SIPP

Clarity Wealth Limited

SIPP

Self invested personal pension

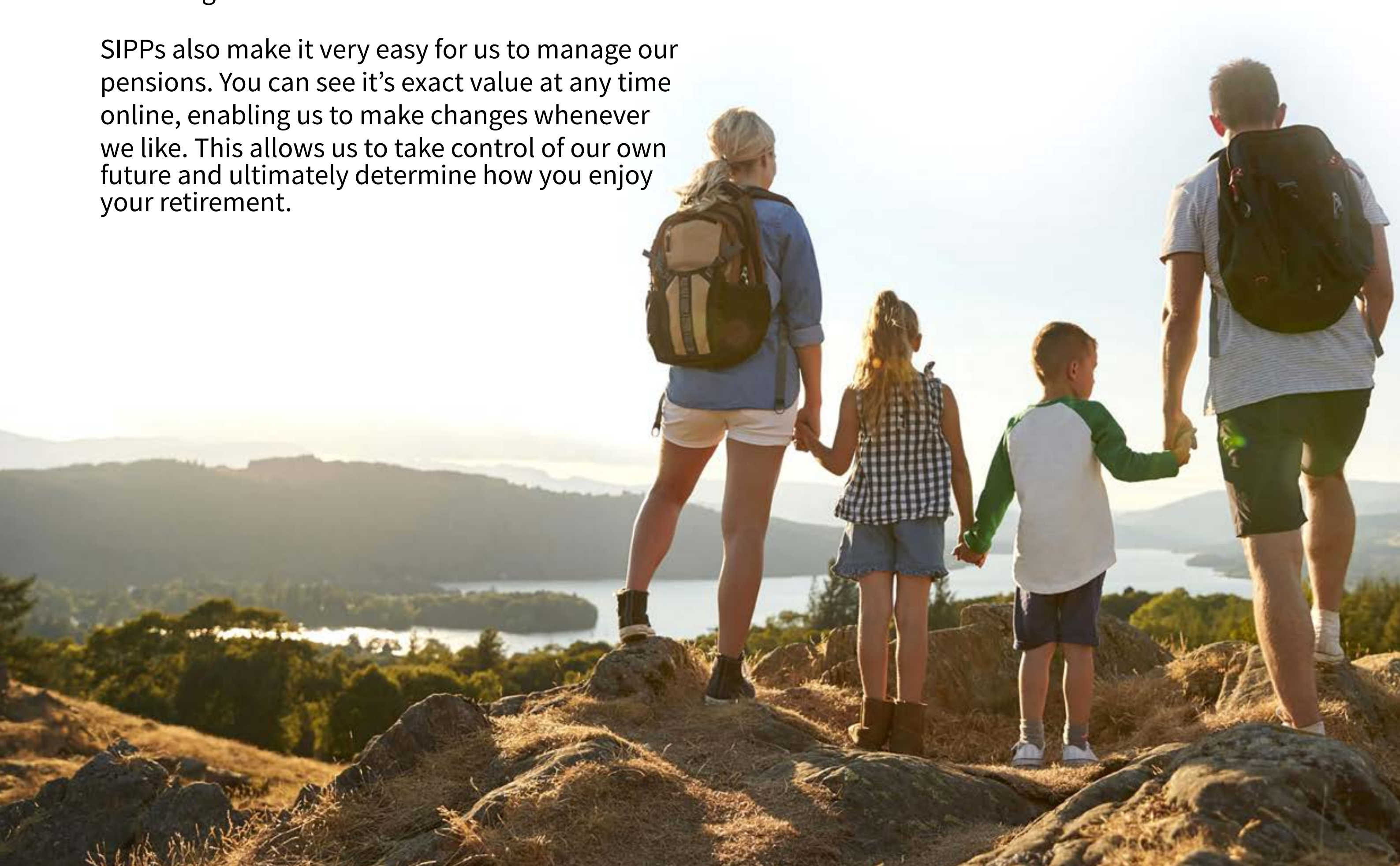
A Self Invested Personal Pension is commonly known as a SIPP. A SIPP is a type of pension that allows for a wide range of investment choices. This can include investments into commercial property, directly held shares and more typical funds, as well as a combination of all these investments also. Always remember that investments can go down in value as well as up, so the reality is that you can get back less than you invest. Pensions are designed for your retirement, so you can't usually access your pension pot until after you reach your 55th birthday, rising to your 57th birthday from 2028. Pension rules do change and tax relief will depend on your personal circumstances.

