7IM SIPP
Taking Benefits Form

PLEASE USE THIS FORM ONLY WHERE ADVICE HAS BEEN GIVEN.

PLEASE PRINT CLEARLY IN BLOCK CAPITALS AND COMPLETE ALL APPLICABLE SECTIONS OF THIS FORM.

This form **should** be used:

- To set up a new drawdown arrangement on existing 7IM SIPP where advice has been given by a regulated financial adviser
- To set up tailored drawdown
- Make amendments to tailored drawdown for existing 7IM SIPP
- To set up a new drawdown arrangement on a new 7IM SIPP, it must be accompanied by a 7IM Application including all transfer information.

This form should **not** be used:

- To make amendments to existing 7IM SIPP drawdown arrangements - please use the SIPP drawdown form to access this.
- To purchase an annuity. Note that 7IM does not provide annuities. If you wish to purchase an annuity, you'll need to find an annuity provider and complete a transfer out form.
- To request income from a dependant's pension. Please use the 7IM income request form or the income amendment form to access this.
- If the client has not received financial advice in relation to taking benefits - please use the non-advised form instead.

In order to take income and/or tax-free cash from the SIPP, you first need to crystallise funds into drawdown. This form enables you to do that. Note that the full SIPP glossary can be found online at https://www.7im.co.uk/regulatory-and-legal under 7IM SIPP and a smaller glossary can be found at the end of this document.

Before you start:

You should read our guide "7IM SIPP: A guide to your retirement options", which can be found in the Literature Centre on the 7IM website and at **https://www.7im.co.uk/media/faxiqw33/7im-sipp_a-guide-to-your-retirement-options.**

You will also need to collate the following information to be able to complete the form:

- Details of any transitional protection (required in section 4.1)
- A copy of your transitional tax-free amount certificate (if you hold one) [required in section 4.2]
- Details of any lump sums previously taken, including the amount of the Lump Sum Allowance used (required in sections 4.3 -4.5)

Please be aware that 7IM must be notified of any new requests / amendments at least 10 working days before the date you wish the change to be effective from. If you miss this deadline, we will carry out the change from the next available payroll run.

If you have not already provided 7IM with a tax code and your client wishes to take taxable income, please provide us with a P45 from the previous pension provider or a completed HMRC starter checklist. This may prevent your client from paying more tax than they need to.

The starter checklist can be found: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1106535/Starter_checklist.pdf

Failure to provide either of these will result in an emergency tax code being applied.

Section 01 About your client

If they have an existing 7IM SIPP account number, please provide their account number:

☐☐☐☐☐☐☐☐☐☐☐

Title: ☐ First name(s): ☐

Surname: ☐

Illustration reference: ☐

Please be aware we will process payment upon receipt of ALL transfers
(if you are transferring funds from previous pension scheme(s)

☐ If you wish for us to pay your client as soon as sufficient cash is available in their portfolio, please tick this box.

Note that cash can only be taken from completed transfers. Please also note that if there are in-specie transfers that are incomplete, we will not be able to pay benefits.

Section 02 Their options

Please ensure there is sufficient cash in the relevant portfolio prior to income being paid. We advise you to have cleared funds within the portfolio 10 working days prior to the payroll date you have selected.

Please note that if there is insufficient cash in your account, the payment will not be made.

Please select from the following four options:

☐ **Option 1: Take a one-off tax-free lump sum only (PCLS)**

☐ Take the maximum amount of tax-free cash (usually 25% of uncrystallised fund value)
This will crystallise the whole of your client's pension pot.

☐ **OR** Take a tax-free lump sum of £

Any tax-free lump sum may be limited by your client's available Lump Sum Allowance.

We will only crystallise the minimum amount necessary in order to meet the income requirements.

We aim for this to be paid within 5 working days from the instruction being accepted.

☐ **Option 2: Uncrystallised Funds Pension Lump Sum (UFPLS)**

How much of their uncrystallised fund value would your client like to take as UFPLS?

☐ Take an UFPLS payment of £

☐ **OR** Take % of the uncrystallised fund value as UFPLS

The first 25% of any UFPLS payment will be tax-free (subject to having sufficient Lump Sum Allowance remaining), the remainder will be subject to income tax. We will pay the UFPLS payment on the next available payroll date.

