

The Rules of The Novia Self Invested Personal Pension

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1. Interpretation

The following words in the Scheme shall have the following meanings.

Where a word or phrase is defined by a reference to a statutory or regulatory provision, and includes an explanation or description of the provision, the explanation or description does not affect the construction or interpretation of the provision.

Accretion means an increase in the value or holding of sums and/or Assets.

Act means the Finance Act 2004, as amended.
Authorised Lump Sum is defined in section 166 of the Act. Authorised Pension is defined in section 165 of the Act.

Beneficiary means either a dependant, nominee or successor.

Basic Amount is defined in section 190 of the Act.

Basic Rate (tax relief) is defined in section 832 of the Income and Corporation Taxes Act 1988.

Contribution means a payment to the scheme made by or on behalf of the member that is allocated to an arrangement that has been made in order to provide benefits in respect of the member.

Dependant is defined in schedule 28 of the Act.

Designation means the process by which uncrystallised funds become available for the Drawdown Pension.

Drawdown Pension is defined in schedule 28 of the Act.

Earmarking Order means a court order as a result of divorce proceedings that requires periodic payments to be made from the Member's Fund to the person named as the recipient of the order.

Employer means the current employer or employers of a Member.

FSCS means the Financial Services Compensation Scheme.

Group SIPP means the Group Novia Self-Invested Personal Pension held under the Scheme.

HMRC means Her Majesty's Revenue and Customs.

Ill-health condition is defined in schedule 28 of the Act.

Lifetime Annuity is defined in schedule 28 of the Act.

Lump Sum Death Benefit is defined in schedule 29 of the Act.

Member means an individual who has made, or in the case of a minor has had made on their behalf, one or more arrangements under the Scheme for the provision of benefits.

Member's Fund is the sums and Assets held for the benefit of the member within one or more arrangements under the Scheme.

Minor is a person under the age of 18.

Mis-Selling Claim means all the Members rights against a relevant financial adviser in respect of a Mis-Sold Investment together with all of the Member's rights, claims and causes of action against any other person or against any fund or property in the hands of any other person in connection with or arising out of the circumstances giving rise to such mis-selling claim or otherwise relating to it, whatever the nature of such claim.

Mis-Sold Investment means an investment purchased by a Member through the Scheme as a result of mis-selling by a financial adviser."

Mis-Sold Investment Assignment means an assignment by a Member to FSCS of (i) their beneficial ownership in a Mis-Sold Investment or (ii) their contractual entitlement to receive sums calculated by reference to the value of a Mis-Sold Investment.

Money Purchase is defined in section 152 of the Act.

Nominee is defined in schedule 2 of the Taxation of Pensions Act 2014.

Normal Minimum Pension Age is defined in section 279 of the Act.

Pension Credit means a payment made to a pension arrangement made for the benefit of the person named as transferee in a pension sharing annex.

Pension Sharing Order is a court order as a result of divorce proceedings that requires all or part of a member's pension rights to be transferred to a former spouse.

Personal Pension Scheme is defined in section 1 of the Pension Schemes Act 1993.

Protected Pension Age means a pension age that is earlier than the normal minimum pension age that applies to the member as a result of the rules of the Scheme granting an unqualified right to take pension benefits before age 55, which is transitionally protected under the Act.

Provider means Wealthtime (a trading name of Novia Financial plc).

Qualifying Recognised Overseas Pension Scheme is defined in section 169 of the Act.

Registered Pension Scheme means a pension scheme that is registered under part 4, chapter 2 of the Finance Act 2004.

Relevant UK Earnings is defined in section 189 of the Act.

Rules means the rules of the scheme. 'Rule' shall be construed accordingly.

Scheme means the Novia Self-Invested Personal Pension.

Scheme Administrator means Wealthtime (a trading name of Novia Financial plc).

Scheme Documents include the trust deed that established the Scheme, as well as the rules and documents that must be completed before a person becomes a member of the Scheme.

Scheme Pension is defined in schedule 28 of the Act.

Short-Term Annuity is defined in schedule 28 of the Act.

Successor is defined in schedule 2 of the Taxation of Pensions Act 2014.

Sums and Assets means the amount of cash on deposit plus the units held in the financial instruments that the Scheme Administrator deems attributable to an arrangement.

Tax Year is a period of one year commencing on 6 April and ending on the following 5 April.

