



Key Features Document

The Organon SIPP is operated and administered by Organon SIPP Services Limited, authorised and regulated by the Financial Services Authority.





Introduction

This document summarises the key features of the Organon SIPP (the Plan), operated by Organon SIPP Services Limited (Organon), and should be read in conjunction with the Plan's Terms and Conditions.

Organon is a trading style of Organon SIPP Services Limited, registered in England & Wales No: 06633255. Houldsworth Mill, Houldsworth Street, Stockport, Cheshire, SK5 6DA. Organon SIPP Services Limited is authorised and regulated by the Financial Services Authority.

The Plan is a Self-Invested Personal Pension ("SIPP") established under master trust by a Trust Deed and Rules. Unlike traditional personal pensions, often taken out through insurance companies, a SIPP allows individuals much greater freedom in determining how and when funds are invested.

Please note that Organon is not regulated to give investment or financial advice and in the event that you consider such advice is required, you should seek this from a competent and suitably qualified financial adviser prior to entering into any commitment to establish the Plan.

Aims of the Plan

- To provide a flexible and tax efficient vehicle to save for your retirement
- To provide a regular income when you retire with the option of taking part of your fund as a tax-free lump sum
- To provide a regular income and/or lump sum for your dependant(s) on your death
- To allow you (and your adviser) control over your pension savings by deciding yourself how they should be invested

Your Commitment

- To pay regular and/or at least one single contribution(s) to the Plan
- To notify the Organon of any changes in your personal circumstances, which may affect your membership of the SIPP
- To regularly review (with your adviser if applicable) your investment portfolio, contribution levels and income withdrawals
- To purchase an annuity or receive alternatively secured pension by age 75



What are the risk factors?

General

Fees are fixed irrespective of the size of your SIPP investment. Therefore, if your SIPP fund is small, the charges may be disproportionate and a less expensive arrangement (for example, a "Stakeholder Pension") may be more appropriate for you.

The Organon SIPP is offered on an execution-only basis without pension advice and we cannot give you any advice as to whether a SIPP is suitable for you. You should seek advice on this from an Independent Financial Adviser.

You cannot cash in your SIPP. You must take benefits in accordance with the Rules, no earlier than age 50 (55 from 6th April 2010) and no later than age 75.

You can though transfer your SIPP assets to another pension scheme, subject to additional charges.

Transfers in

By transferring other pension benefits into your SIPP you may be giving up the right to guarantees in the form of benefits, the amount you will receive and also the level of increases that will be applied to your pension in future.

You may be giving up the right to receive a terminal bonus on with-profit pension plans and/or a penalty may be applied to your current pension plan.

Investment

You are responsible for deciding where to invest your SIPP assets. If you do not use a professional adviser, the risk will be all yours. We do not make investment recommendations. Any investment information is provided solely to enable you to make your own investment decisions and must not be treated as solicitation or recommendation to buy, sell or otherwise deal in any particular investment. We are not authorised to give you any investment advice.

The value of investments can fall as well as rise and is not guaranteed. Past performance is no guide to future performance. The investment returns on your fund may be less than those shown in any illustrations you may receive from us or your advisor.

You will be able to deal in a range of investments each of which carries a different level of risk and you should note that we do not monitor the performance of the investments in your SIPP. It is up to you or your adviser to do this.

Some investments, e.g. property, can be illiquid and any delayed sale may impact on when you can take your benefits.



Fee Schedule

Establishment	Fee
Set Up	£250
Annual Administration	£395 pa
Contributions	Fee
Single & Regular	£nil
In specie contributions	Time Cost
Property	Fee
Property Purchase	£500
Annual Administration	£nil
VAT Registration	£100
Completion of VAT return	£50 (per quarter)
Property sale	£250
Borrowing	£250
New Lease	£150
Overseas property	Time Cost
Investments	Fee
Investment transactions	£nil
Unlisted shares purchase/sale	Time Cost
Scheme Loans	£250
Annual Loan Administration	£nil

Benefits	Fee
Commencement or variation of benefits	£100
Income paid from the Plan	£100 pa
Phased drawdown	£100
Transfers	Fee
Transfers-in	£nil
Transfers-out	£250
Transfers in specie	Time Cost
Protected Rights	Fee
Transfers-in of Protected Rights Funds	£nil
Annual Administration	£nil
Other	Time cost

Notes:

1. The Organon SIPP is administered by Organon SIPP Services Limited ("Organon").
2. All fees are subject to VAT.
3. Annual Fees will increase each year in line with National Average Earnings.
4. Fees are payable in advance on establishment of the Scheme and thereafter on the anniversary of establishment.
5. Solicitors fees (and those of other professional advisers) may be payable in addition to the above fees (for example, on the purchase of a property).
6. The level of fees may be amended provided that notice of at least one month is provided in writing.
7. Organon will be authorised to collect pre-agreed fees directly from the SIPP member's Butterfield Private Bank Account.
8. Any fees for other exceptional work not included above will be charged on a time/cost basis agreed in advance.