☐ **Option 3: Take a one-off tax-free lump sum and Income**

Lump sum

☐ Take maximum amount
We will crystallise the whole of their pension pot.

☐ **OR** £

Income

☐ A one-off payment of £ gross*

☐ **OR** An income of £ per annum gross*

Please specify frequency: Monthly / Quarterly / Half Yearly / Annually

*where applicable, income tax will be deducted from all income payments.

Any tax-free lump sum may be limited by your client's available Lump Sum Allowance.

Where you have requested a specific amount of lump sum and/or income, we will crystallise the minimum amount required to provide those benefits to your client.

Income can be paid on either the 1st, 8th, 15th or the 22nd of the month.
Please select which date they would prefer.

☐ 1st ☐ 8th ☐ 15th ☐ 22nd

If you do not select a payment date above, we will make payment on the next available payroll run.

Capped drawdown

If the current arrangement is in capped drawdown, we will assume they wish to continue receiving income in capped drawdown.

If they would like us to switch this to a flexi-access drawdown arrangement, please tick this box: ☐

Switching from capped to flexi-access drawdown will make them subject to the Money Purchase Annual Allowance for future contributions.

☐ **Option 4: Tailored drawdown – regular crystallisation and payment of tax-free lump sum/income**

Please refer to our **7IM tailored drawdown** document for guidance on how to complete this section.

Frequency of crystallisation: Monthly / Quarterly / Half Yearly / Annually

Please note that tailored drawdown is only available if your client has some of their Lump Sum Allowance remaining.

Amount to crystallise each time: £

Tax-free lump sum required: (max 25% of crystallised amount) £

Amount of income required: (max 75% of crystallised amount) £ gross*

*Where applicable, income tax will be deducted from all income payments.

End date for regular crystallisation: ☐☐/☐☐/☐☐☐☐

If you do not specify an end date, we will continue to carry out your instructions above until there are no uncrystallised funds left or until we receive an instruction from you to amend or cease the regular crystallisation.
Income can be paid on either the 1st, 8th, 15th or the 22nd of the month.
Please select which date they would prefer.

☐ 1st ☐ 8th ☐ 15th ☐ 22nd

If you do not select a payment date above, we will make payment on the next available payroll run.

If your client crystallises benefits in any other pension scheme whilst they are taking tailored drawdown, you will need to let us know, as this will affect the remaining allowances available.

Regular payments

If you have requested a regular income, you can set up an automatic sell down to raise sufficient cash for the income payments within the 7IM SIPP. This will ensure funds are sold ahead of our payroll deadlines and prevent income payments from being missed and deferred.

Income can be withdrawn from up to 3 portfolios in your client's 7IM SIPP. Please complete the below to specify the amount and sell down method for each portfolio in their 7IM SIPP.

7IM SIPP portfolio reference	Sale amount (£)	Type			
	£	☐	Proportional	☐	Largest
	£	☐	Proportional	☐	Largest
	£	☐	Proportional	☐	Largest
Total:	£				

Please note if you do not select this option, then as the financial adviser you will be responsible for ensuring sufficient cash is available within payroll deadlines. If there is insufficient cash in the account the payment will not be made.

If you are using the 7IM RIS service, this is not applicable to you. Do not tick this option.

One-off payments

Any payments will be paid from the D portfolio. If you require this to be paid from a different portfolio, please specify in the boxes below.

Portfolio number: ☐☐☐☐☐☐☐☐☐☐☐

Please note that, as the financial adviser, you are responsible for ensuring sufficient cash is available within payroll deadlines to cover any one-off payments. If there is insufficient cash in their account, the payment will not be made.

Section 03 Client bank details

Bank:

Account name:

Sort code: ☐☐ / ☐☐ / ☐☐ Account number: ☐☐☐☐☐☐☐☐

Account reference / roll number (if applicable):

We can only pay benefits to an account in your client's name, or a joint account where they are an account holder.

We will carry out electronic checks to validate the account details provided. Should this validation fail, we will request further documentation, such as a copy of a recent bank statement. This may delay set up and payment of benefits to your client.

