

The Financial Conduct Authority (the independent financial services regulator) requires us (Hargreaves Lansdown) to give you this important information to help you decide if our HL SIPP (self-invested personal pension) is right for you. Read it carefully and keep it safe.

Please also read the SIPP Terms & Conditions and the Key Features of any investments you choose. The HL SIPP is governed by a Trust Deed & Rules. A copy is online at [www.hl.co.uk/sipp\\_apply](http://www.hl.co.uk/sipp_apply).

Further information on pension schemes is available on Her Majesty's Revenue & Customs' (HMRC) website. A stakeholder pension may be lower cost and meet your needs as well.

## (1) AIMS

- To offer a tax-efficient, flexible way of saving for retirement.
- To give you a wide investment choice.

## (2) YOUR INVESTMENT

- The minimum one-off investment is £100 gross and the minimum cash top-up is £1.
- The minimum investment per fund is £100.

- The money invested must stay in a pension, usually until at least 55 (57 from 2028), and be used to provide retirement benefits.

- You must give us any information we need when starting the SIPP, paying benefits or claiming tax relief.

## (3) RISKS

- Your retirement income is not guaranteed.
- The fund value when you retire/take benefits could be

less than the total invested.

- Stock market investments fluctuate in value, as does income from them.
- Inflation reduces the buying power of your fund.
- If you transfer from another pension the benefits may not be comparable.
- The rules, the value of tax benefits and government pension policy could change.

## (4) YOUR QUESTIONS ANSWERED

### Am I eligible?

- Most people are. To contribute and claim tax relief, you should be under 75 and a relevant UK individual. You must live in the UK or EEA when you start the SIPP.

### Am I a relevant UK individual?

- Yes if you:
  - Are a UK resident for tax purposes in the current tax year, or
  - Have been a UK resident for tax purposes at some point in the previous five tax years and when you joined the pension, or
  - Have relevant UK earnings subject to income tax, or
  - You or your spouse/civil partner have general earnings from overseas Crown employment subject to UK tax.

### What are relevant UK earnings?

- Normally your total taxable earnings from UK employment and/or self-employment, e.g. salary, bonuses, and profit from self-employment, but not investment income. Contact your accountant if in doubt.

### How much does it cost?

- See 'Tariff of Charges' in the Terms & Conditions.

### How do I apply?

- By phone: call 0117 980 9897.
- Online: visit [www.hl.co.uk](http://www.hl.co.uk).
- By post: contact us if you require an application form.

### Can I transfer in other pensions?

- Yes, if it is a registered pension scheme (see 'Transfer Checklist'). Normally no, if it is an overseas pension.
- The minimum transfer value is normally £1,000.

### How much can I pay in each year?

- In each tax year, a relevant UK individual under 75 can pay personal tax-relievable contributions (gross) of up to the greater of:
  - The basic amount (£3,600 for the current tax year)
  - 100% of their relevant UK earnings for that year.
- Personal contributions include third party payments, but not employer contributions.
- Total gross contributions must be within the annual allowance. See 'Contribution Checklist'.

### How do I get tax relief?

- We claim basic rate tax relief from HMRC for you.
- Currently, for each £80 net you contribute, tax relief of £20 is added making a total of £100 gross.
- HMRC sends tax relief in 6 to 11 weeks.
- Individuals who pay tax at a higher rate can claim more tax relief via their tax return or local tax office.

### Can my employer make payments to my SIPP?

- Yes.

### What is the annual allowance?

- The annual limit on contributions made to, or benefits accrued in, ALL your registered pension schemes by you, your employer or any third party. See 'Contribution Checklist'.

### What is the lifetime allowance?

- The limit (currently £1.03m) on the total value you can build up in pensions. See 'Contribution Checklist'.

### Do you offer a regular savings option?

- You and/or your employer can invest from £25 (gross) per month by Direct Debit.

### Where can I invest?

- Stocks and shares traded on the London Stock Exchange, Dow 30, NASDAQ 100, S&P 500 and European Top 300.

- Investment trusts.
- Unit trusts & Open Ended Investment Companies (OEICs).
- Exchange Traded Funds (ETFs).
- Other investments are available; check before applying.
- Your SIPP will be held in cash until you provide investment instructions.
- Where possible, we will buy accumulation units in funds unless we are provided with a specific request to buy income units. Otherwise income will be held as cash by default. You can choose to automatically re-invest investment income if you prefer.
- You can switch investments when you like.

### Where is my tax relief invested?

- If you make a contribution and give fund investment instructions at the same time, the associated tax relief will be invested in the same funds unless otherwise requested. This will still apply even if you change how your contribution is invested before tax relief arrives.
- For other investments tax relief will be held as cash.

### How are my investments taxed?

- SIPP investments are free from UK Capital Gains Tax and UK Income Tax.
- Interest on cash is paid gross.
- If you are subject to non-UK jurisdictions, such as the USA, ensure you are aware of any non-UK reporting or tax requirements.

### How will I know how well my SIPP is performing?

- You can log in via our secure website and/or mobile apps and check your investments any time.
- You receive a valuation twice a year which details your investments and performance over the previous six months.
- Each year you receive a Statutory Money Purchase Illustration (SMPi) showing the value of your fund and a retirement projection.

### When can I take retirement benefits?

- Usually any time from age 55 (57 from 2028).
- If you do not select a retirement age when you apply, this will be set as 65, or 75 if you have reached 65. You can change this.
- You may be able to take retirement benefits early if:
  - You have medical evidence you cannot carry on your occupation.
  - You have a protected early retirement age.
- If you have a life expectancy of less than 12 months, you may be able to take all your SIPP as a lump sum.

