

Key Features Document
Chip Personal Pension

Contents

1. Introduction	3
2. Aims of the Chip Personal Pension	3
3. Your commitments	3
4. Risk factors	4
5. Retirement Income	5
6. Your questions answered	5

1. Introduction

The Chip Personal Pension provides you with a simple, tax-efficient way to invest your savings ready for retirement. You will be able to access your pension how and when suits you, but it will be subject to Government rules and regulations.

We are required to give you important information to help you to decide whether this pension (sometimes we call it the SIPP which stands for self-invested personal pension or PP which stands for personal pension), is right for you. This document will help you understand the key features of our SIPP and provide answers to common questions, so please read it carefully and keep a copy.

This key features document gives a summary of the Chip Personal Pension. It does not include all the definitions, exclusions, terms and conditions. The full contractual terms are set out in the Trust Deed & Rules and the Terms and Conditions.

If you would like copies of these, or clarification of any of the information provided in this document, please ask Chip or contact us at: SIPP@seccl.tech or via telephone: 01225 435200. Our lines are open Monday to Friday 09:00 to 17:00.

We have the right to change some of the terms and conditions. In this circumstance, we will write to you to explain the reasons for any such changes.

If you have any questions, please get in touch with us.

2. Aims of the Chip Personal Pension

The pension is designed to let you:

- Save for retirement in a tax-efficient and flexible way;
- Build up a pension fund to give you a tax-free cash sum and income in retirement;
- Take control of your pension fund investments through a range of investment choices (where applicable);
- Make decisions by yourself;
- Make transfer payments from other pension arrangement (where applicable);
- Specify to whom you would like benefits to go to on your death.

3. Your commitments

Take time to read this information and any other documentation we provide to you.

Be aware that you and your adviser (if you are using one) are responsible for deciding which investments are right for you, and whether these should be amended during the life of your product.

Make sure we always have up-to-date information about you and tell us if things change - like if you move to a new house, change your bank account or email address.

Remember that you won't ordinarily be able to take money out of your SIPP/PP until you are at least 55 (rising to 57 from 6 April 2028). You should be okay with this and see investing as a long-term solution.

When you come to withdraw money from your SIPP/PP, you will need to make sure you are doing so in ways that are allowed under the pension and tax rules that apply at that time.

Notify us if you are no longer entitled to tax relief on the contribution you make to this or any other pensions.

Read and adhere to the Terms and Conditions of our SIPP/PP.

Pay our fees for administering the pension on your behalf.

4. Risk factors

The value will go up and down

The value of your Chip Personal Pension depends on the performance of the underlying investments. The value of these investments, and therefore your pension, can go down as well as up. Past performance, projections and illustrations are not a guarantee of what your performance will be. If your investments perform badly, it's possible you may get back less money than you put in - no retirement benefits are guaranteed.

Your retirement income could be lower than expected

Your retirement income could be less than you expect if you reduce or stop payments, investment growth is poor or annuity rates at the time you take your benefits are lower than expected.

Fees will affect your pension value

Any fees taken will affect the value of your Chip Personal Pension. These charges may vary from time to time, and we will notify you if this is the case. You can find more information about fees and how they are taken in the Chip Personal Pension Terms and Conditions. You will also be given a Key Features Illustration, showing the effect of charges.

In the rare cases that we cannot pay fees from your Chip Personal Pension due to an insufficient cash balance, we would need to sell other investments to meet these.

Different pensions have different benefits

If you transfer another pension plan to us, the pension benefits you receive could be lower than if you stayed in your existing scheme. If you are unsure of the decision to transfer, a financial adviser may be able to advise you whether it's in your best interests and make clear any benefits you may be giving up such as 'enhanced protection' or 'fixed protection'. You have a right to cancel your pension within the first 30 days from account opening. If you cancel a transfer from another provider to us (subject to this feature being available), the other provider may refuse to accept the return of the transfer money.

Please also refer to the section entitled 'Can I transfer other pensions?' on pages 7 and 8.

Inflation can reduce the value of your money

Inflation means the cost of goods and services increases over time. This has the effect of reducing the buying power of the money you have saved. A £10 note will still be worth £10 in five years' time, but you might not be able to buy as much with it.

Tax charges may apply

The Government sets rules on the amount that you can save into a personal pension each tax year and receive tax relief on. This is known as the Annual Allowance. Your Annual Allowance is also dependent on how much you earn and may be less than the standard allowance.