Transfer means a payment made between a Registered Pension Scheme and/or Qualifying Recognised Overseas Pension scheme in respect of a Member's existing pension rights.

Transferee means the recipient of a pension credit.

Uncrystallised Funds Lump Sum Death Benefit is defined in schedule 29 of the Act.

2. Introduction

Scheme Status

2.1 The Scheme is a personal pension scheme executed under a deed of trust. The purpose of the Scheme is to provide retirement, ill-health and death money purchase benefits as described in the Scheme documents.

2.2 The Scheme is a Registered Pension Scheme under Part 4, Chapter 2 of the Finance Act 2004, on the Status of Rules.

2.3 The rules are to be read in conjunction with the deed of trust that was executed in order to establish the Scheme.

2.4 In the event of any inconsistencies between other documentation and the Rules, the latter shall prevail unless otherwise expressly stated within the Rules.

3. Members, Arrangements and Funds

Becoming a Member

3.1 In order to become a member of the Scheme, a person will be subject to an application procedure determined by the Scheme Administrator under which:

- i. the Member agrees to be bound by these Rules; and
- ii. the Scheme Administrator agrees to administer the Scheme as required by these Rules.

A person may become a Member only if the Scheme Administrator agrees.

The Scheme Administrator may reject an application for membership where they believe accepting the application may result in a breach of the terms of the Rules.

3.2 Where an applicant is under age 16 or, for those not in employment in England, Wales and Northern Ireland under the age of 18, the application must be made by the applicant's legal guardian. The legal guardian must give an undertaking that he or she understands that any payments to the Scheme can only be used to provide benefits for the Member under these Rules and will not be repaid except as permitted by these Rules.

Arrangements

3.3 The sums and Assets that represent a Member's entitlement to benefits under the Scheme will be allocated to one or more arrangements in accordance with this Rule.

3.4 For the purposes of the Scheme an arrangement may be defined as either:

- i. An uncrystallised arrangement;
- ii. A Drawdown Pension arrangement; or
- iii. A beneficiary's Drawdown pension arrangement.

For the purposes of the Act, one arrangement can be defined as a combination of one Drawdown Pension arrangement and its associated uncrystallised arrangements.

3.5 Contributions and uncrystallised transfers in to the Scheme in respect of the Member may be assigned to one or more uncrystallised arrangements.

3.6 Uncrystallised arrangements may be merged or split subject to the agreement and requirements of the Scheme Administrator.

3.7 The first designation of uncrystallised funds from an uncrystallised arrangement that does not already have an associated Drawdown Pension arrangement will result in the creation of a new Drawdown Pension arrangement to which the uncrystallised arrangement will be associated. Any subsequent designations from the uncrystallised arrangement must be made to the associated Drawdown Pension arrangement.

3.8 Transfers in Drawdown Pensions that commenced on or after 6 April 2006 must be assigned to a new Drawdown Pension arrangement.

On completion of a transfer of a Drawdown Pension that commenced

on or after 6 April 2006, the Scheme Administrator may create an uncrystallised arrangement and associate this arrangement with the Drawdown Pension arrangement. The uncrystallised arrangement will not have a fund until such time as contributions or transfers are allocated to that arrangement. Further designations may be made to a Drawdown Pension arrangement in respect of a Drawdown Pension commenced on or after 6 April 2006.

3.9 Transfers in of Drawdown Pensions that commenced prior to 6 April 2006 must be assigned to a new Drawdown Pension arrangement. A Drawdown Pension arrangement in respect of a Drawdown Pension that commenced prior to 6 April 2006 will not be associated with an uncrystallised arrangement. No further designation of funds may be made to a Drawdown Pension arrangement in respect of a Drawdown Pension that commenced prior to 6 April 2006.

3.10 A Beneficiary's Drawdown Pension arrangement will not be associated with an uncrystallised arrangement. No further designation of uncrystallised funds may be made to a beneficiary's Drawdown.

3.11 A Drawdown Pension arrangement may not be split into two or more arrangements. Two or more Drawdown Pension arrangements may not be merged to form one new Drawdown Pension.

Funds

3.12 The Scheme Administrator shall maintain one or more funds in respect of the Member.

1.2 The sums and Assets allocated to an uncrystallised arrangement will constitute the Member's Fund in respect of that arrangement and may also be referred to as the uncrystallised fund in respect of that arrangement.

