

## The Digital Group SIPP Member Guide

The Digital Group SIPP provides an easy, tax-efficient way to save for your future. Each scheme member has their own Personal Pension Plan, all of which are grouped together for improved efficiency and to maintain compliance with workplace pension legislation.

The Digital Group SIPP is fully compliant with auto-enrolment pension legislation, which means that:

- you must be enrolled into the scheme automatically, provided you meet the relevant criteria
- a minimum level of contributions must be paid by you and your employer
- your money is placed into suitable default investments
- a maximum charge cap applies, when using the default investments

The Digital Group SIPP meets all of these requirements, but also has a range of additional benefits not usually found within a traditional workplace pension scheme, including:

- a higher level of personal control
- greater financial protection
- a wider choice of investments
- additional contribution options

### Who provides the Digital Group SIPP?

There are 3 parties that work together to provide the Digital Group SIPP:

#### Seccl Technology

Seccl are part of the Octopus Group and provide the background technology that underpins many financial services organisations in the UK. Seccl also operates the underlying pension scheme for the Digital Group SIPP – The Seccl Personal Pension.

The legal & regulatory scheme details are:

- Scheme name: The Seccl Personal Pension
- Scheme provider: Seccl Custody Limited, FCA reference number 793200
- HMRC scheme reference: 20005619RK
- Pensions Regulator reference: 12019064

#### P1 Investment Services

P1 Investment Services is a firm of award-winning Discretionary Fund Managers (DFMs), who provide a number of investment portfolios used by the Digital Group SIPP. These include a comprehensive range of multi-fund, risk-graded portfolios, to suit different investment aims and ethical requirements.

P1 Investment Services is also the Platform Provider used by the Digital Group SIPP. P1 is regulated by the FCA, number 752005

## Digital Wealth Systems

Digital Wealth Systems (Digi) provides the group scheme functionality, maintaining compliance with workplace pension and auto-enrolment legislation.

Digi also operates the Group SIPP online portal – the user interface for scheme members, employers, and advisers.

## Your online account

The Digital Group SIPP is fast, efficient, and paper-free. Digi's client portal keeps your information completely secure and makes it easy to view and manage your account, wherever you are.

Information is updated daily and gives 24 hr access to your pension account, showing:

- your account value
- a full breakdown of your investments
- a detailed record of contributions
- comprehensive fund information
- details of any costs and charges
- important scheme documents
- your annual statements

The portal also allows you to:

- view and change your personal details
- make changes to your investment choices
- upload and store your own documents
- nominate your beneficiaries

## Joining the scheme

You do not need to complete an application to join the scheme. Your employer is required to enrol you automatically, provided that you meet the following eligibility criteria:

1. You earn at least £192 per week / £833 per month.
2. You are aged between 22 and State Pension Age.

If you do not meet these eligibility criteria and are not automatically enrolled, you may also choose to join the scheme voluntarily – this is known as “opting-in”.

## Postponement

Your eligibility may not be assessed straight away – your employer can choose to postpone this for up to 3 months after your employment start date. If your employer does postpone your assessment, they will write to let you know. You have the option to join voluntarily within any postponement period if you wish.

### **What if you are enrolled, but don't want to be a member of the scheme?**

If you don't want to take part in the scheme, you can choose to "opt-out". This can only be done after you have been enrolled – it is not possible to opt-out without first becoming a scheme member.

NB: you cannot opt-out via your employer – it must be done directly with the pension scheme, and the simplest method is via the Digi member portal.

You have 1 month from receiving your enrolment letter in which to opt-out. If you do this, any contributions that have been deducted will be refunded to you; and you will be classed as never having been a member of the scheme.

After 1 month you can choose to suspend any future payments to the scheme, but you will not be able to obtain a refund of contributions.

### **What if you change your mind about opting-out?**

If you have opted-out and then decide that you would like to re-join the scheme, simply contact your employer in writing to let them know.

### **How much are your pension contributions?**

#### **The standard contribution rates**

The standard minimum contribution rate is 8% of your "Qualifying Earnings". By default, this is split between you and your employer as follows:

- 5% is payable by you
- 3% is payable by your employer

Qualifying Earnings currently includes all income:

- between £120 and £967 if you are paid weekly
- between £520 and £4,189 if you are paid monthly

#### **Alternative contribution rates**

Your employer may choose to use a different definition of pensionable income, with different minimum contribution rates. They may also choose to pay more of the total contributions themselves, reducing the amount that you contribute personally. In either case, you will be given the details of any alternative arrangements that may apply to your workplace scheme.

### **Can you pay additional contributions?**

You may choose to pay larger personal contributions, subject to an overall maximum of 100% of your earned income, or the Annual Allowance, if lower (currently £60,000 pa). The Annual Allowance includes both personal and employer contributions and also includes contributions to any other pensions that you pay into in the same tax year.

Note – the 100% of earned income restriction does not apply to employer's contributions. These are however still subject to the Annual Allowance.