Any regular income will need to be paid to a UK bank account.

One-off payments made to a bank account outside the UK will incur an international payment charge of £10 per payment.

If you have selected a regular income, we will continue to make payments to this account until you advise otherwise.

Section 04 Lump sum allowances

Unfortunately, we cannot pay any benefits until you provide us with details of any other pensions held by your client. Please note that you do not need to include details of the 7IM SIPP, State Pension or benefits received following the death of another person, e.g. a spouse's or dependant's pension.

Please make sure to complete all questions if you are crystallising your client's 7IM SIPP.

4.1 Does the client have valid enhanced, primary, fixed or individual protection? ☐ Yes ☐ No

If yes, please indicate below which form of protection they have and send us a copy of the protection certificate issued by HRMC:

☐ Enhanced ☐ Primary ☐ Enhanced & Primary ☐ Fixed 2012

☐ Fixed 2014 ☐ Fixed 2016 ☐ Individual 2014 ☐ Individual 2016

If we do not receive a copy of the certificate, we will not be able to set up the drawdown arrangement and therefore the processing of any payments may be delayed.

4.2 Has your client applied for a transitional tax-free amount certificate following the abolition of the Lifetime Allowance on 6 April 2024?

☐ Yes ☐ No

If yes, please provide a copy of the certificate.

If no, you should consider whether they need to apply for one **before** proceeding to take benefits from the 7IM SIPP. They are able to apply for a certificate from any of their pension schemes, but will need to provide them with certain information. **If they have taken any lump sums from any of their pensions after 6 April 2024, you will no longer be able to apply for this protection.**

This is a complex area. Please confirm that, as the client's financial adviser, you have given advice and they are aware that in some circumstances obtaining a transitional certificate can leave them with less available tax-free cash. Some of the circumstances where a certificate may give them a higher tax-free cash figure are as follows:

- they crystallised benefits when the Lifetime Allowance was less than £1,073,100
- they are over age 75 and have uncrystallised funds
- they previously crystallised benefits and took less than 25% tax-free cash
- they crystallised funds received from a pension sharing order on divorce that did not have a tax-fee cash entitlement
- they have already used 100% of your lifetime allowance
- they crystallised some of their pension benefits before 6 April 2006
- they have received any serious ill-health lump sums from any of their pensions.

4.3 Pension Commencement Lump Sums / UFPLS payments taken before 6 April 2024

Prior to 6 April 2024, has the client taken any Pension Commencement Lump Sums (tax-free cash) or Uncrystallised Funds Pension Lump Sums (UFPLS) from any other pension schemes? (Please do not include lump sums taken from their 7IM SIPP, or from schemes that have been transferred into their 7IM SIPP)

☐ Yes ☐ No

If yes, the scheme should have provided them with a statement showing the deemed Lump Sum Allowance (LSA) / Lump Sum Death Benefit Allowance (LSDBA) used as at 6 April 2024 and/or the amount of the old Lifetime Allowance (LTA) they had used. Please provide details in the following table:

Scheme name/scheme provider	Amount of LSA/LSDBA used (£)	Amount of LTA used (%)
	£	%
	£	%
	£	%
	£	%

Please note – if your client is relying on enhanced or primary protection, we may also need to ask you for dates of previous benefit crystallisation events.

4.4 Pension Commencement Lump Sums / UFPLS payments taken since 6 April 2024

Since 6 April 2024, has your client taken any Pension Commencement Lump Sums (tax-free cash) or Uncrystallised Funds Pension Lump Sums (UFPLS) from any other pension schemes? (Please do not include lump sums taken from their 7IM SIPP, or from schemes that have been transferred into their 7IM SIPP)

☐ Yes ☐ No

If yes, the scheme should have provided them with a statement showing the deemed Lump Sum Allowance (LSA) used by each payment. Please provide details in the table below:

Scheme name/scheme provider	Amount of LSA/LSDBA used (£)	Date paid
	£	
	£	
	£	
	£	

4.5 Serious Ill Health Lump Sums taken since 6 April 2024

Since 6 April 2024, has your client taken any Serious Ill Health Lump Sums from any other pension schemes?