Questions and Answers

What is a SIPP?

A SIPP is a special type of pension scheme offering a flexible and tax-efficient means of saving for retirement. A SIPP is "self-invested", which means that not only can you (and your adviser if you have one) choose how your funds are invested but also that you are able to invest in

Who can have a SIPP?

If you have earnings that are subject to UK tax or have no earnings but are resident in the UK for tax purposes then you may make personal contributions to a SIPP or alternatively, have them paid on your behalf by a third party (for example, your employer).

How much can be paid in?

You and/or your employer can pay contributions to the SIPP at any time from age 18 to age 75 with no minimum contribution level. Contributions can be paid regularly or as one-off payments, stopped or varied at any time.

Whilst the vast majority of contributions are made in cash (i.e. by cheque or bank transfer) it is also possible to make a contribution in the form of an asset other than cash (known as "in specie").

Detailed personal financial advice should be sought before making such contributions, as there could be tax consequences.

Contributions will be treated for tax as follows:

- Personal contributions up to the higher of £3,600 or 100% of your earnings receive tax relief at the highest marginal rate. The Organon SIPP will claim basic rate tax relief (20%) from H M Revenue & Customs ("HMRC"), for example if you pay in £80 and basic tax rate is 20% then we reclaim £20 and the SIPP has received a total of £100.
- If you are a higher rate tax payer you claim your extra relief (currently 20%) through your tax return.
- Company contributions are paid gross and receive tax relief if HMRC deem them appropriate to your role in the company.
- If contributions to all your pension arrangements exceed an "annual allowance" you will normally be subject to a tax charge on the excess. The Annual Allowance for the following two tax years are as follows:
6th April 2009 to 5th April 2010: £245,000
6th April 2010 to 5th April 2011: £255,000
- In the tax year that you retire you may exceed these annual limits, as long as contributions made in this final year do not take your fund over the Lifetime Allowance limits if you wish to avoid a tax charge on the excess. Contributions must not be paid if you have protection against the "lifetime limit".
- You may be required to produce evidence of the source of wealth from which the contributions originate. This could be a copy of a bank statement or P60 as evidence of earnings.
- The April 2009 budget introduced restrictions on the tax relief granted on pension contributions where individuals' income from all sources (with certain allowable deductions) exceeds £150,000 in the current or previous two tax years. If your income has or is likely to exceed this amount you should seek detailed financial advice prior to further contributions being made, over and above any regular monthly or quarterly contributions which were in place before 22nd April 2009.

Are there any other tax advantages?

In addition to Income and Corporation Tax relief received on personal and employer contributions respectively, the following tax benefits apply to the Organon SIPP:

- Your pension fund is free from UK income and capital gains taxes except that tax may not be reclaimed on UK dividends.
- On your death prior to receiving benefits, your accumulated fund can normally be paid free of tax.
- On retirement 25% of your fund may be paid to you as a lump sum entirely free of tax.

Can I transfer my existing pension into my SIPP?

You can transfer benefits from any registered pension scheme into your SIPP. It should be noted that Organon will not advise on the merits of such transfers and therefore suggests that you consult a suitably qualified financial adviser before proceeding with any transfer of benefits.

Can the Organon SIPP accept Protected Rights?

Protected Rights are funds built up in Registered Pension Schemes in respect of monies derived from rebates payable on "contracting out" of State provision.

The Organon SIPP is able to accept transfers of Protected Rights built up elsewhere though will not permit contracting out on an ongoing basis.

Can I transfer my SIPP to another pension?

You can transfer your SIPP to another UK registered pension scheme or to a qualifying recognised overseas pension scheme at any time should you so wish.

When can I take my retirement benefits?

Other than on ill-health grounds, you will not normally be able to commence benefits until you have reached "minimum pension age" which is currently 50, rising to 55 after 5th April 2010.

Can I change my mind?