### How much will my pension be?

- It depends on several factors, including some or all of: the final value of your fund, interest rates at the time, age, health, life expectancy and the income type you choose.

### What are my options when I choose to retire/take benefits?

- Take a tax-free lump sum (normally up to 25% of the value of your fund).
- Convert all or part of your SIPP into income by buying the annuity which best suits you from an insurance company.
- Draw an income directly from your fund through drawdown.
- Withdraw lump sums from your SIPP. 25% of each payment will be tax free and the rest taxed as income. This is known as taking an Uncrystallised Funds Pension Lump Sum (UFPLS). Some people who have HMRC pension protection or an enhanced lifetime allowance may not be able to use this option, please call us for more details. You cannot take an UFPLS from any part of your SIPP which you have already moved into drawdown or used to purchase an annuity.

- Take the whole arrangement as a lump sum if the total value does not exceed £10,000. You can only do this up to three times. 25% of the fund is paid tax free (unless you have already moved into drawdown) and the balance is subject to income tax.
- If your fund is not already in drawdown you can ask us in writing to designate up to £10,000 to a new arrangement, which can then be taken as a lump sum, even if the value of the whole pension exceeds £30,000.
- Income from the SIPP or an annuity is subject to income tax through Pay As You Earn (PAYE).

### Can I transfer my plan?

- You can transfer your plan to another registered pension scheme or Qualifying Recognised Overseas Pension Scheme that will accept it, subject to any applicable tax charge.

### What happens if I die before I retire/take benefits?

- If you die before age 75 the total fund can normally be paid to your beneficiaries as a tax-free lump sum.
- If you die after 75, the total fund can be paid to your beneficiaries as a lump sum taxed at the individual's marginal tax rate (or at 45% if not an individual).
- Your SIPP funds can be used to provide an income for your dependants or other nominated beneficiaries. If you die before age 75 this income will usually be tax free. If you die after age 75 it will be taxed as their income.
- Beneficiaries who are not resident in the EEA will only be able to receive the fund as a lump sum.
- You can tell us what you would like to happen to your SIPP when you die by completing an expression of wish form. This is not legally binding but alerts us to your wishes.
- SIPP benefits paid after your death are usually free of inheritance tax.
- On death before 75 any funds in your SIPP which are not in drawdown will be subject to a lifetime allowance tax charge if over the lifetime allowance.

### Can I change my mind?

- You can cancel the SIPP within the first 30 days by writing to us. We will return your funds to you. Any shortfall is due to a cancellation of the underlying investments held in the SIPP, not a cancellation of the SIPP itself.
- When you transfer pensions to the SIPP you can cancel each transfer separately in writing up to 30 days after you are told we have received the funds. If the transferring scheme does not accept these back, you may request a transfer to another provider.
- If your investments have fallen in value, you will not get back the full amount invested or transferred.

## OTHER INFORMATION

### How to contact us

Phone: 0117 980 9926 Email: [sipp@hl.co.uk](mailto:sipp@hl.co.uk)  
Post: Hargreaves Lansdown Asset Management Limited, One College Square South, Anchor Road, Bristol, BS1 5HL

### How to complain

Write to our Client Services Manager at the address above.

### Compensation arrangements

Hargreaves Lansdown contributes to and is covered by the Financial Services Compensation Scheme (FSCS), details are available from the FSCS or Financial Conduct Authority.

### Regulation

Hargreaves Lansdown Asset Management Limited is authorised and regulated by the Financial Conduct Authority.

**This is based on our understanding of current legislation and proposed changes. Correct as at 6 November 2018. The Government can and do change the rules.**

Investments should normally be held for the long term as their value will fall as well as rise, so you could get back less than you invest. Unless stated otherwise, all yields are variable and neither capital nor income is guaranteed. If your employer offers a pension you should consider this first. Other tax wrappers are available and could be more suitable for some investors.

The government may change pension and tax rules. The earliest you can normally take pension benefits is 55 (57 from 2028). Tax reliefs and state benefits mentioned are those currently applying. Their value depends on your circumstances.

This is published solely to help clients make their own investment decisions; it is not personal advice. If you are unsure of an investment's suitability, contact us for personal advice.

## CONTRIBUTION CHECKLIST

**Please read carefully. Particularly important if you have made, or plan to make, large pension contributions.**

Most UK residents under 75 can contribute to a personal pension and benefit from tax relief. However there are restrictions of which you need to be aware.

