

Full SIPP option (MW SIPP2)

This is a “full” SIPP which allows the full investment freedom associated with a SIPP. It is also different from a “hybrid” or “tied” SIPP where your investment may be limited to the products of the provider or where, for example, property investment is not allowed.

Online Application Pack now available on our website : www.mwpensions.co.uk

Investments

Quoted shares, cash, commercial property and the EXOTICS: gold bullion, unquoted shares and residential property using GDCV. Effectively no exclusions (subject to HMRC rules)

HIGH INTEREST BANKING (FOR BOTH ACORN AND FULL SIPP)

About 25% of SIPP assets are typically carried in cash and research shows that interest rates offered by some SIPP providers are disappointingly low, often to subsidise ostensibly low "headline" SIPP charges.

To assess the importance of this interest rate, please consider the following table (on £20k balance held for one year). The cash interest that accrues is:

3.5%	4%	4.5%	4.75%	5.05%	5.38%
£700	£800	£900	£950	£1010	£1076

The figures in the first three columns are perhaps not untypical of the rates that may be offered in some SIPPs – some SIPPs offer even less than 3.5%!

4.75% is the rate we currently offer for instant access cash balances, with a choice of banks.

5.05% is the rate we currently offer for 1 month access (but with 25% of funds available for instant access)

5.38% is the rate we currently offer for 12 months fixed

Full details are attached. Please note these rates apply to all balances in excess of £1,000.

(We don't subsidise artificially low headline SIPP fees by offering lower interest rates).

NB: The rates apply regardless of the amount in an account. The extra interest earned in some cases may more than cover any perceived fee difference

FEES AND SERVICES FOR MW SIPP2

Set up Fee £350

Fee includes: Consultancy/meetings; HMRC communication; Legal documentation; Appointment of Trustee; Setting up full records; scheme bank accounts; member communication; Any contributions – personal/company/lump sum/regular and claiming any associated tax relief.

Annual Fee £600 per annum (including year 1, paid annually in advance)

Fee includes: Consultancy/meeting; Member communication; Maintenance of all scheme records and bank accounts; Signing of all documents; Administration and implementation of any investments; Arranging all contributions and associated tax relief reclaim; Annual valuation statement, Liaison with HMRC

Additional fees for infrequent activities

- ❖ **Cash Transfers £ 95 per transfer**
- ❖ **In-specie transfers £250 per transfer**
- ❖ **Benefit Crystallisation Events £150**
- ❖ **5 yearly pension review £150**
- ❖ **Pension payments £10 per payment**

Separate fees are charged for investment in such things as commercial property, gold bullion, unquoted shares and investment in residential property using GDCV. These are available on request

NB: All fees are in advance and subject to VAT

MW ACORN SIPP – The Simple Low Cost Starter SIPP

The MW ACORN SIPP is a starter SIPP. It aims to help small funds to grow into larger funds over time. It enjoys all the tax advantages of the SIPP structure but allows the member and adviser to enjoy investment freedom and not be restricted to the products of a particular provider. Nor are you tied, for example, to cash or one investment. There will be a high level of service for members. We are not a call centre. The fee structure is very simple and completely transparent to suit smaller funds, but it may also be suitable for some larger funds
Acorn is not suitable for drawdown.

The features of the **MW ACORN SIPP** are:

- ❖ **Simple competitive fee structure**
- ❖ **No set up fee to erode fund value**
- ❖ **No transaction charges**
- ❖ **No small print**
- ❖ **Wide choice of investments**
- ❖ **Simple online registration**
- ❖ **Choice of high interest banking for cash deposits**

Who would benefit from the MW ACORN SIPP?

