

# Key features of the NatWest **Invest** Personal Pension Account

The Financial Conduct Authority is the independent financial services regulator. It requires us, Embark Services Limited, to give you this important information to help you to decide whether the NatWest Invest Personal Pension Account is right for you. You should read this Key Features Document carefully alongside the Key Features Illustration so that you understand what you are buying. Please keep it safe for future reference. You should be aware that stakeholder pension schemes are generally available and might meet your requirements as well as the NatWest Invest Personal Pension Account.

Embark Services Limited is a company incorporated in England and Wales (company number 02089815) with its registered office at 33 Old Broad Street, London, EC2N 1HZ. Embark Services Limited is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 120820).

TOMORROW BEGINS TODAY



NatWest

# Introducing the NatWest Invest Personal Pension Account

The NatWest Invest Personal Pension Account is a Self-Invested Personal Pension (SIPP) provided by Embark Services Limited who NatWest have chosen as their specialist pension provider. The NatWest Invest Personal Pension Account offers investment exclusively through the Personal Portfolio Funds. NatWest is the investment manager of the funds. Embark Services Limited is a company authorised and regulated by the Financial Conduct Authority as the operator of The Invest Pension Scheme ('NatWest Invest Pension Scheme') and is also the scheme administrator. Embark Trustees Limited is the trustee of the NatWest Invest Pension Scheme. All contact you receive will be through NatWest.

## Aims of the NatWest Invest Personal Pension Account

- The NatWest Invest Personal Pension Account is designed to help you plan for your future by building an investment pot for later in life in a tax-efficient way.
- It allows you to invest in one of five risk-rated investment funds.
- If you die before taking your pension benefits your pension pot can be paid out to your beneficiaries.
- When you decide the time is right (and Government regulations allow) you can access your savings by taking:
  - a tax-free lump sum and using the remaining funds to purchase an annuity; or
  - an Uncrystallised Funds Pension Lump Sum (UFPLS); or
  - a small pot lump sum in certain circumstances



## Your commitment

- You need to be confident that you understand how a pension works and is taxed, as well as what is the most appropriate investment to make for your retirement. You should take financial advice before proceeding if you are not sure.
- Once you have started to make contributions into your pension, you will normally have to wait until you reach the age of 55 (rising to 57 on and from 6 April 2028) before you can take any benefits.
- You must let NatWest know about any change in your circumstances that affects any of the following:
  - your eligibility to continue making payments into the NatWest Invest Personal Pension Account, such as your ceasing to be UK resident for tax purposes;
  - your entitlement to tax relief on the contributions you make to your NatWest Invest Personal Pension Account, such as your becoming subject to the Money Purchase Annual Allowance or a change in your employment situation;
  - the administration of your NatWest Invest Personal Pension Account, such as changing your address.
- Should you decide to take benefits from your plan with us, you can only do so by taking a tax free lump sum and an annuity at the same time (you will need to inform us which annuity provider you want to use); an UFPLS; or a small pot lump sum (provided certain circumstances apply).
- It's vital to check the value of your pension pot regularly to make sure that you are on target to meet your needs at your intended retirement age. If you think you are falling short of your goals you may want to consider additional contributions.

# Risks

- **Any final value is not guaranteed**

The value of your pension pot may go down as well as up and you may get back less than you invested. The risk profile of your NatWest Invest Personal Pension Account will depend upon which fund you are invested in.



- **Giving up valuable rights**

When you transfer funds from other pension schemes into your NatWest Invest Personal Pension Account, you may have to give up certain benefits and entitlements that aren't included with your NatWest Invest Personal Pension Account.

- **Different tax reliefs and tax charges may apply**

The tax treatment of pensions can be complex and should be considered carefully when you make contributions, take benefits and/or wish to leave benefits to beneficiaries. The tax treatment of your pension may change if the law changes.

- **Fees and charges on your pension may change**

Your NatWest Invest Personal Pension Account will be subject to fees and charges, as set out in your Key Features Illustration, the NatWest Invest Service Terms and Conditions and Your Guide to Fees & Charges. These fees and charges may change in the future.

