

Benefit Payment Form Guidance

Quick actions:

Document reference H106G

1. Member details

If you are completing this form as a supplement to a new application, leave this section blank.

Forename(s)	Your first name and any middle names.
Surname	Your last name.
Date of birth	Your date of birth in the format DD/MM/YY.
Hornbuckle plan number	Your plan number is an 8-character alpha-numeric reference that we quote on our correspondence. The plan number will either start "DW" followed by six numbers (e.g. DW123456), or with six letters followed by two numbers (e.g. ABCDEF01).
Email	Your preferred contact email address. We will use your email address to send you information relating to the administration of your plan, so you should avoid using a work email address or another address likely to be accessed by someone else.

2. Your other benefits

When you start to take benefits from your Hornbuckle plan we are required to test those benefits against your remaining lifetime allowance (LTA). For this purpose we need to ask some questions about the benefits you have under any other pension schemes.

If you haven't started to take benefits from any other pension plan you can skip this section of the form and proceed to section 3.

You will need to provide the following information about each scheme from which you have started to take benefits:

Provider / scheme name	In the case of a personal pension scheme, you should provide the name of the pension provider. In the case of an occupational scheme you should provide the name of the scheme.
Date payments commenced	You should give the date when you first started to take benefits from the scheme. If you have taken a lump sum from another scheme, but delayed taking (or have yet to take) an income, you should give the date that you took your lump sum.
Maximum annual pension	You should give the annual pension payable to you under the scheme. If you are taking a drawdown pension from the scheme, and you are taking less than the maximum amount you are entitled to take, you should give the maximum amount.
Percentage of LTA used	If you have started taking benefits from any pension scheme since April 2006 the administrator of the scheme should have provided you with a certificate confirming how much of your LTA was used up at that time. The administrator of the other scheme(s) should also have confirmed how much of your LTA was deemed to have been used up by any pensions you have that were in payment before April 2006. If you have not started taking any benefits from any other pension scheme since April 2006 then you will not have been provided with any confirmation of how much of your LTA has been used up, and you can leave this field blank.

3. Your pension protection

To coincide with the introduction of the lifetime allowance in 2006, and with subsequent reductions to the lifetime allowance, HMRC have introduced several forms of “protection” to prevent those with accumulated pension savings being unfairly penalised.

We have to take any form of protection you hold into account when you start taking benefits from your Hornbuckle plan.

In this section you should confirm what forms of protection you hold (if any). As evidence of this HMRC should have provided you with a certificate with a unique reference number for each form of protection you hold. You will be required to provide us with a copy of each certificate in order that we can apply the protection to your Hornbuckle plan.

4. Enhancement factors

Some individuals are entitled to apply to HMRC for an enhancement to their lifetime allowance. This section asks for details of any enhancement factor that applies to your lifetime allowance, which we will take into account when testing the benefits in your Hornbuckle plan against your remaining lifetime allowance.

As evidence of any enhancement factor you are entitled to HMRC should have provided you with a certificate with a unique reference number. You will be required to provide us with a copy of each certificate in order that we can apply the enhancement to your Hornbuckle plan.

5. Benefit instruction

This section is the part of the form that instructs us how much of your Hornbuckle plan you wish to crystallise at this time. You will also be able to tell us how much of your lump sum entitlement you want to take up, and how much income you want to draw from the plan.

You have a choice to designate your Hornbuckle plan (or any part of it) for the payment of two types of drawdown pension:

- Capped drawdown: a type of drawdown pension under which the maximum income payable is determined by limits set by HMRC.
- Flexible drawdown: a type of drawdown pension under which there is no maximum level of income payable, but other conditions do apply. In order to designate your plan for the payment of a flexible drawdown pension you will also need to complete H116 Flexible Drawdown Declaration.

If you want to use your Hornbuckle plan to purchase an annuity from an insurance company you should not complete this form. Instead you should complete H117 Transfer out form.

5.1 Benefit crystallisation

You should indicate how much of your plan you want to crystallise at this time. You have the following options:

Entire plan	Select this option if you want to crystallise your entire Hornbuckle plan.
Defined percentage	Select this option if you want to instruct us to crystallise a certain percentage of your plan e.g. 50%.
Target PCLS	Select this option if you want to crystallise enough of your plan to give rise to an entitlement to a certain lump sum amount. The maximum lump sum to which you are entitled will usually be 25% of the amount of your plan being crystallised. For example, if you specify that you want to receive a lump sum of £50,000, we will crystallise £200,000 from your plan.

5.1 Benefit crystallisation cont.

Target annual income	<p>Select this option if you want to crystallise enough of your plan to give rise to an entitlement to a certain amount of annual income.</p> <p>You should provide the NET amount of income you require (i.e. the amount of income after the deduction of income tax).</p> <p>In the case of a capped drawdown pension, the amount of your plan that will need to be crystallised will depend on the income limit set by HMRC, the amount of income tax payable and whether you also want to take a lump sum from your plan.</p> <p>In the case of a flexible drawdown pension, there is no maximum limit on the amount of income you can take from your plan, so the amount that will need to be crystallised will depend only on the amount of income tax payable and whether you also want to take a lump sum from your plan.</p>
Target PCLS and annual income	<p>Select this option if you want to crystallise enough of your Hornbuckle plan to provide a specified combination of a lump sum amount and an amount of taxable income.</p>

5.2 Pension commencement lump sum

Crystallising benefits held in your plan will typically entitle you to take a lump sum, called a “Pension Commencement Lump Sum”, from the plan in addition to any income drawn. In most cases the maximum lump sum will be 25% of the value of your plan being crystallised.

