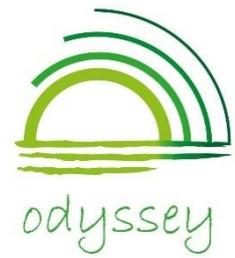


part of your journey



odyssey sípp

introduction and contents

IMPORTANT

The Financial Conduct Authority is the independent financial services regulator. It requires us to give you this important information to help you decide whether an Odyssey 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.

contents

the odyssey sipp

its aims	3
your commitment	3
risks	3

questions and answers

what is a sipp?	4
what are the tax advantages?	4
how much can I contribute to a pension scheme?	4
can I transfer my pension benefits?	5
what can I invest in?	6
what is the maximum amount I can have?	6
what pension benefits am I entitled to?	6
what happens if I die?	7
can I change my mind?	7
general terms	8

additional information

what if I have a complaint?	9
Contact information	9

The Odyssey SIPP is a registered pension scheme that allows you to take control of your retirement planning. It is a Self-Invested Personal Pension (SIPP), which means that you, as the Member of the SIPP, are able to make decisions concerning the type of investments you make and when you wish to draw benefits from your pension scheme.

its aims – the odyssey sipp is designed to provide the following:

1. A tax-efficient means to save for your retirement;
2. A wide range of investment options;
3. To allow you the ability you make your own investment decisions usually with the assistance of a financial adviser;
4. The ability to transfer in your other existing registered pension scheme benefits and to make contributions either personally or via an employer;
5. Flexibility as to when and how you draw your pension benefits;
6. To provide benefits to your dependants and beneficiaries in the event of your death.

your commitment – as a member of the odyssey sipp you will need to:

1. Make a contribution either yourself or via your employer, and/or transfer other pension benefits into the SIPP;
2. Inform Odyssey Pensions Limited if your contributions exceed HM Revenue & Customs limits or if you are no longer eligible to receive tax relief;
3. Only draw your pension benefits in accordance with the Rules of the Odyssey SIPP and not to draw monies from the SIPP which would be considered an Unauthorised Payment;
4. To pay fees, costs and charges as they fall due, including tax that might be payable on pension benefits;

risks

1. The value of your SIPP may go up or down, and this may affect the level of pension benefit that you take in the future;
2. There may not be any guarantees relating to any of the investments that you hold in your SIPP and investment performance may not be in line with your expectations;
3. Legislation, inflation and taxation are subject to change, and this might affect the amount of pension benefit that you could receive in the future.
4. Commercial property can be more difficult to value and sell than other investments. This could affect the timing, and level, of your pension benefits.
5. Drawing high levels of income from your SIPP can reduce funds you have left to purchase an annuity or provide benefits for your dependants or beneficiaries.
6. You will be responsible for investment decisions. We strongly recommend that you appoint a financial adviser to assist you with this;
7. Transferring benefits from an employer's occupational scheme may lead to giving up other rights and benefits;
8. Charges may increase throughout the lifetime of the SIPP and these may affect the amount of benefits that you are able to take.

what is a sipp?

A Self-Invested Personal Pension (SIPP) is a type of registered pension scheme that offers a wide range of investment flexibility. Typically, this investment flexibility is greater than that typically offered through traditional personal pension plans.

As it is a pension scheme, a SIPP is designed to provide you with a pension when you retire. You can usually also opt to take some of the monies in the form of a tax-free lump sum. The amount of pension or lump sum you will have will depend on the value of your pension scheme when you wish to take your pension benefits.

what are the tax advantages?

Registered pension schemes, including SIPPs, have a number of tax advantages which are there in order to encourage individuals to save for their retirement. These include:

- Contributions that you pay into your scheme will normally attract income tax relief at the basic rate. If you are a higher or additional rate tax payer, further tax relief can normally be claimed using Self-Assessment.
 - Contributions paid by an employer will normally qualify for tax relief in the year they are made, provided they are wholly and exclusively for the purposes of the employer's trade.
 - Investments will grow free from income tax and capital gains tax (although tax on dividend income will still apply).
 - A tax-free lump sum of 25% can be paid from age 55 (although any income paid is subject to income tax through the PAYE system).
 - Death benefits where an individual dies before the age of 75 can be paid tax free, and death benefits will normally be outside of your estate for inheritance tax purposes.
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how much can I contribute to a pension scheme?

