

SIPP

Guide for employers

What is the SIPP?

The SIPP is part of the Alliance Trust's Pension Plan (the Scheme). The Scheme is registered with HM Revenue & Customs as a pension scheme. The Scheme is provided and administered by Alliance Trust Savings Limited, which also acts as trustee, and holds the investments within the pension.

Who are Alliance Trust Savings Limited?

Alliance Trust Savings Limited is a financial services company. We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority to operate personal pension schemes, accept deposits, arrange deals and safeguard and administer investments, which we hold as Trustee in the SIPP.

What kind of personal pension is the SIPP?

The SIPP is a self-invested personal pension (SIPP). The Scheme member is responsible for selecting and managing the investments and the investment risk to which he is exposed.

Is the SIPP a stakeholder pension?

No. Stakeholder pensions are personal pensions that must satisfy a number of government standards relating to payment levels, charges and terms and conditions. The SIPP is not a stakeholder pension because we believe these standards are not appropriate for SIPPs.

Can the SIPP be used as a Group Personal Pension?

At present, the SIPP is not marketed as a group personal pension and cannot be "branded" as such by you as an employer. We may offer this facility in the future. However, your employee can set up a SIPP on an individual basis and you can contribute to it.

Can the SIPP be used to meet an employers auto enrolment responsibilities under the qualifying scheme rules?

Our SIPP does not meet the requirements to be considered under the qualifying scheme rules for auto-enrolment. Our SIPP can be used by employees who decide to opt out of their employers auto-enrolment scheme. We cannot provide any advice to the employee or employer on whether or not this approach is appropriate.

Can your employee contribute?

Your employee may contribute to the SIPP. If your employee wishes to make personal contributions he/she should complete the SIPP application form or the instruction form if the contribution is being made after the account has been set up. Contributions can be made online or by telephone using a debit card, by Direct Debit or by cheque.

Can an employer contribute?

Yes, you can contribute to your employee's SIPP by Direct Debit or by cheque. You can do this even if the employee is not making any personal contributions. But the Account is personal to the employee, and you, the

employer, have no say in the employee's investment choice, or the management of the SIPP.

An employer makes gross contributions to the SIPP which will normally be an allowable expense for income and corporation tax purposes if wholly and exclusively for business purposes. Contributions made by you to an employee's SIPP are not subject to National Insurance and should not be declared on the employee's P11D.

If you contribute to a SIPP for your employee, you are not a party to the pension contract. To contribute you are required to complete the Employer Contributions Consent form. Please note the form must also be signed by the employee.

What responsibilities does an employer have?

If you are contributing to your employee's SIPP out of your own resources it is important that you are fully aware of your responsibilities under the relevant pensions legislation.

If the above applies, you, as an employer, have a duty to prepare, maintain and from time to time revise a record of payments detailing the amounts and due dates of contributions you have agreed to make to your employee's SIPP. You have a duty to forward to us a copy of this record. We have a duty to monitor contributions to ensure that the payments are made by the stated due date.

If you have agreed to make future contributions to your employee's pension you have a duty to inform us of these.

If you have agreed to make future payments by cheque we will not be aware of any agreed future payments. Accordingly, you must forward to us a copy of a record of payments.

If you are contributing by Direct Debit we will be aware of future amounts due. You will need to consider whether the information we have about future Direct Debits is a complete record of all the payments you have agreed to make to your employee's SIPP. If it is not, for example where you have agreed to increase your Direct Debit at a future date, you must prepare a separate record of payments and forward a copy to ourselves.

Even if you believe the information we hold is a complete record of payments due, you should still consider your obligations under the legislation and decide whether you need to submit to us a separate record of payments due. Submitting a record of payments will help to ensure that you are meeting your obligations.

If you revise your contributions you must ensure that we have a revised record of payments before making any contributions on the revised basis.

What happens if we (the employer) do not meet our obligations under the above rules?

If a contribution is not made by a due date, we are under a duty to report you, the employer, to the Pensions Regulator.

The Pensions Regulator also encourages us to report any failure to supply a Record of Payments by the first due date. In some cases we also have a duty to report an employer's failure to the employee.

Where can we (the employer) obtain further information about the rules?

Further information on these rules can be found at the Pensions Regulator web site at www.thepensionsregulator.gov.uk

Are there any contribution limits?

No. There is no limit on the amount of contributions you can pay as an employer. These contributions should be allowable for corporation tax relief if your Inspector of

Taxes, is satisfied that they are "wholly and exclusively" for business purposes.

There is no limit on the amount that employees or employers, can contribute to a SIPP within any one tax year. However, there is a limit on the amount of tax relief that can be obtained on personal contributions. Tax relief (at the highest rate on which tax is paid) will be available on contributions up to 100% of UK taxable earnings in the tax year (capped at £40,000 or for clients impacted by the Money Purchase Annual Allowance capped at £10,000), or up to £3,600 gross regardless of earnings.

What are the charges?

Details of charges can be found in our Charges Guide which you can download from the Forms and Documents at www.alliancetrustsavings.co.uk

The member bears the charges of his or her own SIPP. Thus, if you are contributing to a SIPP, the cost to you, as an employer, is the amount of the contribution you agree to make. The exception is where you require information more frequently. Also, if we are involved in increased administration because of a failure on your part (for example to reconcile your contributions in your own financial records), we reserve the right to charge you for our costs and time.

What information will I receive as an employer?

If you make contributions to an employee's SIPP we will allocate to you, the employer, a reference number which you should quote if you have to contact us. This will identify you to us, and identify to us all the employees for whom you are contributing.

We use your employee's name and his or her National Insurance number in all correspondence with you. This identifies your employee to you.

We acknowledge to you, and to your employee, all contributions which you send in by cheque, and the setting up and amendment of employer Direct Debit contributions. We do not mind whether you give employer cheques to the employee to send to us, or you send them to us directly. But we must have complete and unambiguous details from

you. If you are making any contributions by cheque, or you are amending Direct Debit instructions, you must write to us, quoting the employee's name and National Insurance number.

Before an employer contribution is allocated to an employee's SIPP, we must have written acceptance from the employee of the contribution and investment instructions. This is because the SIPP is personal to the employee.

If we receive employer contributions and are unable to allocate them because we require further information, we will retain your payment and contact you for further instructions.

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