- ❖ Anybody who wants to build up a pension fund from a low base without it being eroded by excessive or hidden charges
- ❖ Anybody who has a small fund languishing unloved in an insurance company
- ❖ Anybody who wants to start contributing into a pension, either personally, through his company or through a third party
- ❖ Anybody who wants to contribute a lump sum or on a regular basis
- ❖ Anybody who wants exposure to a wider range of investments and not be tied to insurance products
- ❖ Anybody who wants to set up a pension fund for a third party, for example, for children or grandchildren – a Family SIPP
- ❖ Anybody who wants more control of their investments or is looking to build a fund, for example, to buy property
- ❖ Anybody who is or has been deterred by the plethora of poor service, small print, hidden commissions and low interest banking in the pensions industry.

What investments are allowed? (No restriction on the number of investments)

- ❖ Cash
- ❖ Quoted stocks and shares
- ❖ Insured funds
- ❖ Unit or investment trusts
- ❖ Property funds
- ❖ REITs
- ❖ OEICs
- ❖ Trustee investment plans or bonds

What does it cost? (Fees are in advance and subject to VAT)

- ❖ No set up fee
- ❖ 1% annual management fee (maximum £600 for funds that grow to £60000 or above within Acorn)
- ❖ No transaction charges for transfers, contributions, investments etc.
- ❖ (The minimum fee is £250. Funds over £60,000 will use the full SIPP option). The maximum fee is therefore capped at £600
- ❖ Simple online application form with downloadable documents

High interest banking

We can offer a choice of high interest banking from:

- ❖ Cater Allen (a minimum of £1000 must stay in this account)
- ❖ NatWest
- ❖ Yorkshire Bank
- ❖ Close Brothers Bank
- ❖ Handelsbanken
- ❖ Alliance and Leicester International
- ❖ Anglo Irish Bank

THE RATES WE OFFER ARE ATTACHED:

How can an adviser earn fees?

- ❖ A dormant client becomes a live client on a long term basis
- ❖ You may charge a fee for arranging to set up the SIPP, or an annual trail fee, or both
- ❖ Any commissions for any of the transactions/investments

With the client's agreement, your fees can be paid from the fund.

How do I register for the MW ACORN SIPP?

The process is very simple.

Visit www.mwpensions.co.uk

click on 'MW ACORN SIPP'

click on '**Registration**' and enter your details.

Alternatively, just phone or email us.

HIGH INTEREST BANKING AND MW SIPP 2

Recent research has revealed the following (all figures quoted relate to a base rate of 5.0%)

- **Only one in ten SIPPs pays more than 4% interest on cash balances**
- **Average rate of interest paid on balances of £25k was 3.4%**
- **Rates of interest paid tend to rise in line with the cash balance**
(research by Defaqto)

In these days of low interest rates, this is clearly not ideal for clients. So with this in mind we would like to announce the following rates we have agreed for clients of the MW SIPP 2, **regardless of their cash balance.**

<i>Bank</i>		<i>Type of Account</i>	<i>Rate %</i>
NatWest		Instant Access	4.75
*Handelsbanken		Instant Access	4.775
Yorkshire Bank		Instant Access	4.75
Alliance & Leicester International		1 month notice	5.05 **
Close Brothers		Anglo Irish	
Instant Access	4.70	Instant Access	5.09
1 month notice	4.84	1 month notice	5.10
3 month notice	4.875	3 month notice	5.19
6 month notice	4.9375	6 month notice	5.27
12 month notice	5.00	12 month notice	5.38
6 month fixed	5.19		
12 month fixed	5.28		

*Handelsbanken-Stoke on Trent

** 25% of total cash on deposit available instant access each month

Note: rates may fluctuate due to base rate movements etc.

Some of these banks offer other services and account types including free CHAPS payment, and bank accounts that offer advisers trail commission. Details can be made available on request.

We make no recommendation as to what clients or advisers should do with cash balances, bearing in mind that some of it is often long term money; we have merely attempted to offer clients the choice of better rates, which we are able to access because of our position as SIPP Trustee. (Note: £1,000 must remain in the underlying SIPP Provider bank account). We will take no commission from these arrangements.

If you would like to take advantage of these alternatives or would like more details, please do not hesitate to contact us.