

Service Charter Addendum

Safeguarded Pension Benefits

MJB (Partnership) Ltd
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Date of issue	
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This document should be read in conjunction with the MJB (Partnership) Ltd Service Charter and is designed to be used in addition to that document rather than to replace it.

Introduction

This Service Charter introduces the advice services we provide where customers have pensions with Safeguarded benefits (Guarantees).

This includes defined benefit/final salary and career averages schemes and other pensions with guarantees (such as Guaranteed Minimum Pension).

Advice services

The issuing adviser is authorised to provide you with regulated advice in respect of your safeguarded benefits in your pensions. We are bound by the rules of the Financial Conduct Authority (FCA).

We offer independent investment advice. This means that we consider a wide range of financial strategies and products. We are constantly reviewing the market to ensure that the services and products we offer are appropriate for our clients. Where we recommend particular investment strategies and products to you, these will be selected based on your personal circumstances, financial goals and objectives. We'll consider a number of factors, including the services you need, your investment experience, the cost of investing, how much risk you are prepared to accept, how much risk you need to take in an investment product and how much of a drop in its value you could withstand.

Law

These Terms of Business are governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

Right to cancel

We will inform you of your statutory right to cancel and the time frames applicable in which to cancel; for life or pension contracts this is usually 30 days. However, there will be occasions where no statutory rights are granted, although this will be explained before any contract is concluded. It is also important to understand that if you transfer out of a plan/scheme with safeguarded benefits then, although you may cancel the new plan transferred into, this does not mean that the plan/scheme with safeguarded benefits will reinstate these benefits (in all likelihood they will not).

Possible outcomes, our services and how we charge

It is important that you know what to expect in terms of the services we provide, and that you understand our commitment to you in the provision of those services. We intend to be professional, clear, and fair in our dealings with you, and will always ensure that any service or advice provided is in your best interests.

Possible outcomes

Our regulator, the FCA, states '**When a firm is making a personal recommendation for a retail client who is, or is eligible to be, a member of a pension scheme with safeguarded benefits and who is considering whether to transfer, convert or opt-out, a firm should start by assuming that a transfer, conversion or opt-out will not be suitable. A firm should only consider a transfer, conversion or opt-out to be suitable if it can clearly demonstrate, on contemporary evidence, that the transfer, conversion or opt-out is in the retail client's best interests.'**

With the above in mind there are only two potential outcomes of our advice/recommendations which will be one of the following:

- Retain benefits in the existing scheme/plan to either defer benefits or take the scheme pension directly
- Transfer out to a new pension that we will recommend for you

Our service/how we charge

With the above in mind we foresee the advice process as outlined below.

