

# BESPOKE PLANS

## USER GUIDE



## Bespoke Plans – User Notes

It is recommended that you first complete a charge data template (found in System Help on main screen) this will help you select the correct charges and arrange them in an appropriate order.

Within Personal settings go to Bespoke Plans & Select 'Add a Plan'

Enter the plan name and any notes that you would like to appear on screen as guidance to anyone using the system.

To use the plan within a QROPS analysis, tick the box to flag the plan as an Underlying Investment for QROPS.

To reflect Implicit Remuneration within your bespoke plan, please select yes to 'implicit remuneration GPP'. The cost of remuneration will then be included in the Standard Charges created for the plan.

The death benefit can be enhanced; the system will assume 100% by default. If the death benefit is higher, the enhancement should be entered. Example for 101%, 1% is to be entered.

A plan structure contains both growth and charge elements, to build plan select-

[Add Element]

Select a type & enter the description to appear in the report.

Options:

Type	Apply To	Style	Indexation	Frequency	Delay	Duration
Growth	Total Fund	%	N/A	Monthly	No of	Full term
Product AMC	SP Fund	%pa	RPI	Quarterly	Months	or number
Allocation Rate	RP Fund	£	NAE	Half Yearly	before	of months
Bonus	Total Premium	£pa	Other %	Annual	start of	for the
Fund Initial Charge**	Single Premium				charge	charge to
Fund AMC**	Regular Premium					run
Initial Remuneration						
Fund Based						
Remuneration						
Other Charge						

By ticking the charge as 'Day One' this will apply the charge from day one of the transfer and will come off from the death benefits and fund value on day one of the transfer.

[For plans where there is an implicit remuneration charge the product AMC should be set for the appropriate remuneration level. No actual remuneration charge is then to be created and the analysis should be run on the applicable remuneration basis]

Growth and Charge Elements:

**Growth:** This must be added in all cases, there are no optional settings as the rate of growth is specified in the usual way on a case by case basis.

**Product AMC:** This would generally be a plan charge with the fund charges shown separately; however for Stakeholders and some PPs the fund charge & Plan AMC are together.

**Allocation Rate:** If the allocation rate is other than 100% it should be specified, i.e. 97% this would then be treated as a 3% deduction, if over 100% it is an enhancement.

**Bonus:** This will create a credit, do not prefix with a minus.

**Fund Initial Charge\*\*:** An average initial charge should be included if applicable, if an investment template is used this charge will be replaced by that specified against the individual funds.

**Fund AMC\*\*:** An average AMC should be included, if an investment template is used this charge will be replaced by that specified against the individual funds.

**Initial Remuneration:** This should be the charge applied per 1% remuneration available, it will then be multiplied by system according to the level specified on a case by case basis or that set as default. The norm is on a 1:1 basis i.e. an explicit charge of 1% for 1% remuneration.

With regard to Regular Premiums this type of charge is only relevant to a % of each premium (Level), for plans where the remuneration is a % of the first year's annualised premium (Initial) there should be no charge set using the Initial Remuneration option but the appropriate plan charge should be set at a value to include the remuneration, this will not react to a level of remuneration later specified so should relate to the level available as set as default.

**Fund Based Remuneration:** This should be the charge applied per 1% remuneration available, it will then be multiplied by system according to the level specified on a case by case basis or that set as default.

For both Initial and Fund Based remuneration separate charges should be applied for single and regular premiums even if they are the same value.

Other Charge: This should be used for any charge other than those specified above.

### Apply To

Total fund: For a charge that is to be applied to the entire fund irrespective of the premium type.

SP Fund: For a charge that is to be applied to the single premium fund only.

RP Fund: For a charge that is to be applied to the regular premium fund only.

Total Premium: For a charge that is to be applied to the premium irrespective of the Premium type.

SP Premium: For a charge that is to be applied to a single premium only.

RP Premium: For a charge that is to be applied to regular premiums only.

### Style

%: For a charge that is a % of the premium or fund to be applied at a given frequency

%pa: For a charge that is a % of the fund each year (AMC) to be applied at a given frequency so will be apportioned as appropriate.

£: For a charge that is quoted a monetary amount per event.

£pa: For a charge that is quoted a monetary amount per year but applied pro rata at a different frequency.

### Tiered

Tier value: This function allows for a charge to be varied according to the fund value at the point at which the charge is due or according to the premium value.

Use only the best tier: If this is selected only the charge applicable to the tier identified as being reached will apply, if not selected each of the tiers will apply i.e. an AMC starting at 1% and dropping to 0.8%. When the fund has a value of £50,000 it would have 1% applied to the first £50,000 and 0.8% to the remainder. Be sure to set a charge to cover the fund/Premium from zero to cover the lowest possible amount.

