

# APPLICATION: TAKING A SMALL LUMP SUM FROM THE HL SIPP

HARGREAVES  
LANDS DOWN

Use this form to withdraw a lump sum worth £10,000 or less from your SIPP (or an existing arrangement of £10,000

or less). If you have any questions call us on ☎ 0117 980 9926, visit 🌐 [www.hl.co.uk](http://www.hl.co.uk) or email ✉ [sipp@hl.co.uk](mailto:sipp@hl.co.uk)

SL0324

## SECTION A: Understanding your circumstances

You may want to consider getting financial advice or guidance. It's important that you understand the risks and options available before you start taking money from your pension.

You can get free and impartial guidance from Pension Wise, the government's pension guidance service to help you make an informed decision about your retirement and the options available. We can book an appointment for you with one of their independent Pension Specialists, or for more information about their service you can visit [www.moneyhelper.org.uk/nudge-public](http://www.moneyhelper.org.uk/nudge-public) or call their team on 0800 100 166.

Q1. Do you want guidance from Pension Wise?

☐ Yes – Please contact me to book an appointment ☐ Yes – I'll book my own appointment ☐ No – I'm happy to proceed without Pension Wise guidance

If you would like to receive guidance from Pension Wise and/or seek additional financial advice, you should not proceed with this application until after your appointment/after you've received advice

If you chose to book an appointment yourself, and you have since done this and received guidance, tick this box ☐

If you have selected No, why have you decided to not take guidance from Pension Wise?

☐ I've already received regulated financial advice ☐ I've decided I don't want to speak to Pension Wise ☐ I've already received guidance from Pension Wise

Things like the value of your pension, a change in how much income you need, or current market conditions can significantly affect your pension. This may change how you consider the guidance you're given and assess which option is right for you.

If you're unsure, it could be valuable to get financial guidance from Pension Wise again

Q2. Have you received personal advice from a regulated financial adviser?

☐ Yes – I've received Personal Advice ☐ No

## SECTION B: Risk warnings for taking a small lump sum payment

1. **Are you happy to take responsibility for your retirement income and investments and will you review these regularly?**

You will have to take responsibility for your investment decisions. If you plan to invest the money you withdraw you will need to review these investments regularly. Nobody other than you will be accountable for any poor decisions you make. The income you receive in retirement will depend on a number of factors such as how much you withdraw from your investments (particularly in the early years), where you invest, how these investments perform and how long you live. You are choosing to proceed without personal financial advice from Hargreaves Lansdown so you must be confident (and comfortable) making these decisions yourself. If you're still unsure don't continue. Seek personal advice or guidance.

2. **Do you understand you are reducing your future pension income by taking a small lump sum payment?**

By taking your entire pension or arrangement as a lump sum it will not be available to provide you with a pension income in future. This could leave you reliant on the State. If you are still unsure you should not proceed and should seek personal advice.

3. **Are you aware a small lump sum payment cannot be reversed once paid, if you change your mind?**

You won't be able to reverse this option if you change your mind. Once you've taken a small lump sum from a pension, it can't be put back, unless as a brand new contribution (restrictions can apply). If you're still unsure don't continue. Seek personal advice or guidance.

4. **Do you understand the tax treatment of taking a lump sum?**

You could pay more tax than you intend to, or more (or less) than you owe. Pension providers, will deduct tax, where applicable, before lump sum withdrawals are paid out. This income is added to any other income you've received in that tax year. So taking large withdrawals could mean you're pushed into a higher tax bracket. When taking a small lump sum, basic rate tax will be deducted. If you pay too much tax you'll be able to reclaim this from HMRC directly. The tax you pay

and any benefits you receive will depend on your circumstances. Tax rules can change in the future. If you're still unsure don't continue. Seek personal advice or guidance.

5. **It's important you make an informed choice when it comes to accessing your pension. You could find yourself choosing a retirement option that isn't right for you or a provider who doesn't meet your needs. Do you understand this risk, and are you happy that you've shopped around to compare your retirement options and the services available from different providers?**

Shopping around allows you to compare the different options, including the benefits and risks, and services of different providers. For example taking a lump sum can provide flexible income but this isn't secure. Other options, such as annuities, can offer a secure income for life but aren't flexible. Understanding the different options and how these work will help you choose the option that's right for your circumstances. If you're unsure about this you should seek personal advice or guidance.