1.3 The sums and Assets allocated to a Drawdown Pension arrangement will constitute the Member's Fund in respect of that arrangement and may also be referred to as the Drawdown Pension fund in respect of that arrangement.

1.4 The sums and Assets allocated to a beneficiary's Drawdown Pension arrangement constitute the beneficiary's fund in respect of that arrangement and may also be referred to as the beneficiary's Drawdown Pension fund in respect of that arrangement.

1.5 The value of a Member's Fund shall be calculated:

(a) By adding together:

i. the value of any investments purchased or notionally purchased out of the contributions paid by or on behalf of the Member plus transfers in from other pension schemes; and

ii. any other Accretion to the Scheme's Assets which the Scheme Administrator considers to be referable to the Member.

(b) By deducting any sums applied by the Scheme Administrator in the purchase of annuities, the payment of benefits, the discharge of expenses and taxes, the payment of transfer amounts or otherwise where these Rules state that the payment should be deducted from the member's funds or the Scheme Administrator considers that the payment is referable to the Member and that it is fair to do so.

4. Contributions

4.1 Contributions paid by a member or by a third party which is not the Member's Employer on behalf of the Member will be considered 'member contributions'.

4.2 Contributions paid by a Member's Employer(s) on behalf of a Member will be considered 'Employer Contributions'.

4.3 Contributions are restricted to the higher of 100% of the Member's relevant UK earnings or the basic amount in each tax year.

4.4 Contributions must be paid net of basic rate income tax.

4.5 The Scheme Administrator will claim the basic rate (tax relief) on all contributions and apply that tax relief to the Member's Fund.

Employer contributions

4.6 There is no restriction on the amount of contributions that may be paid by an employer on behalf of the Member.

4.7 Employer contributions must be paid in gross.

4.8 Contributions may only be paid in a form permitted by the Scheme Administrator.

5. Transfers In

5.1 In each case, at the discretion of the Scheme Administrator, transfers in may be accepted from other Registered Pension Schemes and Qualifying Recognised Overseas Pension Schemes or any other 'Pension Scheme' (as that term is defined in section 150 of the Finance Act 2004).

5.2 Transfers in as a result of the award of a Pension Credit may be accepted at the discretion of the Scheme Administrator.

5.3 Transfers in that have an Earmarking Order attached may be accepted at the discretion of the Scheme Administrator.

5.4 Transfers in may only be accepted in a form permitted by the Scheme Administrator.

5.5 Transfers in will only be accepted with the Member's prior consent.

6. Pension Date

6.1 The pension date will be the date that entitlement to the Authorised Pension arises.

6.2 The pension date will not be before the Member attains normal minimum pension age as determined by the Act except where:

- i. the Member meets the ill-health condition as determined by the Act and the Member has ceased to carry on the member's occupation; or
- ii. the Member is entitled to a protected pension age.

7. TransAction Processing

7.1 At the request of the Member, the Scheme Administrator may at its discretion apply all or part of the Members' Fund in respect of an arrangement to provide:

- i. Authorised Pension benefits in accordance with the Act;
- ii. Authorised Lump Sum benefits in accordance with the Act. Subject to the restrictions below:
 - i. The Scheme does not provide a Scheme Pension but may exchange all or part of a Member's Fund in order to secure a Scheme Pension with another provider;
 - ii. The Scheme does not provide a Lifetime Annuity but may allow the purchase of a Lifetime Annuity with another provider;
 - iii. The Scheme does not provide for and does not allow the purchase of a Short-term Annuity from a Drawdown Pension fund.

7.2 The Scheme Administrator may at its discretion pay certain Authorised Lump Sum benefits to a Member without receiving a request to do so from the Member.

8. Transfers Out

8.1 Members have a right to require the Scheme Administrator to use the cash equivalent of their accrued benefits to acquire rights under another pension scheme (Chapter IV of Part IV of the Pension Schemes Act 1993). The Scheme Administrator will comply with the Member's requirement to the extent that it is obliged to under Chapter IV. The remaining sections of Rule 8 apply where a person does not have this right or has chosen not to exercise it.

8.2 At the request of the Member, all or part of the member's uncrystallised arrangements may be transferred out to another Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme.

8.3 At the request of the Member, the whole of a Member's Drawdown Pension arrangement may be transferred out to another Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme. This will be done as quickly as possible, though the timing may vary depending on the complexity of the transfer and factors outside of Scheme Administrator's control.