<p>Initial consultation</p>	<p>We will meet with you face-to-face, via a Web meeting or telephone conference to capture important information about your current circumstances, your financial history, and your aspirations, priorities and objectives in terms of your financial future. We may also discuss your attitude towards 'transfer risk' and 'investment risk', and your understanding of how such risk may affect you. This can take up to approximately 2 hours. In some cases this will require two meetings.</p> <p>The consultation will close with a summary of our findings, and our suggested next steps toward a tailored, yet realistic, solution to your needs. There is no obligation to proceed at this stage. If you decide to proceed the costs will be agreed with you in advance of any further work taking place. If you agree to this, we will ask you to formalise your permission by signing this document (and the 'Your Personalised Charges Agreement' if applicable).</p> <p>In some cases, the next steps will be relatively straightforward, and this will be reflected in our costs. In other cases, this may involve considering the options of taking benefits within the scheme/plan now and a possible transfer in more detail. In some instances, we may use third party specialists to undertake detailed research on any existing benefits (in the form of a Transfer Value Comparator /TVC). The amount of work involved will be explained to you in advance and reflected in the costs we have agreed with you.</p>		
<p>Recommendation report</p>	<p>Following your agreement to proceed after the initial consultation we will provide a Financial Planning Report which paints a clear picture of your current position and provides either a recommendation to retain benefits in the scheme, take benefits directly with the scheme or transfer out to an alternative pension plan. If the advice is to transfer out and you hold a workplace pension scheme, we will review whether this is a suitable destination for the investment proceeds in the first instance.</p> <p>We will be happy to arrange to meet with you to discuss our recommendations in full and take you through the report step-by-step. You will be free to take the report away with you and give it due consideration before agreeing to undertake any further work.</p>		
<p>Possible outcomes</p>	<p>At this stage, the outcomes are likely to be one of the following:</p> <ul style="list-style-type: none"> • Retain benefits in the scheme (do not transfer out) • Take benefits directly through the scheme/plan • Transfer to a new/existing pension that we will recommend for you 		
<p>Example fees</p>	<p style="text-align: center;">Example 1</p> <p><i>Full defined benefit transfer advice: £3,500</i></p> <p>plus 1% of transfer value, payable if you proceed to transfer or not.</p> <p>If your DB scheme transfer value is £200,000, advice will cost £5,500 (£6,600 inc. VAT).</p>	<p style="text-align: center;">Example 2</p> <p><i>Full defined benefit transfer advice: £3,500</i></p> <p>plus 1% of transfer value, payable if you proceed to transfer or not.</p> <p>If your DB scheme transfer value is £500,000 advice will cost £8,500 (£10,200 inc. VAT).</p>	<p style="text-align: center;">Example 3</p> <p><i>Full defined benefit transfer advice: £3,500</i></p> <p>plus 1% of transfer value, payable if you proceed to transfer or not. A further £1,500 plus 1% of the CETV for additional schemes.</p> <p>If the 1st DB scheme transfer value is £200,000 and the 2nd DB scheme transfer value is £120,000, advice will cost £8,200 (£9,840 inc. VAT).</p>

Full defined benefit/safeguarded benefit advice

We will advise you on whether you should keep your DB scheme or transfer out to a new/existing pension that we will recommend for you. We will liaise with your new and old schemes to make all the necessary arrangements.

The above work will be payable on the following basis:

- Standard fee (which includes analysis of one scheme) - £3,500 fixed fee (£4,200 inc. VAT) plus 1% of the CETV
- Multiple schemes – Additional £1,500 fixed fee (£1,800 inc. VAT) plus 1% of the CETV

Fees are capped at £10,500 (£12,600 inc. VAT).

We will confirm the total cost for you in advance of commencing work by issuing a separate 'Your Personalised Charges Agreement' which is to be agreed in advance of any work/research being undertaken.

Please note, the above fees are subject to VAT at 20%. However, if the advice is later deemed VAT exempt, we will inform you at the earliest opportunity.

It is important to understand that advice fees will be payable regardless of the outcome of the advice.

You will always know our fees before you decide to proceed. We do not hide our costs and we have a transparent charging structure, so you can be sure we are working efficiently for your benefit.

Our fees are based wholly upon the provision of our qualified and professional expertise, the time taken to analyse your circumstances and devise an appropriate strategy going forward, the design of an appropriate summary report to communicate this strategy to you.

It may be possible for your total fees to be deducted from the investment amount at outset (if a transfer goes ahead), via the product provider if the recommended provider will facilitate this. Alternatively, you may prefer to make your payment by cheque or bank transfer to Best Practice. Your choice can be made in the Client Declaration section of this document.

Please note, if the advice is to retain the benefits of your pension scheme you will be unable to deduct the costs from the investment amount and therefore are responsible for paying the fee through alternative means.

Ongoing review services

In cases where the advice is to transfer, depending on the size and complexity of your portfolio once in place and the outcome of our recommendations, you may or may not require ongoing review services. These services are optional, and once implemented, can be cancelled at any time should our ongoing review services no longer be required. It is important to be aware that, in the absence of a specific agreement to provide you with ongoing services, your portfolio will not be monitored unless you contact us to ask for a specific service. Further details of this can be found within the Service Charter.

Invoice procedure

Invoices are issued within 10 days of either an advice service being finalised and/or presented.