You have the right to cancel your SIPP within the first 30 days after you have received notice of this right which will be sent to you on receipt of your application. If you wish to cancel your SIPP you will need to provide the Organon with written confirmation and return this to them within 30 days of receiving the reminder from us.

If you cancel your SIPP your funds will be returned to you, any funds transferred into the SIPP during this period will be kept on deposit in your Pension Fund Account.

Each time you apply to transfer an existing pension into the SIPP you have a right to cancel the transfer.

Each transfer can be cancelled separately up to 30 days after you have advised us of your intention to transfer. Until the cancellation period has lapsed, we will not accept any transfer payment.

Questions and Answers cont...

In certain circumstances, subject to the advice of your financial adviser, you may choose to waive the right to the 30-day cancellation period for your SIPP – you will need to write to us with your specific instruction if you wish to take this option.

What benefits will be available when I retire?

You will normally be allowed to take anything up to 25% of your fund as a tax-free lump sum, with the remainder being used to provide income. Your tax-free lump sum must be taken by the time you reach age 75.

You may take your income as an unsecured pension (USP) up to age 75 and if you take this option you will be invited to choose the amount and frequency of withdrawals from the pension fund.

The maximum annual withdrawal is determined by factors set by the Government Actuaries Department (GAD) with no minimum amount required. The maximum income payable is 120% of GAD rates based on your age and sex and is reviewed at least every 5 years.

An alternative way of providing a pension is for assets to be sold and the proceeds applied to the purchase of an annuity from an insurance company.

On reaching age 75 if you do not purchase an annuity you may continue to receive a pension from the Plan payable under Alternatively Secured Pension (ASP) terms. This is similar to USP but the minimum amount of pension that must be taken is set at 55% and the maximum is 90% based on GAD rates for a 75 year old of the same sex. These limits are reviewed annually.

If your total benefits from all schemes exceed the Lifetime Allowance, you will be subject to a lifetime allowance charge on the excess. The excess will be payable as a lump sum and will be taxed at 55%.

Your lump sum and pension payments can be phased in over time (termed "phased retirement").

What happens if I die before I take benefits?

If you die before taking any benefits from the Plan then your fund can be paid out as a tax-free lump sum and/or used to provide a dependant's pension. The lump sum can be paid to a wide range of beneficiaries but the pension must be paid to a spouse or other financial dependant.

What happens if I die after retirement?

If you die after taking any benefits (and this includes just taking the tax-free cash sum) and before age 75, your fund is used to either provide an income to your spouse and/or financial dependants (this is done either by unsecured pension or an annuity purchase, whichever they prefer) or alternatively the whole of your fund can be paid out to your chosen beneficiaries (who need not be dependants), but less tax at 35%.

If you die after age 75 without having bought an annuity, your fund is used to provide an income to your spouse and/or financial dependants. This is done either by income withdrawal or an annuity purchase, whichever they prefer. If there is no surviving spouse or dependant, your residual fund can either be paid in full to a charity or to another party, e.g. another family member, but in that case Inheritance Tax applies and a penal tax charge that potentially takes the overall tax bill up to 82%.

If a dependant continues to take unsecured pension by means of USP or ASP, on their death the same age-related death benefits will apply as for you, but based on the dependant's age at death.

What happens if I want to complain?

A copy of our formal complaints procedure is available on request. Any complaints should be made in writing to the following recipient:

The Compliance Officer
Organon SIPP Services Limited
Houldsworth Mill, Houldsworth Street
Stockport SK5 6DA

If you are not satisfied with our response you can write to:

The Financial Ombudsman Service
South Quay Plaza,
183 Marsh Wall
London SW1V 1RB

What compensation is available?

Organon are covered by the Financial Services Compensation Scheme (FSCS). A SIPP investor may be entitled to compensation from the FSCS if we cannot meet our obligations, depending on the circumstances. Further details are available from the FSCS website at www.fscs.org.uk/consumer.

How do I contact you?

Most SIPP customers tend to have a financial adviser who will liaise with us on your behalf. Alternatively, we can be contacted direct at:

Organon SIPP Services Limited
Houldsworth Mill, Houldsworth Street
Stockport SK5 6DA
Tel: 0161 975 6056 Fax: 0161 975 6057
E-mail: info@organongroup.co.uk

Disclaimer

This document is based on our current understanding of regulations and can be subject to change as tax laws and legislation may change over time. In the event of dispute; the law of England & Wales will apply. You should not rely solely on this document when making financial decisions.