6. **Charges will reduce your retirement income and/or value of investments. Do you understand this risk, and are you happy that you have considered how charges might affect your drawdown plan as well as those of any other options you're considering?**

It's important to consider the charges associated with the option you choose when accessing your pension, including management charges and any set up fees that may apply. Most investments carry charges, and the money you ultimately receive depends on the investment returns, less any charges. The charges for the HL SIPP are shown in the Terms and Conditions. The investments you choose may have their own charges in addition to our account charges. If you're unsure about this you should seek personal advice or guidance.

7. **Retirement might last 30 years or more and it is important to consider the effects of inflation on the value of your income. Do you understand this risk, and are you happy that you've considered the effects of inflation (i.e. rising prices) on your plans?**

Prices rise over time. For example, between March 2002 and March 2022, inflation (as measured by

the Retail Price Index) saw the cost of goods and services rise by 85.4%. This means an equivalent range of goods costing £1,000 twenty years ago would typically have increased to £1,854. This means you might find yourself running short of money, even if the amount of income you take stays the same. If you're unsure about this you should seek personal advice or guidance.

8. **Withdrawing money from your pension may reduce any means-tested benefits you receive. Do you understand this risk, and are you happy to continue knowing the effect this could have on your current and future finances?**

Some benefits are calculated based on how much income and capital you have - these are called 'means-tested benefits'. Capital includes money you have in your savings and investments. If you have a partner, their capital and income may also be taken into account. Means-tested benefits include pension credit, housing benefit, income support, and jobseeker's allowance. Taking money out of your pension could affect your eligibility for these benefits. You can find more details about means-tested benefits at [gov.uk/benefits-calculators](http://gov.uk/benefits-calculators). If you're unsure about this you should seek personal advice or guidance.

9. **Any money in a pension may be protected from your creditors if you're in debt (e.g. loans, mortgages, credit cards) and they take action against you. This protection could be lost once you withdraw money from your pension. Do you understand this risk, and are you happy knowing the effect this could have on your current and future finances?**

If you have an arrangement to pay your debts, your creditors may be able to take money from any pension income or lump sums you withdraw. Most pension pots aren't included as assets in bankruptcy, however if you withdraw any income or lump sums from your pot, the person or organisation appointed to manage your bankruptcy may ask you to make regular payments towards your debts from that money. They can also claim an entire lump sum you take while you're bankrupt. If you're in financial difficulty, you should take extra care before withdrawing money from your pension and seek personal advice or guidance if you're unsure.

**10. Investment scams exist which target people who've withdrawn, or plan to withdraw, money from their pension. If you fall victim to these scams you could lose most or all of your money, with no compensation available. Do you understand this risk, and are you confident that you know what to look out for?**

Unfortunately, investment scams are becoming more prevalent and sophisticated, which can make

them harder to spot. Often fraudsters will attempt to make their 'sales pitch' as realistic and attractive as possible. They'll aim to build a rapport with you – sharing fake reviews, using convincing literature and websites or claiming to be regulated. Warning signs can include cold calling or texting, pressure to act quickly, the promise of unique or unusual opportunities, the offer of quick and easy profits or something that seems too good to be true. For

pensions, scammers might also offer free pension reviews and the chance to release money from your pension even if you're under the age of 55, which isn't normally possible under current pension legislation. You can find out more at [fca.org.uk/scamsmart](https://fca.org.uk/scamsmart). If you're unsure about this you should seek personal advice or guidance.

**PLEASE MAKE SURE YOU'VE COMPLETED SECTION A AND READ SECTION B ON PAGE 1**

**Is there anything else I need to know before applying?**

- You usually need to be aged 55+.
- You can receive no more than three payments of this type from personal pensions.
- By completing this form, you will be withdrawing the full value of your SIPP as a small lump sum. Where you hold both a SIPP and Income Drawdown, we will assume you wish to take a small lump sum from your SIPP (providing it's under £10,000) unless you tell us otherwise. If you hold both a SIPP and Income Drawdown account, and have either fixed or enhanced protection, please contact us before proceeding.
- You should make sure you have enough cash in your SIPP to cover your payment. We'll sell any remaining investments upon receipt of this form at our postal dealing rates.