Understanding SIPP

Pensions were designed to help us save for our retirement. However, many traditional pensions do not offer the flexibility to invest where we want to. It's not always that easy to understand or see what is happening with our money.

A SIPP or self-invested personal pension, is a particular type of pension that is very versatile, allowing us to select our own investments from a wide range on offer.

SIPPs also make it very easy for us to manage our pensions. You can see it's exact value at any time online, enabling us to make changes whenever we like. This allows us to take control of our own future and ultimately determine how you enjoy your retirement.



Tax Benefits

SIPPs work in the same way as most other personal pensions in that you can pay money into it whenever you want to. The government also contributes an extra 20% in personal pension tax relief. For higher rate and additional rate taxpayers, you can claim back further tax via a tax return up to your current rate of tax, subject to limits and allowances. You can also make employer contributions which will benefit the company from a reduction in corporation tax.

Whilst invested in a SIPP your investment can grow free from UK income tax and UK capital gains tax. The tax benefits will very much depend on your personal circumstances and you should remember that tax rules are always subject to change. We would recommend that you seek professional advice from a qualified financial adviser.

Personal Pension or SIPP?

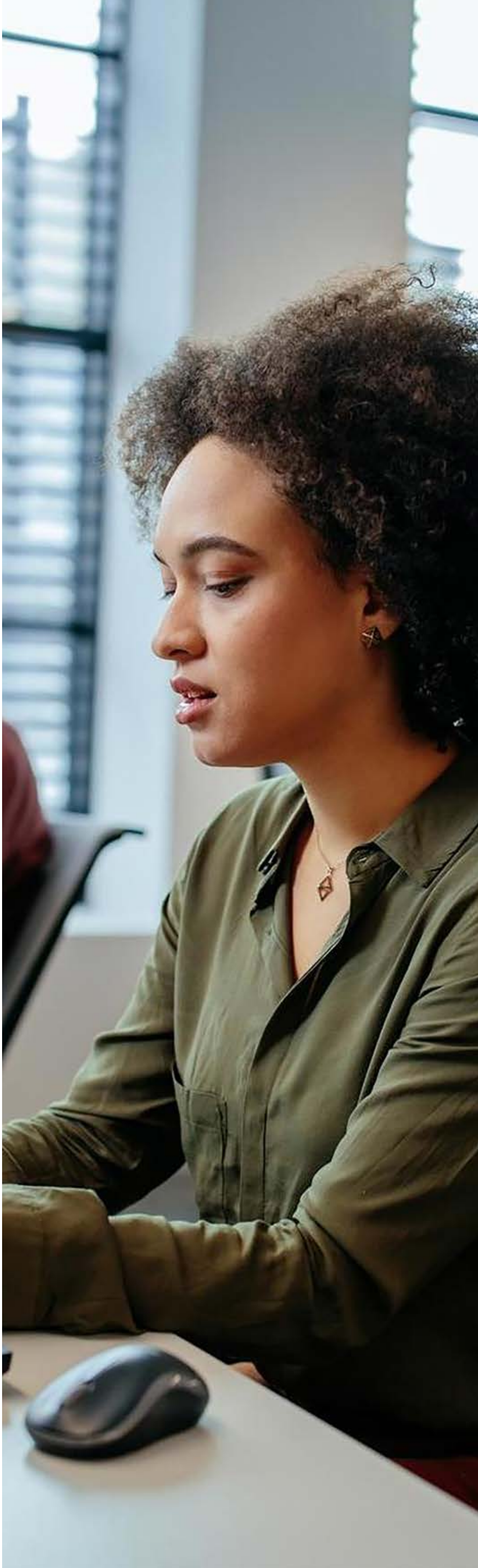
Traditional pensions can offer a wide choice from hundreds of different funds. Their charges can vary. Stakeholder pensions tend to have lower fees, but only provide a limited choice of funds.

The broad range of investment choices in SIPPs can ensure a huge difference to your personal pension. This is because of the way your investments perform which can have a big impact on the value of your pension pot and lifestyle in retirement. There is no guarantee that one type of pension will outperform another.

UFPLS

UFPLS is an Uncrystallised Funds Pension Lump Sum and is essentially an authorised payment. An UFPLS can be paid from uncrystallised monies; 25% of the payment is tax-free and the balance is taxed at the policy holder's marginal rate of tax.

Members (if their scheme allows) can take their entire money purchase pot as an UFPLS single payment, or spread across a series of smaller UFPLSs. Each of these smaller payments has a 25% tax-free element.



Investment Planning

Retirement Planning & Pensions

Business & Protection

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