- **Relevant UK earnings:** total personal and employee contributions each tax year cannot exceed total earnings from employment and self-employment for that year, or £3,600 if higher.
- **Annual allowance:** total pension contributions (including from an employer) are subject to a £40,000 (gross) allowance each tax year. Retirement benefits built up in a defined benefit pension are given a value which also counts towards the annual allowance. You should ask your provider what that value is. Investors with high incomes may have a lower annual allowance. For every £2 of 'adjusted income' over £150,000, the annual allowance falls by £1, subject to a minimum allowance of £10,000 (gross). Very broadly, 'adjusted income' is total taxable income plus employer pension contributions. Request our factsheet for details. Payments cannot be refunded on the sole grounds they are above the annual allowance and may incur a tax charge.
- **Carry forward:** you may be able to pay in more than the annual allowance by carrying forward unused annual allowance from previous tax years. Request our factsheet for details.
- **Money purchase annual allowance (£4,000 gross):** could affect you if you have taken flexible pension benefits after 5 April 2015 or held flexible drawdown before 6 April 2015. The pension provider through which you took these benefits may have told you if this applies. This allowance is calculated in a similar way to the annual allowance but only includes money purchase contributions and you cannot use carry forward. If this limit ever applies to you, you must let us know.
- **Lifetime allowance (£1.03m in 2018/19):** this is the total you can accumulate in pensions. It is measured when pension benefits are taken and at age 75. It takes into account all private and work pensions, including those from which you already take an income. There may be a significant tax charge on any excess. A relatively modest defined benefit pension may exceed the lifetime allowance due to the way it is calculated.
- **Enhanced or fixed protection:** if you have enhanced or fixed protection (or intend to apply to HMRC for fixed protection) against the lifetime allowance, further contributions will invalidate the protection (or mean you are unable to apply for fixed protection 2016).
- **Recycling:** if you significantly increase pension contributions in the year of taking tax-free cash from a pension or in the two years before or after, this may be deemed as recycling of tax-free cash and subject to a punitive tax charge. This is a brief summary of the main rules and cannot cover every nuance. We

have allowance factsheets available. If you have any questions please call our Pensions Helpdesk. If you are still unsure they can put you in touch with a financial adviser.

## COMMON TRANSFER DECLARATION

**Read before transferring pensions.**

To my current provider(s):

- I authorise and instruct you to transfer funds from the plan(s) as listed in my transfer form directly to Hargreaves Lansdown. Where you have asked me to give you any original policy document(s) in return for the transfer of funds and I am unable to do so, I promise that I will be responsible for any losses and/or expenses which are the result, and which a reasonable person would consider to be the probable result, of any untrue, misleading or inaccurate information deliberately or carelessly given by me, or on my behalf, either in this form or with respect to benefits from the plan.
- I authorise you to release all necessary information to Hargreaves Lansdown to enable the transfer of funds to Hargreaves Lansdown.
- I authorise you to obtain from and release to the financial adviser named in this application any additional information that may be required to enable the transfer of funds.
- If an employer is paying contributions to any of the plans as listed in my transfer form, I authorise you release to that employer any relevant information in connection with the transfer of funds from the relevant plan(s).
- Until this application is accepted and complete, Hargreaves Lansdown's responsibility is limited to the return of the total payment(s) to the current provider(s).
- Where the payment(s) made to Hargreaves Lansdown represent(s) all of the funds under the plan(s) listed in my transfer form, then payment made as requested will mean that I shall no longer be entitled to receive pension or other benefits from the plan(s) listed.
- Where the payment(s) made to Hargreaves Lansdown represent(s) part of the funds under the plan(s) listed in my transfer form, then payment made as requested will mean that I shall no longer be entitled to receive pension or other benefits from that part of the plan(s) represented by the payment(s).
- I promise to accept responsibility in respect of any claims, losses and expenses that Hargreaves Lansdown and the current provider(s) may incur as a result of any incorrect information provided by me in this application or of any failure on my part to comply with any aspect of this application.

## TRANSFER CHECKLIST

**Read before transferring pensions.**

You could enjoy many benefits when you transfer to the HL SIPP, but could also lose valuable features of your old pension(s). Give extra consideration to these factors if approaching retirement as

you will have less time to make up for any losses.

**The following factors commonly apply:**

- You should check how the annual and other charges of your current provider and the HL SIPP compare.
- 'Market Value Adjustments/Reductions' or transfer penalties are applied by some providers. These could cause a significant reduction to your pension fund.
- You could lose valuable guarantees on annuity rates, growth, bonuses, minimum retirement incomes, discretionary bonus rates or a potential demutualisation bonus.
- Defined Benefit, e.g. final salary, pension schemes generally prevent transfers to money purchase pensions, unless you have received personal advice from a financial adviser who holds the appropriate pension transfer qualifications. This can include money purchase pension schemes with guarantees, such as on annuity rates. Some government pension schemes may not permit any such transfers. It is rarely a good idea to transfer 'Deferred Annuities' as they promise to pay a hard-to-beat retirement income. An Additional Voluntary Contribution (AVC) linked to a defined benefit scheme could give a higher pension and/or tax-free cash entitlement if not transferred. We normally insist you take advice to confirm it is in your interests to transfer such pensions.
- Your pension will be transferred as cash, unless otherwise arranged. While your pension is in cash you will not make investment losses or gains. This may not work in your favour.
- You could lose benefits such as life insurance or waiver of premium insurance.

**In some cases you could also lose:**

- Employer contributions or other benefits if transferring a work pension.
- A tax-free cash rate higher than the usual 25%, if transferring some occupational pensions, or pensions that have received a transfer from them.
- The ability to retire before age 55.
- Enhanced or fixed protection against the lifetime allowance (this is rare).
- Gender-specific annuity rates within some occupational pensions, which could benefit males.
- The inheritance tax-free status of the pension benefits on death, if you die within 2 years of making the transfer.

We do not check what benefits you would lose or penalties you would incur. It is your responsibility to ensure a transfer is right for you. There is no guarantee any funds you choose will perform better than those transferred. We will ask your provider to transfer your pension as quickly as possible. If they make a same-day CHAPS payment there may be a charge. If you are at all unsure a transfer is right for you, please contact us for personal advice before proceeding.

