



# Key Features of the Fundment Junior Personal Pension

Apr 2024

# Contents

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Aims	03
Your commitment	04
Risks	05
Questions and answers	06
Contact us	11

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## **This is an important document.**

The Financial Conduct Authority is the independent financial services regulator.

It requires us, Fundment Limited, to give you this important information to help you to decide whether our Junior Personal Pension is right for you.

You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

We do not provide or offer financial, legal or tax advice. You should seek your own financial, legal or tax advice from a Financial Adviser or another suitably qualified professional.

## Aims

The purpose of this Key Features document is to provide you with a clear summary about the Fundment Junior Personal Pension, so it is important that you also read this document along with the Platform Terms and Conditions, Fee Schedule, Product Illustrations and other documentation provided to you.

The Fundment Junior Personal Pension is a personal pension scheme designed to provide a pension for young people under the age of 18 to help them save tax efficiently for their retirement.

The pension allows an appointed representative to open and control the pension on behalf of the member until the member becomes 18 years old. At age 18 the Fundment Junior Personal Pension will be converted to a Fundment Personal Pension policy.

It provides your savings the potential for tax-efficient capital growth, income, or a combination of both, through investing in funds and other eligible assets.

The available investment options include model portfolios designed and run by various investment managers, unit-trusts, OEICs, exchange traded funds and investment trusts.

The pension allows you the flexibility, from the age of 55 (57 from 2028), to take benefits or remain invested. The pension can provide you a regular income when you retire, or a tax-free lump sum and a regular income.

The pension can also allow the provision of benefits for a spouse, civil partner or dependants in the event of your death.

## Your commitment

Please take time to read this document and ensure you understand the key features and risks.

To enable us to provide you with up-to-date information, please ensure you notify us of any change in your personal circumstances and you keep a close working relationship with your financial adviser.

Generally, you will need an email address in order to access your account.

Please review your contributions, and/or investments regularly. If you have a financial adviser, they will be able to help you with this.

Invest for the long term – this is normally until at least the age of 55 (rising to 57 in 2028), when you can access your pension benefits.

# | Risks

We cannot guarantee the amount you will have at your retirement date.

The amount you get depends on a number of factors including:

1. Investment performance which may be different to those outlined in the illustration document.
2. Taxes may change.
3. Inflation may erode the purchasing power of the money you have saved.
4. Your account may not have grown sufficiently to meet your income needs.
5. If you receive means tested benefits, drawing an income from your account may restrict your benefits.
6. Our charges on your account will also affect the overall value of your account. The charges may change from time to time.
7. Unless you cancel within the first 30 days, you will not normally be able to access your pension until age 55 (57 from 2028).
8. If you transfer benefits from another pension scheme, there may be penalties and/or loss of valuable benefits, including guarantees.

# I Questions and answers

## Q What is a personal pension?

A pension is a savings plan designed to help you save for your retirement in a tax efficient manner.

## Q Who can open an account?

To open an account,

1. The child must be under 18 years of age.
2. The child must be tax resident in the United Kingdom except in certain approved circumstances.
3. The account must be opened by an individual over the age of 18 who is a parent or legal guardian of the child under the age of 18.

## How can I tell this is the correct

## Q account for me?

You should discuss with your financial adviser before opening a Junior Personal Pension account. This account may be right for you if you are:

1. Happy with long term investment of your capital where the child may not be able to access the money until after their 55<sup>th</sup> birthday.

2. Seeking to benefit from tax relief on your contributions (subject to personal circumstances).

## Q Can I change my mind?

You can change your mind within 30 days of opening your account and receiving your illustration document.

## Q How much can I contribute to the Junior Personal Pension?

While there is no limit to the contribution you can make to your account, there is a limit on the contributions made into your account that are eligible for tax relief. See tax section for details.

## Q Can I transfer my other pensions?

You can – we strongly recommend you discuss with your financial adviser to ensure you are not giving up any safeguarded benefits or incurring exit charges, etc. You can transfer in the pension into the Fundment Junior Personal Pension as cash or re-registration of investments subject to instruments permitted on our platform.

# Questions and answers

## Q What about taxes?

### 1. Contributions

You can make unlimited contributions to your pension but there are limits to how much you will receive tax relief on and a limit before you might receive a tax charge. Please see Annual Allowance and Money Purchase Annual Allowance sections below for more details.

### 2. Tax relief

If you are under 75 and a UK resident, you will receive tax relief on your personal contributions. You can contribute as much as you earn and receive tax relief. If you do not have any earnings during the tax year or earn less than £3,600, you can contribute up to £3,600 (including tax relief). Pension tax relief is given to the child and not the adult making the contribution.