Contributions can be paid by you personally, your employer and, in some instances, by a third party on your behalf. The maximum amount that can be paid each tax year is £40,000. This is known as the Annual Allowance.

In some circumstances, it is also possible to Carry Forward unused Annual Allowance from three previous tax years in addition to the Annual Allowance payable in the current tax year.

Where you pay contributions personally, tax relief is capped to 100% of your Relevant UK Earnings in the tax year of the contribution. This means that even if you can pay a contribution to your pension that satisfies the Annual Allowance and/or Carry Forward rules, tax relief may be restricted if your Relevant UK Earnings are below this level.

If you do not have any earnings, you can make contributions of up to £3,600 gross in a tax year.

Where an employer makes contributions, tax relief is not restricted by earnings. Instead, these must be paid on the basis that they are wholly and exclusively for the purposes of the employer's trade.

There are instances where the Annual Allowance of an individual can be reduced:

- Where an individual has income in excess of £150,000 they are likely to be subject to 'tapering', where the Annual Allowance reduces on a sliding scale to a minimum of £10,000;
- Where an individual has flexibly accessed their pension and drawn taxable income. In this case, they will have an Annual Allowance of £4,000 (known as the Money Purchase Annual Allowance) and will not be entitled to use Carry Forward.

can I transfer my pension benefits?

It is usually possible to transfer benefits from another registered pension scheme into your SIPP. Normally, benefits are transferred in the form of cash and will be placed initially into the SIPP Bank Account from which investments can then be made.

It is important to take financial advice relating to transfers, especially where you are considering transferring pension benefits from an occupational pension scheme. This is because other pension arrangements might have valuable rights or guarantees that you would be giving up on transfer.

You can also usually transfer existing assets from other registered pension schemes to your SIPP. This normally occurs where you are considering a change of SIPP Provider. Assets that are held are re-registered into the names of the trustee who holds the assets of the new SIPP. Some assets might not be transferrable, and you will need to speak to both the old and new provider to check that this can happen.

You are also able to transfer some or all of your pension benefits away from your SIPP in the manner described above. The transfer would be to another registered pension scheme provider and can be undertaken in cash and/or assets, depending on the receiving provider.

what can I invest in?

The Odyssey SIPP allows you to invest in a wide range of assets. These assets will be restricted to those that are considered by the Financial Conduct Authority (FCA) to be standard investments, and will broadly include:

- Commercial Property and Land
- Unit Trusts, Investment Trusts and OEICs
- Insurance Company funds
- Deposit Accounts
- Stocks and shares listed on recognised stock exchanges
- Gilts and other corporate bonds
- Gold

Broadly, to qualify as a standard investment, it must be realisable within 30 days, and must be capable of being accurately and fairly valued on an ongoing basis.

You will be responsible for the investment decisions of your SIPP and how your money is invested. It is important that you think carefully about your choice of investments and consider the appointment of a financial adviser to assist you with this process.

what is the maximum amount I can have?

The maximum amount that you can have in your pension fund is normally £1 million. This is known as the Lifetime Allowance. When you take your benefits, or trigger a 'Benefit Crystallisation Event', the amount that you use is 'tested' against the Lifetime Allowance. If the amount of money being used exceeds the Lifetime Allowance, either on its own or when added to other Benefit Crystallisation Events that have happened, tax will be payable on the excess.

Where the excess amount is taken as a lump sum, the tax charge is 55% and when drawn as income, the tax charge is 25% plus any tax generated through the PAYE system when the income is drawn.

Some individuals have been able to 'protect' their Lifetime Allowance at higher amounts than the level currently in place (known as Enhanced, Primary, Fixed or Individual Protection). This can be a complex area and further advice should be sought if it applies to you.

what pension benefits am I entitled to?

