

Self-Invested Personal Pension

Minerva SIPP



The Wise Choice →

The Minerva SIPP Explained

We all know the importance of saving and we would all like to think we have made adequate financial provision for what we hope will be a long and enjoyable retirement. But how many people really understand the complex and often daunting subject of pensions?

This guide is designed to clear up some of the uncertainty by telling you about the Minerva SIPP and to help you as you make one of the most important financial decisions of your life. Specifically, it introduces you to a special type of pension scheme, a Self-Invested Personal Pension (SIPP) which depending upon your circumstances might be more beneficial to you than any other pension arrangement.

What is a SIPP?

A SIPP is a type of pension savings plan which offers a much wider choice of investments and gives you more control than is available via other types of pension schemes.

You may choose where the funds are invested from the range published in our permitted investments list. When you wish to take your benefits, you may take withdrawals from the fund whilst leaving the balance to pass on to your beneficiaries.

Can I have a SIPP?

Yes, provided you are UK resident, at the time you take out your SIPP.

There is no upper age limit, and you may have a SIPP alongside other pension arrangements.

If you have already retired, and have not purchased an annuity, then you should also consider the advantages of a SIPP.

How much can I invest in a SIPP?

For those under age 75, the total maximum personal gross contribution that may qualify for tax relief is the greater of £3,600 or 100% of relevant UK earnings in the year of payment.

There is an Annual Allowance of up to £60,000 (2023/24 tax year), and a facility to carry forward up to the previous three years unused allowances.

Note the Allowance may be reduced by tapering where your adjusted net income exceeds £150,000 (2016/17 to 2019/20), £240,000 (2020/21 to 2022/23) or £260,000 (2023/24).

Individuals who have taken flexible income withdrawals may be subject to the Money Purchase Annual Allowance of £10,000 (2023/24), with no ability to carry forward unused allowances.

If you are employed, your relevant UK earnings are usually made up of salary, bonuses and taxable P11D benefits; if you are self-employed it is usually your taxable profits.

Prior to age 75, contributions made to a SIPP usually qualify for relief at your highest marginal rate of income tax.

Whilst there is no minimum investment required, the Minerva SIPP may not be suitable for those with pension savings of less than £40,000 and we strongly recommend you seek the advice of a financial adviser who is authorised and regulated by the Financial Conduct Authority. Note that InvestAcc does not provide advice.



What assets can I hold in my SIPP?

Examples of assets which may be held

- ✓ Bank and building society cash deposits
- ✓ Government securities
- ✓ Unit Trusts, ETFs and OEICs
- ✓ Shares in London Stock Exchange listed companies
- ✓ Shares quoted on a recognised overseas stock market
- ✓ Quoted debentures and loan stocks
- ✓ UK based commercial property, with or without a mortgage.

Examples of assets which may not be held

- ✗ Residential property
- ✗ Overseas property
- ✗ Loans
- ✗ Plant and machinery
- ✗ Unquoted shares
- ✗ Intellectual Property (IP)
- ✗ Unregulated Collective Investment Schemes (UCIS)

Please refer to our latest permitted investments list for more information.



What will happen in the event of my death?

On death the balance of the SIPP fund is available to provide a pension or lump sum to your beneficiaries.

Where is my cash deposit held?

Any payments into or out of your SIPP will usually be transacted via a SIPP bank account, which is a specifically designated bank account for pension schemes. We currently establish these accounts with Metro Bank plc; we may change to an alternative bank in the future. You are however free to choose to instruct us to deposit funds with any UK banking institution.

What are the charges I should consider?

These are detailed in our current Schedule of Fees and Terms & Conditions which can be viewed on our website www.investaccpensions.co.uk.

What should I do next?

If you would like to apply for the Minerva SIPP please read the Key Features, Schedule of Fees and Terms and Conditions before completing the application form which should be sent by email to sippadmin@investacc.co.uk or by post to:

InvestAcc Pension Administration Limited
Solway House Business Park
Kingstown
Carlisle
Cumbria
CA6 4BY

If you require any further assistance, please contact your financial adviser. Alternatively, you can contact us at the above address or via:

Telephone	01228 538 988
Fax	01228 535 988
Email	sales@investacc.co.uk
Website	www.investaccpensions.co.uk

How will my SIPP assets be invested?

Our permitted investment list is available on our website and details the range of investments you may select. You may make your own investment decisions, with or without advice, or you may delegate responsibility to an investment manager. The choice is yours, although we strongly recommend you seek advice from a firm regulated by the Financial Conduct Authority before making any investment decisions. Note that if you do not make any investment decisions, funds will be held within the SIPP bank account, which could lead to long term erosion of the value of your SIPP in real terms, due to the sustained effect of fees, inflation and low interest rates.

How are benefits paid from a SIPP?

Under current rules, from the age of 55 you can normally withdraw up to 25% of the accumulated fund as a tax-free lump sum. The remainder can then be used to provide income withdrawals directly from the SIPP, or an annuity may be purchased from any UK annuity provider. Income payments are taxed at your marginal rate of income tax.

The Minerva SIPP also provides the option of taking benefits in stages, any funds remaining in the SIPP continue to grow in a tax advantaged environment.



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