**THESE ARE EXAMPLES TO SHOW THE EFFECTS OF CHARGES, TIME AND PERFORMANCE ON RETURNS. IN REALITY YOU COULD GET MORE OR LESS AND YOUR CIRCUMSTANCES WILL DIFFER. FOR A PERSONALISED ILLUSTRATION, PLEASE CONTACT US.**

Years to retirement		Monthly savings			Single payment		
		£50	£100	£300	£10,000	£20,000	£40,000
5 Years	Value	2,890	5,790	17,300	10,400	20,900	41,900
	Income	139	277	833	502	1,000	2,010
10 Years	Value	5,600	11,200	33,600	10,900	21,900	43,900
	Income	265	530	1,590	520	1,040	2,080
15 Years	Value	8,130	16,200	48,800	11,500	23,000	46,000
	Income	381	762	2,280	539	1,070	2,150
20 Years	Value	10,500	21,000	63,100	12,000	24,100	48,200
	Income	487	974	2,920	558	1,110	2,230
25 Years	Value	12,800	25,600	76,800	12,600	25,300	50,600
	Income	585	1,170	3,510	578	1,150	2,310
30 Years	Value	14,900	29,900	89,900	13,200	26,500	53,000
	Income	676	1,350	4,060	599	1,190	2,390
35 Years	Value	17,000	34,100	102,000	13,900	27,800	55,600
	Income	763	1,520	4,570	620	1,240	2,480
40 Years	Value	19,100	38,200	114,000	14,500	29,100	58,200
	Income	844	1,680	5,070	643	1,280	2,570

Years to retirement	Total paid in to date	Before charges are taken	After all charges are taken from this SIPP
1 Year	3,550	3,600	3,580
3 Years	10,400	10,800	10,500
5 Years	16,900	18,000	17,300
20 Years	56,800	74,200	63,100

Charges of 1.43% reduce the real terms annual growth rate from 2.4% to 1%. This can be used to compare the effect of charges with other pension products.

## ILLUSTRATION: WHAT MIGHT I GET BACK FROM MY SIPP?

These tables show what your SIPP value and income might be for a range of gross/employer contributions and years to retirement. Assumptions: fully invested in equity funds, so 5% annual growth, 1.43% charges (platform charge plus average fund charge) and retirement at 65. Amounts are in real terms, assuming 2.5% annual inflation. Inflation reduces the worth of all savings and investments, not just the SIPP. Actual rates of return and charges will depend on your investments and their performance and may be better or worse than shown. The annual income is a single life, level annuity, paid monthly in advance, 5 year guarantee and no tax-free cash. The table at the bottom shows the effect of charges on your SIPP assuming £300 monthly savings.

## INTEREST RATES

Over the next 12 months, HLAM expects to receive interest of between 0.1% p.a. and 0.5% p.a. over prevailing base rate (currently 0.75%) on the cash balances in SIPP trustee bank accounts. HLAM do not charge directly for holding cash or for cash transactions but in accordance with the SIPP terms and conditions, HLAM may retain the interest accrued on your behalf that exceeds the current rates of SIPP interest to cover the cost of managing the cash and for the wider operation of the SIPP. The interest rate you receive is determined by the cash balance on your account and how that cash is held. We offer a variable rate and higher fixed rates, when available, for longer term cash holdings. Current interest rates are available on our website [www.hl.co.uk/rates](http://www.hl.co.uk/rates) or from our Helpdesk.

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The Financial Conduct Authority is the independent financial services regulator. It asks us to give you this important information to help you to decide if our services are right for you. Please read this document carefully so that you understand what you're buying and keep it safe for future reference. To keep this document short we haven't outlined every feature so please also read the terms and conditions for your chosen account before investing.

## ITS AIMS

- The HL Stocks and Shares ISA allows you to make tax-efficient investments in unit trusts, OEICs, shares, investment trusts, gilts, corporate bonds and cash.
- The HL Junior ISA allows you to make tax-efficient investments in unit trusts, OEICs, shares, investment trusts, gilts, corporate bonds and cash on behalf of children.
- The HL Cash ISA allows you to save tax efficiently in cash.
- The HL Fund and Share Account allows you to invest in unit trusts, OEICs, shares, investment trusts, gilts, corporate bonds and cash.

## THE RISKS

- The value of your investment and the income from it can go up and down so you may get back less than you put in.
- What you receive when you sell your investment is not guaranteed; it depends on how your investments perform.
- Governments can change the way ISAs other investments are taxed.
- Inflation will reduce the real value and therefore what you could buy with your investments in future.

The aims and risks of each fund are different and are shown on our website.

## YOUR COMMITMENT

- The minimum initial investment in the HL Stocks and Shares ISA, Cash ISA, Fund and Share Account and Junior ISA is £100 and the minimum cash top-up is £1.
- The minimum investment per fund is £100 or £25 per month. If the value of your investment falls below £100 we may ask you to sell it.
- There is no minimum length of investment. You can sell your investment at any time, but please remember stock market investments are designed for the long term and aren't suitable for money needed at short notice. No withdrawals are allowed from the HL Junior ISA until the account holder reaches age 18, except in the event of terminal illness or death.