- **Income from an annuity may be lower than you expect**

Your retirement income from your annuity could be less than you expect if investment growth over the lifetime of the Account, annuity rates at the time you take your benefits, or both, are lower than expected. The retirement income could also be less if you reduce or stop payments into your Account. If you receive means tested benefits, purchasing an annuity might mean they are reduced or stopped.

- **The amount you can contribute may change once you take benefits**

Taking income via an UFPLS will have implications on the maximum level of contributions you can make in the future. If you intend to continue making contributions after taking an UFPLS, you should discuss this with your financial adviser.

# Questions and Answers

## **Q What is the NatWest Invest Personal Pension Account?**

**A** The NatWest Invest Personal Pension Account is a Self-Invested Personal Pension (SIPP) designed to help you plan for your future by investing for your retirement in a tax-efficient way.

You decide which one of the five risk-rated investment funds available through the NatWest Invest Personal Pension Account to invest in.

If you are employed, you should consider whether it would be better for you to join your employer's pension scheme if you haven't done so already.

## **Q How can I invest?**

**A** NatWest Invest Personal Pension Account is only available through NatWest Invest.

## **Q Who can contribute to my NatWest Invest Personal Pension Account?**

**A** Only you can make contributions to your NatWest Invest Personal Pension Account. Employer and other third-party contributions are not permitted.

You must be aged 18 or over and under the age of 75 and be a UK resident for tax purposes. You cannot make contributions if you are a US citizen or US Green Card holder.

## **Q Is there a minimum amount I need to pay to open a NatWest Invest Personal Pension Account?**

**A** You need to start your NatWest Invest Personal Pension Account with at least £50. This can be an initial lump sum contribution, a regular monthly contribution or a transfer of an existing pension. You can also make subsequent monthly contributions of at least £10.

Clients can start a pension with:

- Single contribution of £50; or
- Monthly contribution of £50; or
- Transfer Value of £50.

## **Q How will my NatWest Invest Personal Pension Account be invested?**

**A** You will be able to choose one of five risk-rated investment funds managed by a highly experienced investment team. Each fund is a diverse portfolio of different investment assets, and has a different target investment return and corresponding level of risk. You will be asked to choose your investment fund when you set up your pension, but will be able to change your pot to another one of the five funds at any time.

When you make contributions or transfers to your pension the money will be invested automatically in your chosen fund.

## **Q I have investments in other pension schemes. Can I transfer these to my NatWest Invest Personal Pension Account?**

**A** You can transfer money from most personal pensions, including SIPPs and stakeholder pensions, into your NatWest Invest Personal Pension Account, so long as you haven't started to take benefits from them, including taking tax-free cash sums. You cannot transfer from defined benefit schemes, including final salary schemes. The transferring pension company will sell its underlying investments, unless you already hold PPF which may be able to be transferred in specie if this is your preference, and send your transfer value to the NatWest Invest Personal Pension Account as cash. This cash will be invested in your chosen Personal Portfolio Fund once it arrives and will incur charges from the date of receipt. You are able to transfer your other pensions into NatWest Invest Personal Pension Account if you are under the age of 75.

Transferring from some pension schemes may mean losing benefits or guarantees, or incurring high exit fees on leaving your current provider, speak to your current pension provider to determine what costs you might incur through transferring your pension to NatWest.

There is no guarantee that the benefits you will eventually receive from your NatWest Invest Personal Pension Account will be higher than from your current scheme.

The decision on whether to transfer your pension can be complex. You should speak to a financial adviser if you're unsure about the best course of action.

## **Q When can I start to take benefits from my NatWest Invest Personal Pension Account?**

**A** When you open your NatWest Invest Personal Pension Account you will be asked to confirm your intended retirement age, but you are not held to this and can change this later if you wish. NatWest will use your intended retirement age so they can contact you as you approach it to explain the options you have.

At the moment you can access your pension from the age of 55.

If you experience serious ill health then your pension pot can be paid out as a lump sum, and if you die it can be paid out as a lump sum or transferred to another scheme by the beneficiary

## **Tax benefits and considerations**

### **Q What happens if I die before age 75?**

**A** If you die before age 75, the value of your pension investments may be paid to your beneficiaries as a lump sum or transferred to another scheme by the beneficiary. Pension benefits will normally be tax-free as long as the total benefits across all of your pensions are within the Lump Sum and Death Benefit Allowance (currently up to £1,073,100) set by the government; and as long as the benefits are paid within two years of your death. If the benefits are paid outside this two year period, they will be subject to income tax at the beneficiary's marginal income tax rate.