Remember that the more money that is paid into the plan, then the greater the benefits will be at retirement. You may wish to take advice with regard to appropriate contribution rates, so that the scheme may ultimately provide you with an income in retirement that will meet your expectations.

If you wish to pay higher contributions to this scheme this must be arranged via payroll - please contact your employer in the first instance.

Please note that if you choose to pay more than the minimum contributions yourself, your employer is not required to increase their contributions.

## Tax-relief on personal contributions

Personal contributions to a Personal Pension or SIPP are always paid net of basic rate tax. Under the Digital Group SIPP, any personal contributions are deducted via payroll under a "Relief at Source" arrangement.

This means that they are taken net of basic rate tax, from your net pay, after tax and National Insurance have been deducted. The pension provider reclaims the basic rate tax for you, and the net contribution is topped up automatically.

For example, a £100 personal contribution is deducted as a net amount of £80.00, from net pay. The pension provider claims back the £20.00 tax for you and tops the total amount up to £100.

If you are a non-taxpayer, you will also benefit from this arrangement, as any contributions will be topped up automatically in the same way.

## Higher rate tax relief

Everyone receives basic rate tax relief automatically. However, if you pay higher-rate tax, you are due an additional 20% or 25% relief, depending on your personal circumstances. This is normally obtained by submitting a self-assessment tax-return.

In order to pay the additional tax-relief, HMRC will either:

- reduce any other tax that you may owe
- pay a tax-rebate
- adjust your tax-code

If you don't normally submit a tax-return, you should contact HMRC directly to claim any higher-rate relief.

## Salary exchange

Your employer may deduct your personal contributions under a salary exchange, or salary sacrifice arrangement. This means that your gross income is reduced by the amount of your contribution and this money is then paid to the scheme as an additional employer's contribution.

Using salary exchange, your contributions do not form part of your taxable income. This means that you automatically save tax at your highest rate, and you also save National Insurance on these amounts.

There is a limit to the amount that can be paid using salary exchange – any remaining income must not fall below the National Living Wage or National Minimum Wage.

## Can you stop paying contributions to the scheme?

You may suspend contributions to the scheme at any time – this is also known as “ceasing active membership”.

If you do suspend your contributions, bear in mind that:

- your employer’s contributions will also stop
- your pension fund will be smaller, and your retirement benefits will be lower when you come to draw them
- you will still be subject to auto-enrolment legislation, which means that your contributions may be automatically re-started in future

## What are the costs?

The Digital Group SIPP operates with a combination of 2 charges, which are deducted automatically within the scheme:

1. A platform charge of 0.60% pa, which covers all of the scheme administration and general support services. The platform charge reduces for larger fund values, as follows:
  - the first £350,000: 0.60% pa
  - between £350,000 and £700,000: 0.51% pa
  - over £700,000: 0.42% pa
2. An investment charge, which varies according to your chosen portfolio or funds. For the default investment portfolio, this charge is approximately 0.08% pa.

The total cost is therefore approximately 0.68% pa, using the default investment portfolio.

NB: each investment portfolio is made up of a number of individual funds. Therefore, the total investment charge may vary slightly over time, depending on the specific costs and the allocation of each fund within the portfolio.

Please note that if you choose an alternative investment portfolio, or select your own individual funds, these may have higher annual charges.

## What investment choice is there?

The Digital Group SIPP gives access to a wider range of investment options than a simple personal pension or workplace pension scheme.

Under auto-enrolment regulations, when you are first enrolled, your contributions must be allocated to a default investment – they cannot be held in a bank account. The default investment portfolio is chosen by your employer and their advisers, to ensure suitability for scheme members and to maintain compliance with the regulations.

## Managed Investment portfolios

The Digital Group SIPP has access to 19 multi-fund, risk-graded portfolios, to suit your individual investment aims, cost and ethical requirements. The portfolios both widen the investment opportunity and spread the investment risk, compared to using individual funds.

When you are enrolled, your contributions will be allocated by default to one of the low-cost, “Passive” portfolios. Typically, this will have a medium risk-profile, suitable for the majority of members.

The Digi member portal has detailed information on each of the portfolios, and you may choose to change your portfolio at any time. You should consider various factors, such as your attitude to investment risk, ethical concerns, the length of time that your money will be invested and whether you take an active interest in investment matters.

Please note that changing the allocation of your investments will affect the future returns on your accumulated pension funds. If you are unsure, we recommend that you discuss any proposed changes with a suitably qualified adviser, before proceeding.

## Self-select investment option

The Digital Group SIPP currently has access to over 1,500 individual funds, giving you the ability to select specific investments and build your own bespoke portfolio.

You can search through the available funds on the member portal, and if you do want to make specific investment choices, this can be actioned on the member portal. Remember that each fund has its own separate investment charge, in addition to the platform cost.

