

Press release

HMRC ruling traps income drawdown clients in dated plans

11/05/2010

A J Bell today expressed disappointment at the news of HMRC's confirmation that clients aged between 50 and 54 with crystallised benefits are unable to transfer to a new scheme or annuitise without facing unauthorised payment charges.

Billy Mackay, Marketing Director, says "The increase in minimum pension age was a cliff edge for savers aged between 50 and 54. We know of lots of advisers who arranged the payment of tax-free lump sums under old schemes because they didn't believe there would be time to transfer and then crystallise before the minimum pension age went up to 55. For many their intention was to transfer to a more cost effective SIPP once the lump sum was received and the dust had settled on the tax year end. This ruling lacks any common sense, any client who transfers and receives income now faces unauthorised payment charges which effectively traps them in the dated existing plan until age 55."

Mackay continues "We spotted that there might be a problem in the legislation several months ago and raised it as a question with HMRC. We were concerned that potential clients would be trapped but we were told that this wasn't an issue. For HMRC to give a different answer now is unfair and potentially traps hundreds of individuals in expensive outdated pension plans".

END

Please note this document is intended for trade and national press individuals.

Notes for Editors

Pictures available by contacting kirsty.zollinger@ajbell.co.uk.

Billy Mackay
Marketing Director
07525 236 580

Andy Bell
Chief Executive
07973 137 272

Kirsty Zollinger
Sales & Marketing Manager
0845 40 89 100

billy.mackay@ajbell.co.uk

andy.bell.@ajbell.co.uk

kirsty.zollinger@ajbell.co.uk

A J Bell is continuing to grow rapidly in challenging capital markets. Invesco Perpetual and Midas Capital own 23% and 15% respectively of the share capital, the remainder being owned by Andy Bell and the management team.

Established in 1995, A J Bell specialises in providing administration, trustee and actuarial services for SIPP and SSAS.

A J Bell is now the largest privately owned provider of self administered pensions and institutional stockbroker services in the UK, with in excess of 40,200 individual SIPPs and assets under administration exceeding £11.2bn. It also provides third party SIPP administration services for Barclays Stockbrokers, Halifax Share Dealing, Skandia and TDWaterhouse.

Our customer proposition - Market leading, low cost, transparent, service, value, choice, leading functionality, integrity, award winning.

Our business - Market leaders, growing, innovative, own intellectual property, profitable, stable, we don't provide advice or investment management.

Research by CoreData Research places Sippcentre alongside Standard Life as advisers' two most preferred SIPPs.



A J Bell includes A J Bell Holdings Limited and its wholly owned subsidiaries A J Bell Management Limited, A J Bell Limited and A J Bell Securities Limited.

A J Bell Management Limited is authorised and regulated by the Financial Services Authority. A J Bell Securities Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority.

Sippdeal, Sippdealxtra and Sippcentre are platforms provided by A J Bell Management Limited. A J Bell Platinum SIPP is provided by A J Bell Management Limited. A J Bell Platinum SSAS is provided by A J Bell Limited.

The companies listed in the adjacent table are all registered in England and Wales at Trafford House, Chester Road, Manchester M32 0RS.

Company	Company Number	VAT Number
A J Bell Holdings Limited	4503206	833 5478 13
A J Bell Management Limited	3948391	759 3531 03
A J Bell Limited	3091664	639 0316 44
A J Bell Securities Limited	2723420	918 4226 21