You can normally take up to 25% of your fund as a tax-free lump sum (known as a pension commencement lump sum). You can use the remainder of your fund to provide you with an income, normally known as 'Flexi-Access Drawdown'. Income drawn from a pension scheme will be subject to income tax through the PAYE system. When you take income in this manner, further contributions that you pay into your pension scheme may be restricted.

You also have other options that might be available to you when you come to draw your benefits:

- **Uncrystallised Funds Pension Lump Sum (UFPLS)**
Provided you have not 'crystallised' part of your fund, it can be used to make a one-off payment of UFPLS. In these circumstances, normally 25% of the amount is payable tax free, while the balance is payable as taxed income.
- **Annuity Purchase**
Instead of receiving a drawdown pension, you can use your fund to purchase an annuity from an insurance company. The annuity will be payable up to your death, or the end of a guarantee period should you choose it. The amount of income payable will depend on the annuity rate offered by the provider. You can also choose to use it to provide a spouse's or partner's income on your death.

Where pension benefits were drawn prior to 6 April 2015, they may be subject to the 'Capped Drawdown' method of calculation and payment. This method restricts the amount of income you can take each year up to a maximum amount, calculated in accordance with legislation. It is possible to move from Capped Drawdown to Flexi-Access Drawdown (where there is no restriction), or purchase an annuity, but this can affect the amount of future contributions you pay to your pension scheme.

what happens if I die?

Death benefits payable from your SIPP will depend on your age when you die.

If you die before reaching age 75 the benefits in your SIPP can normally be paid tax free to your beneficiaries. These benefits can be paid as a lump sum or as an income.

If the value of your pension fund exceeds any remaining Lifetime Allowance, then any excess will be subject to a tax charge as detailed above.

If you die after reaching age 75 then any payment to beneficiaries will be subject to income tax at their marginal rate. Income can be paid to any beneficiary and not just to a financial dependant. If payment is made to an entity other than an individual, then a tax rate of 45% will apply.

If a beneficiary dies while receiving income from your pension scheme, the same death benefits will be available to their nominated beneficiaries, and tax treatment will again depend on the age the beneficiary was when they died.

can I change my mind?

You have the right to cancel your application for a period of 30 days from the date you receive your right to cancel documentation. You will have the option to waive your right to cancel, as it will not be possible to make any contributions or transfers during the 30-day period otherwise.

You will also have the right to cancel any transfers in to your SIPP for 30 days. This is irrespective of whether you have waived your right to cancel your application to join the SIPP. It is not possible to waive your right to cancel a transfer.

In the event that you do wish to cancel a transfer in, we will attempt to contact the transferring provider to request that the monies are placed back in the original contract. If this is not possible, you will need to provide details of an alternative pension scheme that the monies are to be transferred to.

Finally, you will have the right to cancel your request for a drawdown pension for a period of 30 days. If you do wish to cancel your drawdown pension, you will have to return any lump sum and income that has been paid to you. Again, it is not possible to waive your right to cancel a drawdown pension.

Any cancellation notice must be submitted to Odyssey Pensions Limited in writing.

general terms

The Odyssey SIPP is governed by the laws of England and Wales. All parties shall submit to the exclusive jurisdiction of the courts of England and Wales. All communications between you and us will be in English.

Full details of the features of the Odyssey SIPP can be found in the Terms and Conditions.

The information contained in this document is based on our understanding of current law and HM Revenue & Customs HMRC practice, which is subject to change.

additional information

what if I have a complaint?

If you are not satisfied with any aspect of our service and wish to make a complaint, please contact us in writing using the contact information detailed below. Details of our complaint handling procedures are available on request.

If you are not happy with the way in which your complaint is handled, or are unable to obtain a satisfactory resolution, you can contact the Financial Ombudsman Service at:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Tel: 0800 0234 567

In addition, you can refer your complaint to the Pensions Ombudsman if you are unhappy with how your pension plan is run:

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB

Tel: 020 7630 2200

contact information

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Authorised and Regulated by the Financial Conduct Authority

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