The Government also has a rule to limit the total amount of tax advantaged cash you can hold in your personal pension overall, which is governed by the Lump Sum Allowance (LSA) and the Lump Sum and Death Benefits Allowance (LSDBA).

If you exceed the Annual Allowance, you may need to pay tax. Please note that the tax treatment of your pension is set by HM Revenue and Customs ('HMRC') and may change over time.

5. Retirement Income

Retirement income (sometimes known as drawdown) is the act of taking benefits from your pension when you require.

Please note, the Chip Personal Pension does not currently allow you to draw down. If you wish to draw down you will need to transfer to a provider that supports this.

You should be aware that when this time comes:

- If you take a large proportion of income in a short period, you may end up paying a higher rate of tax than usual.
- Whenever you start to take retirement income, you will trigger annual pension limits, specifically the 'Money Purchase Annual Allowance' if it has not already been triggered. This will reduce the maximum contributions you can make into your pensions each year.
- If you take a higher than planned level of income over a long period of time, it is likely that your Chip Personal Pension will not be enough to provide an income for as long as you may have originally wanted.
- If you receive means tested benefits, taking an income from a pension might mean they are reduced or stopped.

6. Your questions answered

What is the Chip Personal Pension/SIPP?

The Chip Personal Pension is a pension plan that allows you to save for retirement in a tax-efficient and flexible way. The benefits you can receive are subject to UK pension legislation. This includes rules about limits on contributions that can qualify for tax relief, the earliest age you can take benefits and limits on what those benefits can be without incurring tax penalties, including the amount that can be taken as tax-free cash payments.

Who can open a Chip Personal Pension/SIPP/PP?

This product is for people who want to:

- Invest in a range of assets (where applicable)
- Wish to consolidate their old workplace pensions into one easy to manage pot (where applicable, subject to this feature being available)
- Make investment decisions about their pension assets themselves or with their financial adviser or investment manager.

The Chip Personal Pension/SIPP is unlikely to be appropriate for people who won't take advantage of the flexibility it offers in terms of the choice of available investments, or the way benefits are taken. You should consider speaking to a financial adviser or refer to the government's free service at, moneyhelper.org.uk or on telephone number, 0800 144 89423 about the most suitable pension option for you.

Who will administer my Chip Personal Pension?

Seccl Custody Limited will administer your pension in accordance with the Trust Deed and Rules. This includes the day to day running of your pension, ranging from processing contributions, transfers, investments and paying benefits, to ensuring the pension adheres to HMRC rules and regulations.

Is the Chip Personal Pension/SIPP a stakeholder pension?

No. Stakeholder pensions must meet government set standards covering payments, charges and other terms and conditions. Stakeholder pensions are generally available and might meet your needs as well as our Chip Personal Pension/SIPP.

What are the Trust Deed and Rules?

The Trust Deed and Rules is the legal document that has established the Seccl Personal Pension, which is the pension scheme underlying the Chip Personal Pension. This document also appoints trustees and the scheme operator, who is responsible for registering the scheme with HM Revenue & Customs (HMRC) to ensure the favourable tax treatment mentioned earlier is applied to the pension. The trustees of the Seccl Personal Pension are Digital Pension Trustees Limited and the operator is Seccl Custody Limited who is authorised and regulated by the Financial Conduct Authority (FCA).

Will I have a separate Chip Personal Pension/SIPP bank account?

No. Uninvested cash is held in a client money bank account, this is a pooled account so that in the event of a bank's failure your claim will be a share of the cash held in all such accounts held at the bank.

Is this the right option for me?

This could be right for you if you:

- Are willing to invest your capital over the medium to long term, understanding that you may not be able to take money out until you are at least 55 (57 from 6 April 2028).
- Want to benefit from tax relief on your contributions – subject to government limits.
- Want access to a range of investments and understand and accept the associated risks.
- Want a way to consolidate your other pension savings (where applicable).

The scheme administrator, Seccl does not offer or provide any financial advice. It is strictly your decision whether to use any Seccl service or whether to invest in, and how much to invest in, our/the Chip Personal Pension/SIPP.

How do I start saving in the Chip Personal Pension/SIPP?

You can open an account in your Chip App.

Paying into the Chip Personal Pension/SIPP - What are my options?