If you wish to use the Self-Select investment option, you will be solely responsible for making sure that any investments are appropriate to your investment aims, acceptable costs and levels of risk.

We strongly recommend that this option is only used by people who are experienced investors, or who are acting under advice from a financial adviser.

## Leaving service / changing employment

If you leave your current job, it is very likely that your new employer will operate some form of pension scheme. You should certainly check the details and join that scheme if it is in your interests to do so. You will probably find that you are automatically enrolled into your new employer’s scheme in any event.

Your Digital SIPP account belongs to you and will simply go with you - it will remain active if you want to continue using it.

You then have the following options:

1. Continue contributing to the scheme personally.
2. Continue contributions from a new employer.
3. Leave the fund invested until you draw the benefits in future.
4. Transfer other pensions into your SIPP account.
5. Transfer your SIPP account to another provider.

## When can benefits be taken from the scheme?

You may start to take your benefits at any time from age 55. You are able to draw your benefits directly from the scheme, which allows you to maintain the low ongoing charges. If you are still working you may continue to make contributions, whilst simultaneously drawing your benefits.

Bear in mind that if you elect to take your pension earlier than first anticipated, the benefits may be lower than expected, as the funds will not have been invested for the length of time first assumed.

## What benefits can be taken?

The way in which you take your pension benefits is decided at the time that you arrange to draw them. The actual *structure* of any benefits can be a complex decision and advice should be taken at the appropriate time. Your pension fund may be transferred to any suitable provider in order to do this, without any penalties being applied.

Generally, you are entitled to take up to 25% of your pension fund as tax-free cash. The balance of the fund may be taken in any way that suits you, but anything else that you do withdraw will be treated as income and liable to income tax at your highest marginal rate. Your benefits can be arranged so that they continue to be available to your dependants after your death.

The size of your fund and the level of benefits that you receive will depend upon several factors, including:

- The amount of money paid into the scheme.
- How long the funds are invested before you draw your benefits.
- The investment performance of the funds.
- The charges deducted for operating the scheme.
- The rate at which your funds are converted to income in retirement.

## What is payable on death before drawing benefits?

If you die before you draw your benefits, the full value of the fund will be available to your beneficiaries, free of all tax. You may complete a Nomination Form, so that Corpad know who you want to receive the value of your pension funds if you die.

## Existing Pension Arrangements

You should take any other pension policies or previous benefits into account when deciding on your overall plans for retirement and selecting the level of contributions you wish to make.

If you have any previous pension benefits, you generally have the following options available:

- Leave the benefits invested with the existing scheme / provider.
- Transfer the benefits to your account within this scheme.
- Transfer the benefits to an alternative provider.
- If you are aged 55 or over, you may be able to draw your pension benefits from the scheme.

We would be pleased to discuss any other policies with you in more detail, to help you to decide on the best course of action. You may also wish to take advice from a suitably qualified financial adviser, but bear in mind that you may be charged for this.

### State Pensions

It is important to take all your pension arrangements into account when making any decisions relating to your overall retirement planning objectives. Therefore, we strongly recommend that you obtain a State Pension forecast in order to build a full and accurate picture of your pension arrangements.

You can obtain further information on your State Pension online at [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension) or by phone on 0845 3000 168.

### Information

You can view your pension details online at any time via the Digi online portal.

### Notes / warnings

- The contents of this document are based upon current legislation and taxation, which may be subject to change in the future.
- Your employer has the right to alter their workplace pension arrangements at any time. You will be given notice of any important changes.
- Charges on the scheme may change in the future.
- To obtain the benefit of investing in equity funds, a longer term view is usually advised. Past performance is not necessarily a guide to future performance and may not necessarily be repeated. Investments should, in any event, be reviewed on a regular basis.
- The value of equity-based investment funds can fall as well as rise and you may get back less than the amounts invested, especially in the early years.



## Contact details

General queries should be sent to us at:

Email: [gsipp@digitalwealthsystems.co.uk](mailto:gsipp@digitalwealthsystems.co.uk)  
Tel: 03330 156 350

## General help and support services

Further help and support are available at:

MoneyHelper - the Government's impartial guidance service:  
<https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise>

Unbiased – a register of qualified Independent Financial Advisers:  
<https://www.unbiased.co.uk/>

## What if things go wrong?

We hope that you will never have cause to complain; but if you do, the first step is to write to us with details of your complaint. We will then examine the issues and respond as soon as we are able. If your issue is still unresolved, then you can contact the Pensions Advisory Service, the Pensions Ombudsman or the Financial Ombudsman.

### The Pensions Advisory Service

Tel: 0845 601 2923  
Email: [enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)

### The Pensions Ombudsman

Tel: 0207 630 2200  
Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

### The Financial Ombudsman Service

Tel: 0845 080 1800  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
London  
E14 9SE

Digital Wealth Systems Limited, registered in England, number 11619983. Registered office: 7 St. Petersgate, Stockport, Cheshire, England, SK1 1EB.

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