### Amount

Enter the value of the charge, do not use % or £, this will be taken into account by the Style category.

### Indexation

If applicable choose NAE, RPI or other as required,

### Frequency

Select the frequency that the charge will be applied, Once only, Monthly, Quarterly Half Year or Annually. For Premium related charges the frequency will be monthly, the system will then check each month to see if there is a premium due which will then have the charge applied.

### Delay

This allows for a charge or bonus to be set to apply from a point in the future.

### Duration

This allows for the duration to be set as the full term of the contract or a specified amount of months. It is important to confirm if the plan contains any implicit remuneration charges as this will affect the remuneration functionality.

The option to save should be used as each charge is created, the up/down arrows can be used to alter the order in which the charges are applied.

Generally any Set up fee/Allocation/Initial Remuneration/Fund Initial Charge would be applied before Growth followed by AMC/Fund based remuneration/Bonus etc .The order can be rearranged once the charges have been created.

The actual workings of provider's plans can vary considerably.

The icon of a white cross in a red background can be used to remove any unwanted charges.

Bespoke plans can be used either along with all other plans based on system default or via an Investment template in which case bespoke funds will need to be included as a fund feeds will not be applicable.

If a charge is set as monthly & %pa the system will apply  $1/12^{\text{th}}$  of the charge per month.

### Min & Max

Where a percentage charge has a minimum and/or maximum cash amount, please enter this per the frequency entered. For example: A maximum charge of £1000 would be entered as £83.33 where the frequency is set to apply monthly.

## Day One

To apply the charge from 'Day One' of the transfer, tick this option. The charge will then be reflected when calculating the death benefits for the plan.

### Bespoke Plan Example

<b>Plan Name</b> The XYZ Self Invested Personal Pension
<b>Notes:</b> The Minimum TV For this contract is £ 5000

Charge Type	Description	Apply To	Style	Is it Tiered
Other Charge	Set Up Fee	Total Fund	£	No
<b>Amount</b>	<b>Indexation</b>	<b>Frequency</b>	<b>Delay</b>	<b>Duration</b>
300	N/A	Once only	No	Full Term
Tier details if applicable:				

Charge Type	Description	Apply To	Style	Is it Tiered
Initial Remuneration	Initial Remuneration (Single Premium)	Single Premium	%	No
<b>Amount</b>	<b>Indexation</b>	<b>Frequency</b>	<b>Delay</b>	<b>Duration</b>
1%	N/A	Monthly	No	Full Term
Tier details if applicable:				

Charge Type	Description	Apply To	Style	Is it Tiered
Initial Remuneration	Initial Remuneration (Regular Premium)	Regular Premium	%	No
<b>Amount</b>	<b>Indexation</b>	<b>Frequency</b>	<b>Delay</b>	<b>Duration</b>
1%	N/A	Monthly	No	Full Term
Tier details if applicable:				

Charge Type	Description	Apply To	Style	Is it Tiered
Initial Fund Charge**	Initial Charge	Total Premium	%	No
<b>Amount</b>	<b>Indexation</b>	<b>Frequency</b>	<b>Delay</b>	<b>Duration</b>
0.25%	N/A	Monthly	No	Full Term
Tier details if applicable:				

Charge Type	Description	Apply To	Style	Is it Tiered
Growth	Growth			
Amount	Indexation	Frequency	Delay	Duration

Charge Type	Description	Apply To	Style	Is it Tiered
Fund AMC	Fund AMC	Total Fund	% pa	No
Amount	Indexation	Frequency	Delay	Duration
1.2%	N/A	Monthly	No	Full Term
Tier details if applicable:				

Charge Type	Description	Apply To	Style	Is it Tiered
Product AMC	Product AMC	Total Fund	% pa	Yes
Amount	Indexation	Frequency	Delay	Duration
0.5%	N/A	Monthly	No	Full Term
Tier details if applicable: Reduce to 0.3% when Fund £50,000				

Charge Type	Description	Apply To	Style	Is it Tiered
Fund Based Remuneration	Fund Based Remuneration (Single Premium)	Single Premium	% pa	No
Amount	Indexation	Frequency	Delay	Duration
1%	N/A	Monthly	No	Full Term
Tier details if applicable:				

Charge Type	Description	Apply To	Style	Is it Tiered
Fund Based Remuneration	Fund Based Remuneration (Regular Premium)	Regular Premium	% pa	No
Amount	Indexation	Frequency	Delay	Duration
1%	N/A	Monthly	No	Full Term
Tier details if applicable:				

Charge Type	Description	Apply To	Style	Is it Tiered
Bonus	Loyalty Bonus	Total Fund	%	No
Amount	Indexation	Frequency	Delay	Duration
1%	N/A	Once only	60 Months	Full Term
Tier details if applicable:				