## **Q What happens if I die after age 75?**

**A** If you die after age 75, the value of your pension can still be passed to your beneficiaries. This will be subject to income tax at the beneficiary's marginal income tax rate; the beneficiary will need to refer to the relevant bandings and charges for the applicable tax year.

## **Q Are there limits on the amount I can contribute to my NatWest Invest Personal Pension Account?**

**A** There is a limit on how much you can contribute to your pension and still receive tax relief; this is the greater of £3,600 or your relevant UK earnings.

You also need to consider the Annual Allowance, which is currently £60,000. If you pay pension contributions in one year that are more than the Annual Allowance you may have to pay tax on the amount that is above the Annual Allowance, this is known as the Annual Allowance Charge.

If you take benefits from a defined contribution pension in certain ways, you will also be subject to the Money Purchase Annual Allowance of £10,000; this means that you will be taxed on any pension contributions you make to a defined contribution pension above this amount.

There is no maximum amount you are allowed to transfer from other pension plans to the NatWest Invest Personal Pension Account.

## **Q What tax relief is available on contributions to my NatWest Invest Personal Pension Account?**

**A** Tax relief is normally available on your pension contributions, although if you make pension contributions above the Annual Allowance you may be taxed on the amount above the Annual Allowance. Your tax relief is based on the lower of your total relevant UK earnings and your Annual Allowance.

- Relevant UK earnings include UK employment income and UK self-employment income, but do not include some other types of income – Investment income, for example.
- The standard Annual Allowance is currently £60,000. If your adjusted income, including the value of any pension contributions, is over £260,000, and excluding pension contributions is over £200,000, your Annual Allowance should be reduced by £1 for every £2 of 'adjusted income' between £260,000 and £360,000, meaning your tapered Annual Allowance could be as low as £10,000.

You should however, be able to make a gross contribution of up to £3,600 (including basic rate tax relief at source) even if you don't have sufficient relevant UK earnings in a tax year.

Basic rate tax relief at source (currently 20%) should be added to your pension pot when you make a qualifying contribution. This means that for every £80 you currently contribute to your pension, HMRC will pay in an additional £20. If you pay a higher rate of tax than 20%, you may be able to claim tax relief on the excess amount in your tax return. Alternatively, you can apply to have your tax code adjusted. This will reduce your overall tax liability rather than be added to your pension pot. No tax relief is available on pension contributions paid by those at or over the age of 75.

### For example, if during the tax year you earn:

£3,600 or less	You can make a net contribution of £2,880 and basic rate tax relief of £720 should be added to your pension pot bringing the total up to £3,600.
£25,000 (basic rate taxpayer)	You can make a net contribution of £20,000 and basic rate tax relief of £5,000 should be added to your pension pot bringing the total up to £25,000.

If the 'total gross contributions' to all of your pension pots after taking into account your basic tax relief at source for a given tax year exceed your Annual Allowance you may be liable to the Annual Allowance Charge. This has the effect of cancelling out the tax relief on your contributions in excess of your Annual Allowance.

Taking benefits from your pension pots in certain ways may trigger what's called the Money Purchase Annual Allowance (MPAA), which limits how much you can contribute to defined contribution pensions, including your NatWest Invest Personal Pension Account. This will restrict the amount that can be paid into your NatWest Invest Personal Pension Account, or any other 'money purchase' pension to no more than £10,000 in any given tax year. If you are subject to the MPAA you are not eligible to take out a NatWest Invest Personal Pension Account and should speak to a financial adviser.

It's possible to pay contributions over the maximum Annual Allowance without incurring an Annual Allowance tax charge by 'carrying forward' your unused allowances from the previous three tax years. You'll need to have been a member of a UK-registered pension scheme in those years and receive sufficient relevant UK earnings in the tax year you are carrying forward to.

However, you can't increase the MPAA by carrying forward unused allowance from previous years.