- If your lump sum is taken from uncrystallised funds, 25% will be tax free and the remainder subject to income tax. If your lump sum is being taken from funds in drawdown, the whole lump sum will be subject to income tax.
- Should the value of the arrangement from which you wish to take a payment exceed £10,000, no payment will be made.

**Do I need to send anything else in with my application?**

Proof of age – if you've already sent us your ID you can ignore this step. We'll need to see a clear copy of one of the below:

- ✓ Valid passport
- ✓ Driving licence
- ✓ Birth certificate (and marriage certificate if your name has changed)

**Where can I find more information?**

If you have any questions our pensions experts are here to help. You can contact them on **0117 980 9926** or by emailing [sipp@hl.co.uk](mailto:sipp@hl.co.uk).

**Don't want to hear from us?**

If you don't want to receive emails from us, just send us an email or write to us to let us know.

Return your form to our simple freepost address (no stamp needed):

**Freepost HARGREAVES LANSDOWN**

**1. Your details**

Title (Mr, Mrs, etc):	First name(s):	Surname:
Postcode:	Date of birth: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Nationality:
National Insurance No. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Tick here if you have no NI No. <input type="checkbox"/>	Main tel. no: <input type="text"/>
HL client number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Email address: <input type="text"/>	

**2. Your payment – where would you like us to pay your lump sum?**

This must be bank account held either solely or jointly in your name.

Name of account holder:	Branch sort code: <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/>
Account number: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Roll Number (for building society accounts): <input type="text"/>
Name of bank or building society: <input type="text"/>	

**3. Declaration – please sign below**

- I confirm I have read the risk warnings included at the start of this application form and I am happy to proceed with this application.
- I request that Hargreaves Lansdown make a small lump sum payment in full and final settlement of all the benefits to which I may be entitled under the arrangement from which the payment is made.
- I confirm I have not previously received more than two other small lump sum pension payments from any personal pension scheme.
- I understand if I don't have enough cash available in my SIPP my investments will be sold upon receipt of my application, starting with my largest holding by value until my requested payment amount has been reached, and that normal postal/telephone dealing charges will apply.
- I understand no payment over £10,000 can be made using this application form. If my investments are worth more than £10,000 and I haven't confirmed the value of my requested payment, or I hold more than one eligible arrangement, I understand Hargreaves

Lansdown will contact me for instructions on how to proceed.

- I confirm I have sufficient relevant UK earnings to support the value of any tax relievable contributions made to my SIPP. I understand Hargreaves Lansdown will pursue me for the value of any basic rate tax relief which later needs to be repaid to HM Revenue & Customs due to me having insufficient earnings.
- I understand the payment will be subject to income tax.
- I understand that if as a result of the small lump sum payment this will leave no further uncrystallised funds in my SIPP, any regular saving instruction linked to my individual SIPP account will be cancelled before the payment is made. If I am a Group SIPP client I understand that I will need to contact my employer directly to cease any contributions and that no lump sum will be made until any outstanding payments have been received by HL.

- I declare that the information I have provided is to the best of my knowledge true and complete.
- If I have requested a payment from part of my SIPP, I understand that those funds will be allocated to a separate arrangement and that this may result in the loss of enhanced or fixed protection.
- I understand if the payment is subsequently discovered to be unauthorised, Hargreaves Lansdown will pursue me for reimbursement of any tax charge levied on Hargreaves Lansdown plus any costs they may incur in doing so.
- I have enclosed appropriate evidence of age to support my application as requested above.

**False Statements – it is a serious offence to make false statements; the penalties are severe and could lead to prosecution.**

Please sign here



SIGNATURE

Date:

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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**PLEASE MAKE SURE YOU'VE COMPLETED SECTION A AND READ SECTION B ON PAGE 1**