You can choose from:

- One-off payments
- Regular payments
- Transfer of pension benefits from other suitable pension schemes (where applicable)

These are payable by:

- You via bank transfer

You can stop paying at any time or take payment holidays and restart payments later. Remember though that stopping payments, even temporarily, will reduce the possible value of your fund at retirement.

How much can I save in my Chip Personal Pension/SIPP?

There is no maximum limit on how much you can put in. There are government limits on the amount of contributions that are eligible for tax relief and you may have to pay tax if you exceed the Annual Allowance. This is explained later on this page.

All relevant UK individuals can pay, and get tax relief on, contributions up to £3,600 gross each year. Where your earnings are in excess of £3,600 you may make gross contributions of up to 100% of your earnings known as UK relevant earnings subject to a maximum amount known as the annual allowance, which is set each year by the Government. The annual allowance applies as a total limit across all your registered pension schemes in a tax year. It covers:

- Your payments.
- Employer payments made on your behalf; and
- Any increase in the value of retirement benefits you may earn from a defined benefit pension scheme.

If you were a member of a registered pension scheme but did not fully use your available annual allowance from the previous three years, you may be able to 'carry forward' that unused allowance.

The annual allowance does not include transfers from other pension arrangements and does not apply in the year of death or severe ill-health.

Any payments over the Annual Allowance will be subject to an Annual Allowance charge at a rate set by HMRC. The amount of tax charged will be your highest marginal rate of tax determined by your individual circumstances based on your income and the amount by which you have exceeded the annual allowance.

In some cases, you may be able to make larger contributions in a particular tax year. If you think you may be close to, or exceed, the Annual Allowance you should talk to your financial adviser as this is a complex area.

Employer contributions are not taxable as a benefit in kind for you and the employer will normally get tax relief on employer contributions as a business expense. Therefore, you will not normally get tax relief on employer contributions.

What are the different Annual Allowances?

Annual Allowance

Currently, the Annual Allowance is £60,000. This applies to everyone unless they are subject to the Tapered Annual Allowance.

Tapered Annual Allowance

The Tapered Annual Allowance is between £60,000 and £10,000. This applies to those earning 'adjusted income' in excess of £260,000 and 'threshold income' in excess of £200,000. The Annual Allowance is reduced by £1 for every £2 of earnings over £260,000 up to earnings of £360,000.

Money Purchase Annual Allowance

This is currently £10,000 and applies where you have started taking a retirement income flexibly.

Can I make contributions if I have 'Enhanced' or 'Fixed' Protection?

Whether you can make contributions without losing protection will depend on when you applied for and were granted either Enhanced or Fixed protection.

- Applied for either Enhanced or Fixed protection before 15th March 2023 you can make contributions without losing this protection.
- Applied for either Enhanced or Fixed protection after 15th March 2023 these will be lost if a contribution is paid to the Chip Personal Pension/SIPP.

Can I transfer over other pensions?

Yes, you can. When you transfer (subject to this feature being available), your existing pension provider may need to sell your investments and send the cash to your Chip Personal Pension (SIPP).

Once it arrives, it'll be invested in the fund you've chosen from our available options. Alternatively, if your existing pension provider allows, and the investments are available on our platform, you can instruct that these are re-registered to your Chip Personal Pension/SIPP without the need to sell down (subject to this feature being available).

We will not accept transfers from pensions with Safeguarded Rights, (as defined in Section 48(8) of the Pensions Schemes Act 2015).

What can I invest in?

You, (or your advisers if you have them), can choose from a range of investments, provided that the investments chosen are allowed by HMRC. The investments acceptable to you the Chip Personal Pension are:

- Investments meeting the FCA's definition of standard and capable of being held by Seccl Custody Limited
- FCA authorised or recognised collective investment schemes or a listed securities capable of being valued on a regular basis and sold within 30 days

The FCA requires that we offer you a single default investment option that is designed to meet the needs of typical non-advised SIPP customers, and you'll be put into this investment option if you don't make alternative choices. The provision of a default fund shouldn't be considered advice and may change. You will be presented with details of the default fund during opening your Chip Personal Pension/SIPP so that you can decide.

This is a complex area and if you have any questions you should contact Chip.

If there is anything else you would like to invest in, please contact Chip to see if this will be allowed.

Is my pension size limited?