8.4 Upon receipt of a Pension Sharing Order and supporting documents detailed in the Pension Sharing Order, a Pension Credit will be paid to a pension arrangement for the benefit of the transferee. Where the transferee or Scheme Administrator of the receiving arrangement does not provide the Scheme Administrator with details of the receiving arrangement or undertakings in order that the Scheme Administrator may execute their duties, the Scheme Administrator may at their discretion pay the Pension Credit to a pension arrangement for the benefit of the transferee.

8.5 Transfer payments will be made directly to the Scheme Administrator of the receiving scheme.

8.6 Transfers out may only be executed in a form permitted by the Scheme Administrator.

8.7 Upon completion of the transfer, the Scheme Administrator has discharged their liability to provide benefits from the Scheme in respect of the sums and Assets transferred out.

8.8 The Scheme Administrator accepts no liability for the application of the transfer value with the receiving scheme.

9. Death Benefits

9.1 On the death of the Member, the Scheme Administrator shall at their discretion apply all or part of the Member's Fund in the provision of one or more of:

- i. a beneficiary's Lifetime Annuity;
- ii. a beneficiary's Drawdown Pension; or
- iii. a Lump Sum Death Benefit in accordance with Rule 10.

9.2 In exercising its discretion, the Scheme Administrator will take account of any expression of wish made by the Member as well as any other relevant facts and circumstances.

10. Distribution of Lump Sum Death Benefits

10.1 Payment of all or part of a Lump Sum Death Benefit may be made at the discretion of the Scheme Administrator to any one or more of the recipients specified in Rule 10.3 including giving an interest in any sum for any period including the lifetime of a person or making it subject to any condition (e.g. reaching a certain age) or subject to a condition not being satisfied. The Scheme Administrator may impose any trusts, powers and provisions it thinks fit taking into account any nomination or request made by the Member (where relevant).

10.2 Where the lump sum is an Uncrystallised Funds Lump Sum Death Benefit, and is unpaid under the terms of Rule.

10.1 Within two years of the death of the Member or within two years of the Scheme Administrator becoming reasonably aware of the Member's death, it shall be held for those people who would have received it if the Member had died intestate and solvent whilst domiciled in England in the same shares and terms as if the relevant lump sum had formed the entire residuary estate of the Member.

10.3 The recipients may include:

- i. the dependants of the deceased;
- ii. descendants and step-descendants of the grandparents of the deceased or his or her spouse or civil partner living at the time of the deceased's death;

- iii. any person entitled to any interest in the estate of the deceased listed in the Member's will/codicil;
- iv. any person or persons (including trustees) who have been nominated in writing for the receipt of benefit by an expression of wish completed by the deceased; or
- v. the deceased's personal representatives, in which case the death benefit must be held as an addition to the deceased's residuary estate for all purposes.

10.4 The Scheme Administrator may exercise its power under Rule 10.1 by paying the sum (or a part of it) to the trustees of any settlement (so as to become subject to the trusts of that settlement), which contains trusts for the benefit of all or any of the persons specified in Rule 10.3, whether or not it contains trusts for the benefit of other persons.

10.5 If any sum would devolve as bona vacantia under this Rule, it shall be credited to the funds of the other Members of the Scheme under which the sum arose in such proportions as the Scheme Administrator directs.

10.6 Where the lump sum is a Drawdown Pension Lump Sum Death Benefit (or an Uncrystallised Lump Sum Death Benefit where the Member was aged 75 or over at the date of death), it can be paid as a charity Lump Sum Death Benefit provided there are no other dependants of the member and it is paid to a charity nominated by the member.

11. General Provisions

Rights under the Scheme

11.1A Member's rights under the Scheme extend only to those given under the Scheme Documents. Deduction is in respect of tax liability.

11.2 The Scheme Administrator reserves the right to deduct any amount from a Member's fund or from any payment to a Member or other recipient equal to any tax for which it is liable to account to HMRC including, but not limited to, any lifetime allowance charge, scheme sanction charge, annual allowance charge or unauthorised payment charge.

Undertakings

11.3 The Scheme Administrator reserves the right not to make any payment until undertakings from any person identified by the Scheme Administrator as to the discharge of tax or other liabilities are given to the satisfaction of the Scheme Administrator.