☐ Yes ☐ No

If yes, the scheme should have provided them with a statement showing the deemed Lump Sum Death Benefit Allowance (LSDBA) used by each payment. Please provide details in the table below:

Scheme name/scheme provider	Amount of LSDBA used (£)	Date paid
	£	
	£	
	£	
	£	

Section 05 Financial adviser declaration

Please read this section carefully before you sign this form.
If there is anything you do not understand, please ask for further information.

By signing this form, you make the following declarations:

- the information provided in this form is true, accurate and complete to the best of your knowledge and belief;
- you and your client understand the risks associated with drawdown and that the pension fund may not be able to sustain an income:
  - at the chosen level; or
  - at the level provided by an annuity;
- you understand it is your responsibility to ensure that there is sufficient cash in their SIPP account and to instruct the sale of investments as required to make their ongoing pension payments (subject to our rights to sell investments selected at our discretion if 7IM has been appointed as the discretionary investment manager of your 7IM SIPP account). If there is not enough cash available in their 7IM SIPP account to pay benefits, the payment will not be made. Delays in selling assets could delay the payment of benefits;
- you understand that your client may need to contact HMRC to claim a repayment of any over-deducted income tax, or to account for any further income tax that may be due; and
- you understand that cancellation rights do not apply to the taking of tax-free lump sums and that, once paid, your client will not have the ability to change their mind.

☐ **Please confirm by ticking the box that the advice you have provided to your client in respect of taking benefits from their 7IM SIPP has been provided within the last 12 months, and to the best of your knowledge was based on up to date and complete information provided by them to you.**

To be signed only if advice has been received from a regulated financial adviser

The Financial Adviser confirms that they have provided advice to the member in relation to their taking of pension benefits.

Financial Adviser Signature:

Signed by (please PRINT name):

Firm:

Date:

Section 06 Glossary

Capped drawdown	A form of pension income. Capped drawdown limits how much you can take out each year and the amounts are set by the Government Actuary's Department (GAD). Your income will be checked against the GAD rates at least every 3 years, up to age 75, and annually thereafter. Capped drawdown is no longer available for new drawdown entrants, although anyone who was already in capped drawdown before 6 April 2015 can continue so long as all the applicable legal conditions continue to be met.
Crystallisation	The point at which accrued pension savings are converted to a lump sum or pension income. You can normally start taking benefits at any time after normal minimum pension age irrespective of whether or not you remain in employment.
Enhanced protection	A form of tax protection that protected your pension savings against the Lifetime Allowance prior to 6 April 2024, and was only available if you were a member of a registered pension scheme on 6 April 2006 and had registered for enhanced protection before 6 April 2009. If you have this type of protection, your total pension benefits will not be subject to the standard Lump Sum Allowance or the Lump Sum and Death Benefit Allowance. It can also specify additional protection for the Pension Commencement Lump Sum. Please refer to our website at www.7im.co.uk for further details.
Fixed protection 2012	If you have this form of tax protection, the normal limit used to calculate your Lump Sum Allowance and your Lump Sum and Death Benefit Allowance will be replaced by a greater amount than the standard Lump Sum Allowance and Lump Sum and Death Benefit Allowance. Please refer to our website at www.7im.co.uk for further details. From 6 April 2023, it has been possible for individuals with fixed protection 2012 to accrue new benefits without losing this form of tax protection.
Fixed protection 2014	If you have this form of tax protection, the normal limit used to calculate your Lump Sum Allowance and your Lump Sum and Death Benefit Allowance will be replaced by a greater amount than the standard Lump Sum Allowance and Lump Sum and Death Benefit Allowance. Please refer to our website at www.7im.co.uk for further details. From 15 March 2023, it has been possible for individuals with fixed protection 2014 to accrue new benefits without losing this form of tax protection.
Fixed protection 2016	If you have this form of tax protection, the normal limit used to calculate your Lump Sum Allowance and your Lump Sum and Death Benefit Allowance will be replaced by a greater amount than the standard Lump Sum Allowance and Lump Sum and Death Benefit Allowance. Please refer to our website at www.7im.co.uk for further details. No further contributions or benefit accrual are allowed or the protection will be lost, unless you applied for fixed protection 2016 before 15 March 2023. The deadline for applying for fixed protection 2016 is 5 April 2025.
Individual protection 2014	This is a form of tax protection outlined by HMRC and was introduced on 6 April 2014 in relation to the LTA but continues to apply post 6 April 2024 in relation to the Lump Sum Allowance and the lump sum and Death Benefit Allowance. It is designed to protect individuals that have built up pension pots over £1.25m as at 6 April 2014 for up to £1.5m or the value of the fund at 6 April 2014, if lower. It is possible to hold individual protection 2014 with fixed protection 2012 or 2014 – but not primary protection. Contributions may be made without losing this protection.
Individual protection 2016	This is a form of tax protection and was introduced from 6 April 2016 in relation to the LTA but continues to apply post 6 April 2024 in relation to the Lump Sum Allowance and the Lump Sum and Death Benefit Allowance. It is designed to protect individuals who had built up pension pots over £1m on 5 April 2016. Contributions can continue after 6 April 2016 for protection up to £1.25m or the fund value at 6 April 2016, if lower. However you will not be able to apply for this if you have primary protection or individual protection 2014. The deadline for applying for individual protection 2016 is 5 April 2025.