## YOUR QUESTIONS ANSWERED

### How much can I invest in an ISA?

- This tax year (2018/19) you can invest up to £20,000 in an ISA and split the ISA allowance as you wish between a Cash ISA, a Stocks and Shares ISA, an Innovative Finance ISA and a Lifetime ISA (if opened under 40). See the Lifetime ISA Key Features for restrictions.
- You can only invest in one Stocks and Shares ISA, one Cash ISA, one Innovative Finance ISA and one Lifetime ISA in each tax year (a tax year runs from 6th April to 5th April the following year).
- You can also transfer ISAs from previous tax years without affecting the amount you can invest in an ISA for this tax year.
- If you're transferring a Cash ISA or Innovative Finance ISA to an adult Stocks and Shares ISA please remember that stock market investments can fall as well as rise, so your capital is not guaranteed.
- If you're transferring a Flexible ISA, any withdrawals not replaced at the time of the transfer cannot be replaced in the HL Stocks and Shares ISA, Cash ISA or Junior ISA without it counting towards your current year's ISA allowance.

### How much can I invest in the Fund and Share Account?

- There's no limit to the amount you can invest.

### How much can I invest in a Junior ISA?

- This tax year (2018/19), you can invest up to £4,260 on behalf of each eligible child. This can be split as you choose between a Cash Junior ISA and a Stocks and Shares Junior ISA.
- Each child can only hold one Junior ISA of each type at any time.
- You can also transfer Junior ISAs from one provider to another without affecting the amount you can invest each tax year.

### Which children are eligible for Junior ISAs?

- All children (aged under 18).
- However, children born between 1 September 2002 and 2 January 2011 will need to transfer their Child Trust Fund to the Junior ISA (or have previously transferred their Child Trust Fund to a Junior ISA) to open the account.

### How do I invest?

- You can choose to invest with a debit card via our website or by calling 0117 900 9000. Alternatively, you can invest via the post by sending us a cheque along with your application form.
- To transfer existing Cash ISAs, Innovative Finance ISAs or Stocks and Shares ISAs to the HL Stocks and Shares ISA please return an ISA transfer form to us.
- To transfer unit trusts or shares into the Fund and Share Account please return a Fund or Share Account transfer form and if you're transferring certificated shares please include your share certificates.

### Can I replace cash I have withdrawn?

- The HL Stocks and Shares ISA, Cash ISA and Junior ISA aren't Flexible ISAs. Any cash which is withdrawn and then replaced will use up your ISA allowance.
- Once money is withdrawn from an HL ISA it cannot be reinstated. Any money paid back into your HL ISA will count as a subscription for the tax year in which it is subscribed.

### If I live outside the UK can I still invest through Hargreaves Lansdown?

- We can accept application and transfer forms from any resident of the European Economic Area.
- To invest into an ISA you must be resident in the UK. Crown employees working overseas, such as diplomats or members of the armed forces, and their partners, can also invest in ISAs. If you move abroad you can keep the ISAs you already hold, and transfer them between managers, but you cannot make any further subscriptions.

### Can I invest monthly?

- Yes, you can invest from £25 a month in the HL Stocks and Shares ISA, Cash ISA, Fund and Share Account and Junior ISA. The maximum investment will depend on the account you've chosen.
- There is no need to return a new regular savings application form each year. We will simply roll over your regular savings plan into the new tax year until you ask us not to.
- If you would like to amend the amount you are saving or the funds into which it is invested please inform us in writing by the 21st day of the previous month.

### What charges will I pay?

- There are no set-up charges and the other charges will depend on the investments you choose.

### Cash

- There are no charges to hold cash.
- Over the next 12 months, HLAM expects to receive interest of between 0.2% p.a. below and 0.2% p.a. above the prevailing base rate (currently 0.75% p.a.) on cash balances in HLAM client money accounts. HLAM do not charge directly for holding cash or for cash transactions, but in accordance with the terms and conditions, we receive all interest earned on cash balances held in our Client Bank Accounts. We will separately pay interest to you on cash you hold with us at rates determined by us. Rates are determined by reference to the interest we receive and the cost to us of managing the cash and the wider operation of your Account. For more information about the current rates of interest, please visit [www.hl.co.uk/rates](http://www.hl.co.uk/rates) or call our Helpdesk.

### Unit trusts and OEICs

- There are no charges to buy and sell unit trusts or OEICs and we can discount the funds' initial charges by up to 5.5%.
- The annual charge to hold funds in the HL ISA is tiered and is as follows:

### Charge

On the first £250,000	0.45%
On the value between £250,000 - £1m	0.25%
On the value between £1m - £2m	0.10%
On the value over £2m	0.00%

- This charge applies to each HL account separately. It is tiered within bands: 0.45% per annum on the first £250,000 of funds; 0.25% for funds between £250,000 and £1m, and 0.1% for funds between £1m and £2m.
- For more details about savings and charges please see the Fund Savings and Charges section.
- The discounts and charges detailed for funds (unit trusts and OEICs) apply to unit classes offered for new investment through Hargreaves Lansdown. If you're transferring funds and you hold any other unit classes,

please contact us to check the discounts and charges.

### Securities (including UK and overseas shares, investment trusts, exchange-traded funds, VCTs, gilts and bonds)

- The charges for buying, selling and holding these investments depend on whether you deal by telephone, in writing or online and the Account you choose.
- Within the HL Stocks and Shares ISA and Junior ISA the annual charge to hold these investments is 0.45% per year, restricted to a maximum of £45 a year per account.
- There are no annual charges to hold these investments in the HL Fund and Share Account.
- For more details about the charges see the terms and conditions.

### How do I receive my initial savings and annual loyalty bonuses?

- In most cases the initial savings are used to reduce the price you pay for each unit and you'll receive your saving in extra units.
- The annual loyalty bonus is paid directly to the income account of the account it was earned on.