### **Q What is the Lump Sum Allowance?**

**A** The Lump Sum Allowance limits the amount that can generally be paid from your pension without the deduction of tax. It is currently £268,275 but you may be entitled to a higher amount if you have any pension protections in place.

### **Q What is the Lump Sum and Death Benefit Allowance?**

**A** The Lump Sum and Death Benefit Allowance limits the amount you can pass on to your beneficiaries through your pension before your beneficiaries pay income tax. It is currently £1,073,100 but you may be entitled to a higher amount if you have any pension protections in place.

### **Q Can I take out a NatWest Invest Personal Pension Account if I have any Pension Protections or if I am subject to the Money Purchase Annual Allowance?**

**A** No. If you previously had Lifetime Allowance Protection and/or have accessed pension benefits in such a way that means that the Money Purchase Annual Allowance (MPAA) applies to you then you are not eligible to take out a NatWest Invest Personal Pension Account and should speak to a financial adviser. The provider paying your retirement benefits should tell you whether the MPAA applies to you. We cannot accept a transfer from a pension where benefits have already been taken.

## **Q How am I taxed on the investments within my NatWest Invest Personal Pension Account?**

**A** You are not subject to UK income tax or capital gains tax on investments in your NatWest Invest Personal Pension Account. Your investment fund may incur its own taxes, including on foreign investments which may be subject to foreign taxes.

## **Q How are my pension benefits taxed?**

**A** How you are taxed on your benefits depends on how you take your benefits and other factors such as your other income. Similarly, the extent to which your pension is subject to inheritance tax and your beneficiaries are subject to tax on benefits can vary depending on the circumstances.

At your intended retirement date, you have several options for taking benefits from your pension pot. You can choose to take your pension as a single lump sum or take a tax free lump sum and purchase an annuity with the remaining pot.

Your tax free lump sum is not subject to any tax.

If you choose to purchase an annuity with the remaining 75% of your fund, this amount is also not taxed at the point the annuity is purchased. However, the income paid to you by the annuity provider will be subject to income tax depending on your own tax situation.

If you are taking your pension as a single lump sum (either as an UFPLS or a small pot lump sum), the remaining 75% of your payment will be taxed depending on your tax situation. We will deduct the tax before making the payment.

## **Q If my pension income is taxed when I retire, why are pensions good value?**

**A** Individual pension contributions receive tax relief at the basic rate of tax when they are paid, and you can reclaim higher or extra rate tax if you pay tax at that level; remember that if you contribute more than the Annual Allowance there may be a tax charge for those extra contributions. You can usually take up to 25% of your pension pot tax-free. Depending on your tax rate during your working life and in retirement, you may also end up paying a lower rate of income tax on pension withdrawals than the rate on which you get tax relief when paying into your pension. For example, you could pay income tax at the higher rate while working, but only the basic rate when taking your pension benefits and living on a smaller income. Plus, investments held in your pension benefit from exemptions from UK income tax and capital gains tax, so overall a pension scheme is a tax-efficient way of saving.



## Fees and Charges

NatWest pays Embark Services Limited a fee to operate the NatWest Invest Personal Pension Account. You don't pay Embark Services Limited any additional fee in relation to the administration of your pension.

You will pay fees and charges for your NatWest Invest Personal Pension Account as follows:

### **Fund ongoing charge is capped at 0.4% a year**

This charge is taken directly from the fund by the Manager. It is made up of an annual management charge averaged out over the year and taken on a daily basis, and other expenses relating to the underlying investments that are taken when they arise.

### **Platform fee up to 0.15% a year**

NatWest takes a quarter of this fee directly from your pension fund four times a year, based on the average value of your investments over the relevant quarter: 31 March, 30 June, 30 September and 31 December.

Full disclosure of fees and charges including transaction costs are provided in Your Guide to Fees & Charges.

### **If you change your mind**

#### ***Cancelling your application***

You have the right to cancel your NatWest Invest Personal Pension Account within 30 days from the date you receive your welcome pack.

#### ***Cancelling a pension transfer***

You have the right to cancel a pension transfer into your NatWest Invest Personal Pension Account within 30 days from the date you receive confirmation that we've accepted your transfer request. If you exercise your right to cancel and the existing pension provider has released the transfer we will attempt to repay the money back to your scheme, although the transferring scheme may refuse to accept the payment. In these cases you will have to transfer the money to an alternative registered pension scheme.