Refunds and cancellation policy

Fees are payable subsequent to our Professional Advice Services being provided, and therefore refunds are not available in normal circumstances. Fees paid in respect of regular or annual services are not refundable. However, any ongoing services may be cancelled upon request. Please also see 'Right to Cancel' above, in respect of cancelling individual products or policies.

Should a refund be required due to any element of dissatisfaction on your part, this should be approached via our normal Complaints procedure (available on request). We will try to resolve the issue to your satisfaction, which may include offering a discretionary refund.

Timescales

Due to the fact that we are reliant on third parties (scheme administrators/trustees and, in some instances, third party specialists), it is not possible to give a definitive timescale for how long it may take to provide you with a recommendation. However, in our experience this process can take between 3 and 9 months though it could be shorter or longer than this.

Where we agree to provide you with a service in relation to defined benefit (final salary) pension transfer advice, we do not guarantee that we will provide advice before the expiration of any associated guaranteed cash equivalent transfer value (CETV) that has been provided, or that is requested as part of the advice process. The process involved in providing this type of advice can be lengthy due to the nature and complexity of the benefits involved. Therefore, our obligation to you is to ensure that you understand this before entering into an agreement with us.

Where an associated CETV does expire before advice can be provided then you should be aware that this figure may go up or down in value when recalculated by the scheme. Additionally, you should be aware that there may be a fee charged by your scheme before they will provide you with a new CETV.

Arranging the transfer

We will not implement or facilitate a defined benefit pension transfer unless we have provided the advice to do so, and that advice states that a transfer is in your best interests. We will only implement the advice that we provided (which includes the underlying solutions) and will not implement anything that deviates from this recommendation.

Client declaration/fees

This document represents our standard Service Charter – Safeguarded Benefits Addendum, upon which we intend to rely. For your own benefit and protection, you should read these terms carefully before signing below. If you do not understand any point please ask for further information.

This Agreement is designed to confirm and formalise our discussion regarding the services we provide. ***It will be signed and agreed at each stage in the advice process.***

Where our charges are based upon a fixed fee and a percentage of initial investment amount and/or ongoing contract value, we will confirm the fee in specific monetary terms with the 'Your Personalised Charges Agreement'. For funds under management with an agreed percentage-based charge, please be aware that as the fund grows the charge will increase.

You should seek legal advice in respect of your own specific requirements to ensure the validity of this agreement.

An invoice in respect of Professional Fees will be raised upon completion of the initial service, or upon completion of any associated transaction/s or product/s, to meet the cost of our services to you.

Initial Fees

Tick this box to confirm you have understood that our fees are payable regardless of the outcome of advice	<input type="checkbox"/>
If the recommendation results in a transfer, tick this box if you would prefer our initial fees to be deducted from your investment	<input type="checkbox"/>
If the recommendation results in a transfer, tick this box if you would prefer to pay our initial fees by cheque/bank transfer	<input type="checkbox"/>
Tick this box if you agree to pay our initial fees by cheque/bank transfer should the advice be to retain	<input type="checkbox"/>

Ongoing Review Services

Tick this box if you agree to pay our agreed fee for ongoing review services, by annual/monthly deduction from your investment, subject to availability from the provider(s)	<input type="checkbox"/>
Tick this box if you agree to pay our agreed fee for ongoing review services, by cheque/bank transfer	<input type="checkbox"/>
Tick this box if you do not require any ongoing services. Your investments will not be kept under review, and any services you request in future may be subject to further charges	<input type="checkbox"/>

Initial Consultation and Recommendation Report

Agreed Initial Fee	£	Plus	%	Approximate Total:
Client Name				Adviser Name
Client Signature				Adviser Signature
Date				Date

Ongoing Review Services

Agreed Ongoing Fee		%	Estimate in £'s (which will fluctuate):
Client Name			Adviser Name
Client Signature			Adviser Signature
Date			Date

Important information: MJB (Partnership) Ltd is a member of Best Practice IFA Group Limited which is authorised and regulated by the Financial Conduct Authority. Registered office Holmwood House, Broadlands Business Campus, Langhurstwood Road, Horsham, West Sussex, RH12 4QP. Registration in England No 07572431