### Will I receive interest on the cash I hold?

- For our interest rates please call our Helpdesk or visit our website.

### Where is my cash held?

- Client money is held in a client bank account. Client bank accounts are designated as trust accounts and segregated from our own funds in accordance with the FCA's client money rules and guidance.
- Our policy for choosing banks is continually reviewed and the primary consideration is always security. Money held within the HL Stocks and Shares ISA, Junior ISA and Fund and Share Account is currently spread across a number of banks. Money held in the HL Cash ISA is held solely with Lloyds Bank plc.

### Will I receive income?

- You can choose to have any income from your investments to be paid to your bank account. We'll sweep up any income (or interest for the Cash ISA only) you've received and pay it directly into your bank account within the first 10 working days of each month.
- Alternatively, you can also choose to have the income automatically reinvested within your account or held as cash awaiting your instructions.
- Income generated by investments in a Junior ISA cannot be paid out to a bank account as no withdrawals are allowed.
- Income payments can only be made to a UK registered bank or building society account.

### Can I change the investments I hold in my HL account?

- Yes, you can switch between investments whenever you like.
- For more details please see the Terms & Conditions.

### Can I cancel my investment?

- You can cancel your initial investment within 14 days and withdraw from your HL account.
- If you cancel your initial investment and it has fallen in value you'll receive less than the amount you originally invested.
- For more details about withdrawing from your investment please see the terms and conditions.

### How will I know how my investment is performing?

- We'll send you a valuation every three months. You can also log in to your account via our secure website or mobile apps and follow your investments 24 hours a day, seven days a week.

### What tax will I pay?

- Within Stocks and Shares ISAs and Junior ISAs there's no capital gains tax to pay on any gains and no UK tax on the income.
- Interest on cash held in a Stocks and Shares ISA, Junior ISA and Cash ISA is tax-free.
- Within the Fund and Share Account your tax liability will be the same as if you held funds, shares, or cash in your own name.
- HMRC believes that from April 2013 rebates of annual charges (such as loyalty bonuses) paid on funds held outside ISAs or SIPPs are taxable. We believe this is incorrect and are challenging HMRC's interpretation. However, to save clients facing an unexpected bill in the future, we are currently paying loyalty bonuses within the Fund and Share Account net of an amount equivalent to the basic rate tax (which means investors in the Fund and Share Account will not receive the full loyalty bonus shown). If we are successful in our challenge we will return this money to clients. If we are unsuccessful we will use the money to pay over any amounts due to HMRC. Higher rate and additional rate tax payers may have a further tax liability. Loyalty bonuses in the Fund and Share Accounts held by overseas investors, companies and charities will be paid without any deductions, as will loyalty bonuses in the Stocks and Shares ISA, Junior ISA and HL SIPP which are exempt from tax.
- We'll provide you with a schedule of income once a year to help you complete your tax return.

### How do I close my account or withdraw cash and how much will I receive?

- To close your account please write to us. We can't tell you at this stage what you'll receive because that depends on factors such as how your investments perform. Withdrawals and cash settlements will be made by cheque, Faster Payment, CHAPS or BACS. Withdrawal instructions can be placed over the internet, by telephone, or in writing. Withdrawals are not permitted from Junior ISAs until the account holder reaches age 18, except in the event of terminal illness or death.

- An account closure fee of £25 +VAT will apply when transferring the full balance of your account to another provider, or when placing a cash withdrawal which leaves your remaining account balance less than the required minimum value (currently £50).
- If you want to transfer your investments to another manager please contact them and ask them to arrange the transfer with us. If you transfer your holdings as cash there is a fixed fee of £25. If you transfer your holdings as stock the re-registration fee is £25 per holding.

### What happens to my investments when I die?

- If you hold investments with us when you die your investments are not necessarily sold; we follow the instructions that your executors give us.

### If I am not happy with the service I have received how do I complain?

- Please write to us at: Hargreaves Lansdown, One College Square South, Anchor Road, Bristol, BS1 5HL. We have a clear policy to ensure that we deal with complaints promptly and fairly. If you're not happy with our response you can also complain to the Financial Ombudsman Service.

### Compensation arrangements

- Hargreaves Lansdown contributes to and is covered by the Financial Services Compensation Scheme (FSCS), details of which are available from the FSCS or the Financial Conduct Authority.

## FUND SAVINGS AND CHARGES

### How will charges and expenses affect my investment if I choose to buy unit trusts or OEICs?

Some funds, typically OEICs, are 'single-priced', with the same buying and selling price. HL's initial saving means that you buy at the single price on the day, plus any remaining initial charge.

Some funds, typically unit trusts, are 'dual-priced', with a spread between the selling (bid) and buying (offer) price. HL's initial saving will reduce the offer price and so you pay less for each unit. However there will still almost always be a small difference between the price you pay for each unit and the price that you could have sold that unit for on the same day. e.g. Full offer price: 105p | Offer price after HL saving: 100p | Bid price: 99p.

You can never know the price at which you will buy or sell in advance because dealing for both types of fund takes place on a forward-pricing basis. This means that all instructions to buy or sell are submitted to the fund manager and those deals are then placed at the next available valuation point at a price based on the value of the underlying holdings at that point.