11.4 The Scheme Administrator may require and request information, declarations and/or undertakings from the Member and/or relevant third parties in order to execute Member requests. Where such information, declarations and/or undertakings are not provided or are deemed insufficient to allow the Scheme Administrator to execute a Member's request, the Scheme Administrator reserves the right to delay or discard a Member's request until such time as the required information, declarations and/or undertakings are provided.

Delay of payment

11.5 Payments may be delayed by the Scheme Administrator until such time as it is satisfied that any tax or other liability that may arise has been discharged.

Assignment or surrender

11.6 No entitlement or prospective entitlement to benefit under the scheme may be assigned or become payable except as identified in this Rule 11.6. The transactions authorised by this Rule are:

- i. a Pension Sharing Order and anything necessary to give effect to such an order;
- ii. the assignment of a pension which continues under a guarantee by a person's will on his or her death, or by his or her personal representatives in order to give effect to his or her will or to the rights of those entitled on his or her intestacy or to appropriate it to a legacy or to a share or interest in the estate;
- iii. an order made under sections 342A to 342C of the Insolvency Act 1986 and sections 36A to 36C of the Bankruptcy (Scotland) Act 1985 and anything necessary to give effect to such an order; and
- iv. an order made under section 273 to 278 of the Proceeds of Crime Act 2002 and anything necessary to give effect to such an order.
- v. a Mis-Sold Investment Assignment and/or an assignment by a Member to FSCS of a Mis-Selling Claim.

Information to Members

11.7 The Scheme Administrator will issue an annual statement to Members and others as required by section 113 of the Pension Schemes Act and Regulations made thereunder.

Recipient being unable to Act

11.8 Where, in the belief of the Scheme Administrator, a person entitled to payments is unable to Act for any reason, the Scheme Administrator may at their discretion and having sought and been provided with suitable documentary evidence arrange for payments to be made for the maintenance of that person and/or their dependants. If any payments are not made, they will be held until that person is able to Act again. Any payments made in accordance with this Rule discharges the Scheme from any obligation to provide benefits to which it relates.

Notice to Scheme Administrator

11.9 Where the Rules permit the Member or another person to make a choice the Scheme Administrator may determine the period within which the choice must be made, and the form of any notification that must be given regarding this, subject to these not conflicting with any requirements specified in these Rules.

12. Closing or Winding Up the Scheme

Closing the Scheme

12.1 The Provider may at any time:

- i. stop admitting new Members to the Scheme, but continue to accept Contributions from, and in respect of, existing Members; or
- ii. stop admitting new Members to the Scheme and stop accepting Contributions from, and in respect of, existing Members.

12.2 If the Scheme is closed, the Scheme Administrator will continue to operate the Scheme in accordance with the Scheme Documents, unless the provider decides to wind up the Scheme under Rule 12.5. Where Rule 121(ii) applies, the Scheme Administrator must notify each member or any other recipients of his or her rights and options under the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.

Winding up the Scheme

12.3 The Scheme Administrator may wind up the Scheme by giving notice to each Member of his or her rights and options under the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2013.

12.4 Where the Scheme is wound up and a Member does not request a Transfer, the Member's fund will be transferred to another Registered Pension Scheme of the Scheme Administrator's choice without need to obtain the consent of the member.

Closing and Winding Up the Group SIPP

12.5 The Provider or the Scheme Administrator (as applicable) may at any time close or wind up the Group SIPP but continue to operate the Scheme.

12.6 In the event the Group SIPP is closed, the terms outlined in Clause 12.1 and its associated sub clauses will be applicable, and any reference to "Scheme" in those clauses shall mean the "Group GSIPP."

12.7 Where the Provider: (i) closes the Group SIPP under Clause 12.1(ii); or winds up the SIPP but continues to operate the Scheme, the Scheme Administrator shall (to the extent it is applicable) notify each Member of his or her rights and options under the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.

12.8 Where the GSIPP is wound up and a Member and/or the Employer does not request a Transfer, provided the Member is not in a drawdown or annuity phase, the Member's fund will be transferred without the consent of the Member and/or Employer to another Registered Pension Scheme of the Scheme Administrators choice. If the Member has or is due to enter into an annuity or drawdown the Member will be directed to discuss this with an adviser ahead of winding up the GSIPP.

If you require this document in an alternative format please contact us.

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