly from your pension fund (through "Flexi Access Drawdown" or "Uncrystallised Funds Pension Lump Sum") or by purchasing an annuity from a Life Insurance Company of your choice.

You will be able to take income as a combination of these options.

You should be aware that once you commence drawing a taxed pension from the fund your scope for subsequent pension contributions will be limited to £10,000 per annum with no possibility of carrying forward unused allowances from previous years (known as the "Money Purchase Annual Allowance"). If you commenced drawdown prior to 6 April 2015 this may not apply to you.

### **What help is available to me in deciding what retirement options to choose?**

Deciding when and how to take retirement benefits is an important decision and we strongly suggest that you consult your independent financial adviser before any decision is made.

If you do not have a financial adviser you will be able to locate one in your area via the website: [www.unbiased.co.uk](http://www.unbiased.co.uk)

If you do not seek independent regulated advice you should be aware that you are entitled to access free, impartial guidance on your pension options, including the option of a face-to-face conversation about your options via the Government's "Pension Wise" initiative ([www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)). Under the initiative, telephone guidance is delivered by The Money and Pensions Service ([www.moneyandpensionsservice.org.uk](http://www.moneyandpensionsservice.org.uk)) with face to face guidance delivered via the Citizens Advice Bureau ([www.citizensadvice.org.uk](http://www.citizensadvice.org.uk))

Further free information on your pension options may be obtained via the Money Helper Service. Please refer to their factsheet: "Your pension: your choices" which is available to download from [www.moneyhelper.org.uk/free-printed-guides](http://www.moneyhelper.org.uk/free-printed-guides)

### **What limits are placed on the amount of benefits I might receive from my SIPP?**

There is no limit on the amount which can be built up within a pension fund and 25% can be withdrawn as tax-free cash, subject to a Lump Sum Allowance of £268,275 covering your total benefits in all schemes.

### **Will my residual assets be subject to Inheritance Tax when I die?**

Currently any remaining pension assets on death will not normally form part of your estate and therefore will not be subject to Inheritance Tax. However this position is scheduled to change from 6 April 2027 at which point any unused pension assets will be included in your estate for the purpose of Inheritance Tax.

Anything left to a spouse or civil partner will continue to be exempt from Inheritance Tax, however pension assets left to anyone else (less any available allowances) will be subject to inheritance Tax.

### **What benefits are payable if I die?**

After accounting for any Inheritance Tax payable on your pension assets (on deaths occurring after 5 April 2027), the treatment of any residual assets depends on whether you die before or after you reach age 75.

#### **Death before Age 75**

If you die before age 75, your remaining pension assets will normally be paid out tax free to your beneficiaries as a lump sum or a pension. However, any benefit paid as a lump sum is subject to a Lump Sum Death Benefit Allowance of £1,073,100 with any tax-free cash paid to you previously deducted from the Allowance. Any excess paid out as a lump sum will be subject to Income Tax at the beneficiary's marginal rate on withdrawal.

Death benefits paid as a pension are not subject to the Lump Sum Death Benefit Allowance and so will be paid tax-free without limit.

#### **Death after Age 75**

Any remaining assets may be passed in pension form to your beneficiaries with no immediate Income Tax charge. Tax will be payable by your beneficiaries only at the point when benefits are paid.

The person who receives the pension benefits will pay their marginal tax rate on any income they take from the pension.

If they decide to take the benefits as a lump sum instead this will be taxed at the recipient's marginal rate of income tax.



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## **What happens if I want to complain?**

A copy of our formal complaints procedure is available on request. Any complaints should be made in writing to the following recipient:

**The Compliance Officer**  
**Organon SIPP Services Limited**  
**8th Floor, Regent House, Heaton Lane,**  
**Stockport, SK4 1BS**

If you are not satisfied with our response you can write to:

**The Financial Ombudsman Service**  
**Exchange Tower,**  
**Harbour Exchange,**  
**London, E14 9SR**

## **What compensation is available?**

Organon Trustees are covered by the Financial Services Compensation Scheme (FSCS). A SIPP investor may be entitled to compensation from the FSCS if we cannot meet our obligations, depending on the circumstances. Further details are available from the FSCS website at [www.fscs.org.uk/consumer](http://www.fscs.org.uk/consumer).

## **How do I contact you?**

Most SIPP customers tend to have a financial adviser who will liaise with us on your behalf. Alternatively, we can be contacted direct at:

**Organon SIPP Services Limited**  
**8th Floor, Regent House, Heaton Lane, Stockport, SK4 1BS.**  
**Tel: 0161 480 5157 Fax: 0161 429 9675**  
**[www.organontrustees.co.uk](http://www.organontrustees.co.uk)**

## **Disclaimer**

This document is based on our current understanding of regulations and can be subject to change as tax laws and legislation may change over time. In the event of dispute; the law of England & Wales will apply. You should not rely solely on this document when making financial decisions.