If funds are experiencing unusually high levels of sales or purchases the managers of unit trusts may price the funds on what is known as a 'cancellation' basis or OEIC managers may introduce a 'dilution levy' or operate a 'swinging price'. This may affect the price you get and therefore the savings we can offer. For more details about charges and our discounts please see the 'Fund prices, Savings and Yields factsheet' available on our website or from our Helpdesk.

### How much will Hargreaves Lansdown receive for making this investment?

When you make a new investment in a fund we rebate any commission we receive in full for the benefit of our clients, using it to fund the initial and annual savings we offer.

If a fund is provided by Hargreaves Lansdown Fund Managers, the HL Group will receive investment management fees.

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The Financial Conduct Authority (the independent financial services regulator) requires us (Hargreaves Lansdown) to give you this important information to help you decide if our HL Lifetime ISA is right for you. Read it carefully and keep it safe for future reference. To keep this document short we have not outlined every feature so please also read the terms and conditions before investing.

## ITS AIMS

- To offer a tax-efficient way of saving for a first home and/or retirement.
- To give you a wide investment choice

## THE RISKS

- The value of your investments can go down as well as up so you could get back less than you put in.
- The rules, the value of tax benefits and government policy could change.
- Inflation will reduce the buying power of your fund.
- A 25% government withdrawal charge will be applied should you withdraw money other than for a first home purchase, after your 60th birthday or if you're in terminal ill health. This will be charged on the full withdrawal amount, so you could receive less than

you have paid in.

- You should ensure that you have reasonable levels of other savings that you can use to cover any unforeseen expenditure. You should only contribute what you can afford to a Lifetime ISA.
- If you save in a Lifetime ISA instead of enrolling in or contributing to a qualifying pension scheme, occupational pension scheme or personal pension scheme for which you are eligible:
  - You may lose the benefit of employer contributions to the scheme;
  - This may affect your current and future entitlement to means-tested state benefits.

## YOUR COMMITMENT

- The minimum one-off investment is £100 and the minimum cash top up is £1.

- If the value of your investment falls below £100 we may ask you to sell it.
- There is no minimum investment length. You can sell your investments at any time, but please remember that stock market investments are designed for the long term and are not suitable for money needed at short notice.
- You should consider the amount you invest and the investments you choose in relation to your savings objectives, when you expect to need the money and your financial circumstances as a whole, including your other provision for retirement.
- You should regularly review your use of a Lifetime ISA and its underlying investments as your personal circumstances can change over time.

## YOUR QUESTIONS ANSWERED

### Am I eligible?

- Any UK resident aged 18 to 39 can open a Lifetime ISA.
- Once opened, you can continue to contribute to a Lifetime ISA up until the day before your 50th birthday.

### How much can I invest in a Lifetime ISA?

- You can pay in up to £4,000 each tax year up until the day before your 50th birthday.
- You will receive a 25% government bonus on your contribution, up to a maximum of £1,000 each tax year.
- The £4,000 contribution limit counts towards your annual ISA allowance across all ISAs (Cash ISA, Stocks and Shares ISA and Innovative Finance ISA). This is £20,000 for the 2018/19 tax year (between 6 April 2018 and 5 April 2019).

### When will I get the Lifetime ISA bonus?

- We'll claim the bonus from HMRC on your behalf and automatically add it to your account.
- HMRC will pay the bonus within 4-9 weeks of the date of the payment.

### When can I withdraw funds from my Lifetime ISA?

- You can withdraw money tax free from the Lifetime ISA if you're a first time buyer and use the money to purchase a home worth up to £450,000; after age 60; or if we've received written evidence from a registered medical practitioner that you're expected to live for less than one year.
- If you withdraw money for any other reason, you'll have to pay a 25% government withdrawal charge. This will be charged on the full withdrawal amount. This recovers any government bonus, any investment growth on that bonus, plus an additional amount.
- If the government withdrawal charge is incurred you could get back less than you have paid into your Lifetime ISA. For example, an £80 contribution would receive a £20 government bonus and a £100 withdrawal would incur a £25 government withdrawal charge.

### How do I use my Lifetime ISA to purchase my first home?

- You must be a first time buyer of a residential property which has a purchase price of not more than £450,000 and you must occupy the property as your only or main residence (unless you're unable to do so because you're an overseas crown servant, the spouse of an overseas crown servant, or you're waiting for the property to be built).
- The property purchase must be funded by a mortgage (or equivalent) meaning a cash purchase would not be allowed.
- Your Lifetime ISA must have either been open for 12 months or have been opened by a transfer from another Lifetime ISA which was opened at least 12 months before this withdrawal.
- You'll need to provide a declaration to your conveyancer, who will then provide a declaration to us.
- We'll pay the amount you request directly to the conveyancer.
- If the purchase does not complete within 90 days of the withdrawal and the amount withdrawn is not returned to your Lifetime ISA a 25% government withdrawal charge will apply. The conveyancer may request a 60 day

- extension followed by a further 30 day extension, if needed, should the property purchase be delayed.

### Can I open a Lifetime ISA if I have a Help to Buy ISA?

- Yes but you'll only be able to use one government bonus from either your Help to Buy ISA or Lifetime ISA towards the purchase of a first home.

### I'm looking to buy a home with my partner, can we both use a Lifetime ISA?

- If you're both first-time buyers then you can both take out a Lifetime ISA and use them towards the purchase of your first home.
- If one of you has previously owned a home only the other buyer would be eligible to use their Lifetime ISA towards the purchase of the property.

### Can I transfer a non-Lifetime ISA to a Lifetime ISA?

- Yes you can – any transfers will count towards your annual Lifetime ISA payment limit.
- A transfer won't count towards your overall ISA subscription limit.