You should use this section to indicate how much of your lump sum entitlement you want to take up.

Full amount	<p>Select this option if you want to take your full lump sum entitlement.</p>
None	<p>Select this option if you do not want to take up any of your lump sum entitlement.</p>
Defined amount	<p>Select this option if you want to take up a specific cash amount of your lump sum entitlement. If you select an amount that is greater than your maximum lump sum entitlement we will pay you your maximum entitlement instead.</p>

You can also specify how your lump sum should be paid: either as a single payment when your benefits have been crystallised, or as a series of regular payments over the following 12 months.

Your lump sum can be paid no more than 12 months following the date that your benefits are crystallised.

5.3 Income

You should use this section to indicate how much of your income entitlement you want to take up once your benefits are crystallised.

Full amount	<p>Select this option if you want to take your full income entitlement.</p> <p>In the case of a capped drawdown pension the maximum amount of income is defined by limits set by HMRC.</p> <p>In the case of a flexible drawdown pension the maximum amount of income will be the value of your plan being crystallised after the payment of any lump sum entitlement.</p>
None	<p>Select this option if you do not want to draw an income from your plan at this time.</p>
Defined amount	<p>Select this option if you want to draw a specific amount of income from your plan. You should enter the NET amount of income you require (i.e. the amount of income after the deduction of income tax).</p> <p>If the amount you select is greater than your maximum income entitlement, we will pay you your maximum entitlement instead.</p>

5.3 Income cont.

You can also specify how your income should be paid: as a single one-off payment, or as a series of annual, quarterly or monthly payments.

Except where you have elected to receive a single one-off payment, we will continue to pay you the level of income and in the frequency you select unless you inform us otherwise.

The continued payment of a pension income will also depend on there being sufficient cash held in your plan for this purpose. You should regularly review the investments held in your plan to ensure that there is enough cash in the plan to facilitate these ongoing payments.

For the purpose of HMRC determining the tax code to apply to your pension payments, you will be required to confirm whether or not you are currently receiving an income from another source. Select which of the three statements (A, B or C) that applies to you.

We will send you a P60 each year to confirm the amount of income we have paid and the amount of tax deducted. You will need to tell us whether you want to receive your P60 by email or by post, and whether you want us to send a copy to your financial adviser.

We will email you a payslip in relation to each income payment we make, unless you instruct us otherwise.

If you are a joint signatory of your pension scheme bank account you will need to complete a Direct Debit mandate for the account, to give us the authority we need to withdraw your pension income. You can find copies of Direct Debit mandates for all of our pension scheme account providers (Bank of Scotland, Cater Allen Private Bank, Barclays, Butterfield Bank and Royal Bank of Scotland) on our website.

5.4 Your bank details

You should use this section to provide us with details of the bank account to which you would like us to pay your lump sum and income.

If the account is denominated in a currency other than Sterling then any bank charges in relation to the conversion of your payment(s) to your chosen currency will be payable from your plan. The exchange rate will depend on the rate applied by the SIPP bank account provider on the date of the payment(s).

6. Cancellation rights

You should read this section of the form carefully, as it relates to the right you have to cancel your decision to crystallise your benefits. Further details of your cancellation rights are provided in the Key Features Document for the pension scheme.

7. Member declarations

If you are completing this form as a supplement to a new application, leave this section blank.

You should read this section carefully. It represents your instruction to us to crystallise your benefits as you have indicated.

It also confirms that the details you have provided about your other pension benefits are accurate. You should be aware that you risk incurring a significant penalty from HMRC if you provide inaccurate information.

You should sign and date this section of the form where indicated.

8. Adviser details

This section of the form should be completed by your financial adviser.

Adviser name	The full name of the individual providing the personal recommendation to the applicant as it appears on the financial services register.
Firm name	The name of the adviser firm as it appears on the financial services register. If the firm is using a trading name, write the trading name as it appears on the financial services register. If the firm is an appointed representative of another regulated firm, write the name of the appointed representative (not the name of the principal firm).
Firm FCA reference	The FCA reference number of the firm.
Have you provided a personal recommendation to the plan member in relation to the drawing of their benefits?	We will only permit a member to start taking benefits from a Hornbuckle plan where the member has been provided with a personal recommendation in relation to the transaction.
On which basis has the personal recommendation been made?	Confirm whether the transaction represents a “distance contract” as defined in the FCA handbook.
Have you agreed with the plan member that we should pay you a fee from their Hornbuckle plan?	In order to facilitate the payment of an adviser charge from the plan, we will require a completed H108 Adviser charging form providing details of the payment(s).
Adviser signature	The form should be signed by the person who has provided the personal recommendation to the plan member.
Print name	The name of the person signing the form.

Get in touch

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