Yes. When you commence taking benefits from your pension (not currently available through Chip) there are two lump sum allowances available: the Lump Sum Allowance (LSA) and the Lump Sum and Death Benefits Allowance (LSDBA). For most people, the lump sum allowance (LSA) will limit the tax-free cash you can get from your pension to £268,275. In most cases, the lump sum and death benefit allowance (LSDBA) will limit the total amount of tax-free cash available in your lifetime and when you die to £1,073,100. Before the 2023/24 tax year, the lifetime allowance was the limit on the amount of benefits you could take across all pension schemes before additional tax charges would apply.

From 2023/24 the tax charges ceased to apply and from 6 April 2024 the lifetime allowance no longer applies, the lifetime allowance still limits tax-free lump sum entitlement. If you hold any forms of previous lifetime allowance protection, you will keep the lump sum entitlement from it.

If you transfer the whole pension, it will come to an end. Any protection you have applied to HMRC for could be lost if you transfer. You should speak to your financial adviser before making a transfer.

What are the charges?

You will pay an annual Chip Personal Pension/SIPP fee, which includes all costs associated with holding the account including payments, withdrawals, and other administration costs. On top of this, there are custody, trading and investment costs which include fund charges (taken directly by the fund provider) and market spread (the difference between the price we buy and sell investments).

To see the latest rates that will apply, please read the Chip Personal Pension/SIPP Terms and Conditions.

Charges are deducted directly from your Chip Personal Pension/SIPP. You can find a more detailed description of our charges in our client Terms and Conditions, and on your Key Features Illustration.

What might I get back?

At the application stage, we will provide an illustration that shows what you might get back when you decide to take your benefits. These are based on assumptions that include:

- Amount invested
- Performance of your investments
- Effect of charges
- Amount of any cash lump sum you take
- Amount of drawdown income you take
- Annuity rate that applies at the time
- Effect of tax
- Your chosen retirement date

It is important to remember that the material effect of these assumptions will only be known at the date you decide to take your benefits together with other factors such as inflation.

How will I know how my Chip Personal Pension/SIPP is doing?

You can see the value of your investments at any time in your Chip App.

We also provide you with a regular annual statement showing the value of your Chip Personal Pension/SIPP and what it is likely to be worth in the future. The first statement is provided within around three months after you open your account and will be put into the secure document store in app.

Can I transfer out my Chip Personal Pension/SIPP?

You can transfer out all or part of your pension to another registered UK pension scheme at any time.

How can I take my benefits?

When you approach your selected retirement age, we will let you know what your options are at that time.

Please note, the Chip Personal Pension does not currently allow you to draw down. If you wish to draw down you will need to transfer to a provider that supports this.

Pension Wise, a free government service, can give you impartial information around the choices you have.

Currently the options include:

- Taking retirement income directly from investments in your account, this is known as drawdown pension.
- Taking a tax-free pension commencement lump sum and using the remainder of your account to either buy an annuity or take drawdown pension.
- Taking the whole value of your investments as cash lump sums, 25% (or up to the available lump sum allowance if lower) as a tax-free lump sum and 75% as income and taxed as such, known as an Uncrystallised Funds Pension Lump Sum (UFPLS).
- Converting your investments into retirement income by buying an annuity from an annuity provider. We do not provide annuities so your choice of annuity must be selected from a UK Insurance company.

When can I take benefits?

You can usually start taking an income from your pension from age 55, rising to age 57 from 6 April 2028. You may also be able to take a cash lump sum or income earlier if you are seriously ill or suffer an illness or accident which means you cannot continue in your current occupation.

When you reach age 50, you can use Pension Wise from MoneyHelper, a free impartial government service, to help you understand what your pension income choices are and how they work. This service can be accessed at: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise>.

You should speak to Chip, a financial adviser or seek guidance from Pension Wise when you are thinking of accessing your pension income.

What happens if I die?

In the event of your death, any regular contributions being collected will stop.

The investments will remain unchanged and therefore subject to market movement until we receive any required documentation from your personal representatives that allows us to distribute any proceeds.

We will take into account any beneficiaries you nominate when we decide who to pay the benefits to and how much each person will receive.

Your beneficiaries can choose to receive the benefits as one of the following options:

- As a cash lump sum
- They can receive a guaranteed yearly income by transferring the benefits to buy an annuity from an annuity provider

We will write to your beneficiaries setting out the options available to them. These benefits may be taxed but this will depend on your circumstances at the time of your death. If you die before age 75, death benefits will normally be paid free of tax.