Section 07 Glossary (continued)

Flexi-access drawdown	This is a form of pension income which was introduced with effect from 6 April 2015. You are allowed to withdraw pension income from your 7IM SIPP account with no upper annual limit, subject to applicable tax. Drawing pension income using flexi-access drawdown will currently make you subject to the Money Purchase Annual Allowance.
Lifetime Allowance (LTA)	This was the limit imposed by legislation on the total value of an individual's registered pension schemes between 6 April 2006 and 5 April 2024. Exceeding this limit normally resulted in tax charges. Please refer to our website at www.7im.co.uk for further details.
Lifetime Annuity	An annuity contract which provides an income for life within the meaning of the Finance Act, in return for you paying over some or all of your 7IM SIPP account to an insurance company. When buying a Lifetime Annuity, you have the option to include annual increases and/or a continuing pension income for your spouse/civil partner when you die, although including these will reduce the initial level of pension income payable. Specialist annuities may also be available from some providers if you meet the relevant criteria e.g. annuities that provide a higher pension income if you are in poor health.
Lump Sum Allowance (LSA)	This is the limit imposed by legislation on and from 6 April 2024 on the total value of PCLSs or the tax-free element of an UFPLS. Exceeding this limit will normally result in tax charges. Please refer to our website at www.7im.co.uk for further details.
Pension Commencement Lump Sum (PCLS)	PCLS is the tax-free lump sum that can be paid to a member when their benefits are crystallised. Typically this will be 25% of your 7IM SIPP account. However, the PCLS will be limited to your available Lump Sum Allowance or, if lower, your available lump sum and Death Benefit Allowance. Also known as "tax-free cash".
Primary protection	A form of tax protection applied to pension benefits at April 2006 which were equal to or over £1.5m. This replaced the standard LTA with a higher personal LTA which increased each year in line with the standard LTA. There is currently no option to revoke primary protection and therefore if this applies, you cannot apply for fixed protection, or any of the forms of individual protection. However it is currently possible for you to hold both enhanced and primary protection.
Uncrystallised Funds Pension Lump Sum (UFPLS)	This allows you to draw your PCLS and the remaining crystallised fund at the same time. You can select an amount to be paid as a lump sum. The amount of the UFPLS which can be taken tax-free will be limited by your available Lump Sum Allowance and your available Lump Sum and Death Benefit Allowance. The remainder is taxable at your marginal rate of income tax. Subject to applicable law and HMRC requirements you can use this feature as often as you like until your 7IM SIPP account is exhausted. Using this feature will make you subject to the Money Purchase Annual Allowance.

PLEASE RETURN THIS FORM VIA EMAIL TO PLATFORMMAILBOX@7IM.CO.UK OR BY POST TO 7IM INVESTMENT AND RETIREMENT SOLUTIONS LIMITED, 1 ANGEL COURT, LONDON EC2R 7HJ

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