Please note that if your investment has fallen in value before you exercise your cancellation right, you may get back less than you invested.



#### ***Cancelling taking benefits***

If you decide to take benefits from your plan with us, either as Tax Free Cash and an Annuity, an UFPLS or a Small Pot Lump Sum, we will close your NatWest Invest Personal Pension Account down once these benefits have been paid out.

You will have no cancellation rights when taking benefits this way and therefore you will not be able to reverse the transaction should you change your mind.

If you elect to purchase an annuity, your chosen provider will however give you cancellation rights for the annuity only.

#### ***How to exercise your right to cancel***

You can exercise your right to cancel by contacting NatWest. You'll need to tell us your name and pension account reference and whether you wish to cancel a specific pension transfer, or, if you are within 30 days of receiving your welcome pack, your entire account.

Please send your written cancellation notification to the following address.

**NatWest Invest  
Second Floor  
Trinity Quay 2  
Avon Street  
Bristol  
BS2 0PT**

If we don't receive your cancellation notice within the 30 days you will remain invested in the NatWest Invest Personal Pension Account.

### **You have a right to change your mind within 30 days:**

- From the date you receive your welcome pack
- From the date we confirm to you that we've accepted your transfer request
- Note: Withdrawals from your pension either by tax free cash, UFPLS and small pot lump sums do not have cancellation rights

## Further information

### **Financial Services Compensation Scheme (FSCS)**

The FSCS is a scheme established by the UK Government to provide compensation to customers if an FCA regulated financial services company is declared in default and is unable to meet its financial obligations.

As a member of the NatWest Invest Pension Scheme, you may be entitled to claim compensation if Embark Services Limited or NatWest are declared in default and are unable to meet their financial obligations.

You can find further information about the eligibility conditions and compensation limits that apply to the FSCS at: [www.fscs.org.uk/what-we-cover/pensions/](http://www.fscs.org.uk/what-we-cover/pensions/)

### **Making a complaint**

If you are not satisfied with any aspect of your pension and wish to make a complaint, please contact NatWest Invest on **0345 877 7103** (for Relay UK prefix the number with **18001**).

If the complaint relates to the service provided by Embark Services Limited, NatWest will refer the complaint to Embark Services Limited and Embark Services Limited will respond to you directly.

Making a complaint will not affect your legal rights.

If you are not satisfied with the response, you may also refer your complaint to the Financial Ombudsman Service (FOS), which is an independent dispute resolution service. Their contact details are:

**Financial Ombudsman Service**  
**Exchange Tower**  
**London E14 9SR**  
[www.financial-ombudsman.org.uk/](http://www.financial-ombudsman.org.uk/)  
**0800 0234 567**

If you are not satisfied with Embark's response and your complaint relates to the administration of your pension plan, you may refer your complaint to MoneyHelper (part of the Money & Pensions Advice Service), MoneyHelper is an independent non-profit organisation who can help you resolve a pension complaint or dispute. Their contact details are:

**The Money and Pensions Service,**  
**Holborn Centre,**  
**120 Holborn,**  
**London,**  
**EC1N 2TD**  
[www.moneyhelper.org.uk/en/pensions-and-retirement](http://www.moneyhelper.org.uk/en/pensions-and-retirement)  
**0800 011 3797**

You may also be able to refer your complaint to The Pensions Ombudsman (TPO), if it relates to how your pension plan is run. Their contact details are:

**The Pensions Ombudsman**  
**10 South Colonnade**  
**Canary Wharf**  
**E14 4PU**  
<https://www.pensions-ombudsman.org.uk/>  
**0800 917 4487**

### **General**

If you live in Scotland, Scots law applies to your NatWest Invest Pension Scheme. If you live elsewhere, English law applies to your NatWest Invest Pension Scheme. If there's a dispute between us, you can take legal action against us in any UK court.

All communications between you, NatWest and Embark Services Limited will be in English.

Full details of the features of the NatWest Invest Pension Scheme can be found in the Terms and Conditions on the NatWest Invest website.

The information contained in this document is based on our understanding of current law and HMRC practice, which may change.



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