

SIPP Benefit Payment Form Requirements

The recent changes to pensions legislation have emphasised that scheme administrators and financial advisers need the right information about their clients. This will enable their clients to maximise the amount of any available tax-free lump sum payments, and minimise the amount of income tax applying, when a client crystallises benefits after 5 April 2024.

This note outlines our benefit payment requirements. It is designed to ensure the best outcome for your clients, to minimise the paperwork involved and to ensure we meet our regulatory obligations.

Fundamentally, our previous process remains unchanged. Therefore, we'll need a new SIPP Benefit Payment Form:

- a) for the client's first crystallisation,
- or
- b) where a client has crystallised and their last (old-style) SIPP Benefit Payment Form is over 12 months old.

However, where an existing (old-style) SIPP Benefit Payment Form has been signed within the last 12 months, in addition to the usual practical requirements, we can accept a secure message with either:

- a) confirmation that there hasn't been any benefit crystallisation event (BCE), or relevant benefit crystallisation event (RBCE), with any other provider since the last BCE/RBCE with Wealthtime Select,
- or
- b) details of any BCE(s)/RBCE(s) with any other provider(s) since the last crystallisation with us.

We will also require:

- 1) confirmation that a Transitional Tax-Free Amount Certificate (TTFAC) has been considered and dismissed,
- or
- 2) a copy of any TTFAC produced by another provider,
- or
- 3) a completed Wealthtime Select Transitional Tax-Free Amount Certificate with supporting evidence (which will be processed before the requested crystallisation).

We have provided an example of how you would be able to rely on an old-style SIPP Benefit Payment Form that has been signed within the last 12 months on page two.

We hope this is clear and useful. However, please contact our customer services team on **01725 512925** if you would like to discuss anything.

Example: multiple crystallisations reliant on old-style Benefit Payment Form signed within the last 12 months

- **1 June 2023** – Benefit payment form signed for first crystallisation event.
 - Crystallisation processed based on the details provided on the Benefit Payment Form.
- **1 December 2023** – Second crystallisation requested by a secure message (SM).
 - SM must include confirmation that either:
 - No further crystallisations with any other schemes since 1 June 2023,
 - or
 - Further crystallisations have happened outside Wealthtime Select and provide the following information:
 - Date of crystallisation,
 - LTA consumed,
 - PCLS paid,
 - Any lifetime allowance protection details.
- **1 May 2024** – Third crystallisation requested by a secure message (SM).
 - SM must include confirmation that either:
 - No further crystallisations with any other schemes since 1 December 2023,
 - or
 - Further crystallisations have happened outside Wealthtime Select and provide the following information:
 - Date of crystallisation,
 - LTA consumed (before 6 April 2024),
 - PCLS paid,
 - Any lifetime allowance protection details (before 6 April 2024),
 - AND confirmation that:
 - A TTFAC has been considered and dismissed,
 - or
 - A TTFAC has been provided,
 - or
 - A Wealthtime Select Transitional Tax-Free Amount Certificate and supporting evidence has been submitted with this request and should be processed before this crystallisation is carried out.
- **1 July 2024** – Further crystallisation required.
 - As 12 months has passed since the first SIPP Benefit Payment Form was supplied (on 1 June 2023), a new-style SIPP Benefit Payment Form needs to be completed for this crystallisation, as per the existing process.

If you require this document in an alternative format please contact us.

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