However, if you die on or after your 75th birthday benefits will be subject to tax.

In some circumstances there may be a delay in passing the benefits on to your beneficiaries due to the nature of your investments. For example, an investment may be suspended from trading.

Can I cancel my Chip Personal Pension/SIPP?

Yes, you can. We will send you a confirmation email each time you start a new contribution or make a transfer in which will include details of your right to cancel. You will have 30 days from when we issue this confirmation to cancel. The cancellation request should be sent to us by email at: SIPP@seccl.tech

The amount we pay back will depend on what action has been taken in respect of your account prior to the time you cancel. If you exercise your right to cancel within 30 days from when we issue your confirmation, we will refund any cash payment in full that we have already received as part of regular direct payments you have set up.

In all cancellation cases, any deductions we make when an account is cancelled will be restricted to the following:

- our own charges
- charges incurred in relation to your investment choices
- charges incurred for any transactions you make.

The amount we pay back will also reflect any market movement in the investments between the date the money was first applied to your account and the cancellation date. This may be less than your original investment.

If you start trading within the cancellation period you may be liable for any charges due to us and any charges levied by others.

How can I make a complaint?

If you have a complaint, please send us an email to hello@getchip.uk

Your complaint will be handled by a person of appropriate competence and experience. That person will not have been directly involved in the matter which is the subject of the complaint.

We will endeavour to resolve any complaint as soon as possible.

If a final response has not been issued within four weeks of receipt of your complaint, we will write to you providing a holding response that will indicate when we will make further contact. This further contact will be within eight weeks of receipt of the complaint.

By the end of the eight weeks, we must send you either a final response or a response which explains that we are still investigating the complaint, giving reasons for the delay and likely timescales. We will also, where appropriate, provide you with details of the Financial Ombudsman Service, along with a copy of their leaflet 'Your Complaint and the Ombudsman' and a statement confirming that an approach can be made by you to the Financial Ombudsman Service if you are dissatisfied with the outcome and the length of time the matter has taken.

Financial Ombudsman Service

Exchange Tower

Harbour Exchange Square London E14 9SR

Telephone: 0800 023 4567 (call charges will vary) Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

The Pensions Ombudsman

10 South Colonnade Canary Wharf

London E14 4PU

Telephone: 0800 917 4487 (call charges will vary) Email: helpline@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

Is my Chip Personal Pension/SIPP safe?

Yes, your money is safe when using Seccl, as they work with global finance service providers who are regulated by the Financial Conduct Authority. As custodians, we hold your cash securely and separately from our own, which means that if we went into administration, our creditors wouldn't have a claim to your investments.

Digital Custody Nominees Limited is the Nominee which is wholly owned and controlled subsidiary of Seccl Custody Limited, which holds the funds for our ISA, General Investment Accounts and SIPP Accounts. Up to the first £85,000 of your money invested with us can be protected by the Financial Services Compensation Scheme (FSCS) in the event of the insolvency of Seccl Custody Limited, or Digital Pension Trustees Limited. However, it's important to understand that the FSCS doesn't cover you in the event that your investments do not perform as expected and you get back less than you originally invested. For more information visit <https://www.fscs.org.uk/>

What is the Financial Services Compensation Scheme (FSCS)?

The FSCS is the UK's compensation fund of last resort for customers of authorised financial services firms. See further information at <https://www.fscs.org.uk/what-we-cover/pensions/>.

Seccl is authorised by the FCA so you will have access to the FSCS. In the event you suffer financial loss because of Seccl's failure or an investment failure, the actual level of compensation you receive will depend on the basis of your claim and where the money you have with us is invested. The FSCS only pays compensation for financial loss. Compensation limits are per person per firm, and per claim category.

The FSCS may be able to pay you compensation if Seccl or any banks with whom Seccl places your money are no longer able to meet their financial obligations. If certain investments fail, you may also be eligible for compensation.

Our current banking partner is Lloyds Bank PLC, and we will inform you if this changes. For more information about how the FSCS might apply to you, please contact us or visit the FSCS website at [fscs.org.uk](https://www.fscs.org.uk). The FSCS's address is 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.

How to contact Chip

We recommend that you contact us by emailing hello@getchip.uk

Please do not include any account details when you contact us by email.

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