### Can I transfer a Lifetime ISA?

- We're currently unable to accept transfers to the HL Lifetime ISA from other Lifetime ISAs.

### Can I open an HL Lifetime ISA if I already have a Lifetime ISA with another provider?

- You can open multiple Lifetime ISAs during your life but you can only contribute to one Lifetime ISA in each tax year.

### If I use a Lifetime ISA to buy my first home can I use it to save for retirement afterwards?

- Yes. You'll be able to continue contributing to your Lifetime ISA up until the day before your 50th birthday.
- If you're over 40 and close your Lifetime ISA you won't be able to open a new Lifetime ISA.

### What tax will I pay?

- Within a Lifetime ISA there's no capital gains tax to pay on any gains and no UK tax on the income from your investments.

### What charges will I pay?

- See our 'Tariff of Charges' in the terms and conditions.

### Cash

- There are no charges to hold cash.
- Over the next 12 months, HLAM expects to receive interest of between 0.2% p.a. below and 0.2% p.a. above the prevailing base rate (currently 0.75% p.a.) on cash balances in HLAM client money accounts. HLAM do not charge directly for holding cash or for cash transactions, but in accordance with the terms and conditions, we receive all interest earned on cash balances held in our Client Bank Accounts. We will separately pay interest to you on cash you hold with us at rates determined by us. Rates are determined by reference to the interest we receive and the cost to us of managing the cash and the wider operation of your Account. For more information about the current rates of interest, please visit [www.hl.co.uk/rates](http://www.hl.co.uk/rates) or call our Helpdesk.

### Can I invest monthly in the HL Lifetime ISA?

- You can invest in a Lifetime ISA from £25 a month by Direct Debit.

- There's no need to return a new monthly investment application form each year. We'll simply roll over your plan into the new tax year until you ask us not to.
- If you'd like to change the amount you're saving or the funds into which it is invested please inform us in writing by the 21st day of the month before you want the change to take effect.

### What happens if I die?

- Any bonus due will be claimed and any subsequent withdrawals won't incur a charge.
- It will form part of your estate for inheritance tax purposes.
- Your spouse or civil partner can inherit the ISA tax advantages.
- Any investments held with us aren't necessarily sold; we follow the instructions that your executors give us.

### How do I apply?

- Online: visit [www.hl.co.uk](http://www.hl.co.uk).
- By phone: call 0117 900 9000.
- By post: contact us if you require an application form.

### What can I invest in?

- Funds (unit trusts & OEICs).
- Stocks and shares traded on the London Stock Exchange, Dow 30, NASDAQ 100, S&P 500 and European Top 300.
- Investment trusts.
- Exchange Traded Funds (ETFs).
- Other investments are available; check before applying.
- Your Lifetime ISA will be held in cash until you provide investment instructions.
- You can switch investments when you like.
- Where possible, we'll buy accumulation units in funds. Otherwise income will be held as cash by default. You can choose to automatically re-invest investment income if you prefer.

### How will I know how my investments are performing?

- You can log in via our secure website and/or mobile apps and check your investments at any time.
- We'll also send you a valuation four times a year which details your investments and performance over the previous three months.

### Can I cancel my Lifetime ISA?

- You can cancel your initial investment and withdraw from your HL Lifetime ISA within 30 days of opening it. You won't incur any charge for this.

### I'm not happy with the service I've received how do I complain?

- Please write to us at: Hargreaves Lansdown, One College Square South, Anchor Road, Bristol, BS1 5HL We have a clear policy to ensure that we deal with complaints promptly and fairly. If you're not happy with our response you can also complain to the Financial Ombudsman Service.

### Compensation arrangements

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**WHAT A LIFETIME ISA MIGHT BE WORTH AT AGE 60**

Age saving in a LISA started	Investor contribution	Total amount invested (inc. Government bonus)	Estimated outcome from 0% return at age 60	Estimated outcome from 5% return at age 60	Charges and estimated inflation would reduce a 5% return to
18	£132,000	£165,000	£85,398	£290,136	2.0%
25	£104,000	£130,000	£72,603	£211,253	2.0%
30	£84,000	£105,000	£61,972	£161,583	2.0%
35	£64,000	£80,000	£49,905	£116,680	2.0%
40	£44,000	£55,000	£36,211	£76,088	2.0%

This table is designed to help you understand what the value of a Lifetime ISA might be at age 60, depending on the age at which saving starts and assuming the maximum annual payment at the beginning of each tax year up to age 50 and receipt of the Lifetime ISA government bonus.

It is designed to provide information for an individual who is saving for retirement in a Lifetime ISA and therefore may not be relevant if you are saving in a Lifetime ISA for a property purchase.

The estimated outcomes in columns 4 and 5 are based on standardised rates of return which may not reflect

actual or expected returns or your choice of investment for a Lifetime ISA and include the effect of Lifetime ISA charges and inflation on estimated outcomes from a Lifetime ISA.

Column 6 shows the effect of Lifetime ISA charges and inflation on the returns from a Lifetime ISA which you can use to compare the Lifetime ISA charges applicable to other Lifetime ISAs and long term savings products.

The Lifetime ISA charges taken into account in the table may vary over time and exclude any fee or charge payable in relation to advice or in relation to the investments held in the Lifetime ISA.

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Hargreaves Lansdown Asset Management Limited is authorised and regulated by the Financial Conduct Authority.

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