Please note you will not receive tax relief on transfers, including in-specie transfer. Contributions from an employer will also not benefit from tax relief, although the employer may be entitled to tax relief.

### 3. Annual Allowance

The Standard Annual Allowance is capped at £60,000. This means that gross contributions paid above this amount might become taxable at your marginal tax rate.

The standard rate might also be reduced due to tapering rules that is based upon your income. Please speak to your financial adviser before making contributions to ensure you fully understand how the annual allowance rules effect you.

Also See Money Purchase Annual Allowance section.

### 4. Money Purchase Annual Allowance

You should be mindful of the Money Purchase Annual Allowance (MPAA) which is triggered when you first access your pension flexibly, e.g. taking an income from a flexible pension plan.

If you trigger the MPAA, contributions into personal pensions are capped to £10,000 each tax year.

# Questions and answers

## 5. Investments Growth

Growth in the value of your investments are free from capital gains tax.

## 6. Taking benefits

You can start taking benefits from your pension from age 55 (57 from 2028). Income taken from your pension will be subject to income tax.

The options available for taking benefits include:

- Tax free pension lump sum.
- Drawing down your pension by taking income (pension drawdown).
- Buying an annuity from an annuity provider.
- Taking the entire pot as a cash lump sum.

## What happens when the child turns 18?

On the child's 18<sup>th</sup> birthday the pension will automatically be converted to the Fundment Pension Plan. The child will hold the pension in their own name and be responsible for the decisions made. The parent or legal guardian that had control over decisions will be removed.

## Q Can we change who the parent or legal guardian is to the plan?

Yes. If the initial parent or legal guardian that set the plan up needs to be removed then we will require written authority to make any changes, together with agreement of the new guardian to take over the responsibilities. Please contact Fundment support for further information.

## Q Is online valuation available?

Yes, you can keep updated on your account holdings, valuations, transactions and charges by logging into your Fundment account. You will also receive a quarterly account statement from us, which we will upload to your document folder online.

## Q What are the charges?

Fundment charges an ongoing platform fee. This is deducted from your account monthly. Details of our platform fees are outlined in your key features illustration.

We also facilitate charges by your financial advisers and discretionary investment managers. Details are provided in your key features Illustration.



# I Questions and answers

## Q What is my client categorisation?

All our clients are classified as retail clients under the Financial Conduct Authority rules. This classification ensures that you benefit from the highest level of protection under the FCA rules.

## Q What happens if I or the plan member dies?

If you die before the member reaches the age of 18 then we will require another parent or legal guardian to take your place in being responsible for the pension until the member reaches the age of 18.

If the member dies then we will look to pay pension proceeds to nominated beneficiaries. Please ensure you have added your beneficiaries through your online account.

On receipt of a certified Death Certificate by Fundment, all funds will be moved to cash at the date of notification, and on-going adviser charges stopped. Previously notified nomination of beneficiaries instruction will take precedence. Fundment will continue to invest monies until such time as a Death Certificate is received.

We will write to the named beneficiaries setting out the options available to them which include:

- a. Payment of a cash lump sum
- b. Purchasing an annuity from an annuity provider
- c. Flexible income through Drawdown pension

## Q What happens if I move overseas?

Please ensure you have notified your financial adviser and ourselves if you are moving overseas.

# Questions and answers

## Q What is the complaint process?

We aim to ensure you are happy with our service. If you wish to complain, you can write to us or call us at the address below:

✉ Fundment Limited  
66-67 Newman Street  
London W1W 8HF

☎ +44 (0)203 637 9201

@ support@fundment.com

If you are not satisfied with our response to your complaint, you can raise your complaint with the Ombudsman at:

✉ Financial Ombudsman  
Service Exchange Tower  
London E14 9SR

☎ +44 (0)800 023 4567

@ complaint.info@financial-ombudsman.org.uk

Complaints to the ombudsman will not affect your legal rights.

## Q Does Fundment participate in the Financial Services Compensation Scheme?

Fundment Limited is authorised by the Financial Conduct Authority.

In the unlikely event of us not meeting our liabilities under your plan, or you have suffered financial loss because of our failure or investment failure, you may be entitled to compensation through the Financial Services Compensation Scheme.

The FSCS may be able to pay compensation up to £85,000 per investment.

# | Contact us

✉ **Address**

Fundment  
66-67 Newman Street  
London W1T 3EQ

@ **Email**

support@fundment.com

☎ **Phone**

+44 (0)203 637 9210

🕒 **Hours**

Monday to Friday, 9:00am - 5.30pm

Fundment Limited is authorised and regulated by the Financial Conduct Authority (FRN: 732727) and registered in England and Wales (08884918)