SIPP

Ad-Hoc Income Payment Drawdown

Please complete this form to request a one-off income drawdown payment. If you want to take a regular payment, instead use the **Regular Income Drawdown** form.

Client Details

Novia SIPP Number	
Full Name	
National Insurance Number	

Ad Hoc Income Drawdown Payment

Please pay me the **full balance** of the drawdown account identified above, and close the account ☐ *or* Please pay me £ gross

This instruction does not replace any regular payment instructions on the account. **This payment will be subject to UK income tax.** Depending on your country of tax residence, you may be entitled to relief at source via an NT (No Tax) tax code, by application to HMRC. See 'tax information' on page 2 for more details.

Bank Details

Payments will be made in **GBP**. If this is your first payment from the SIPP or the first payment to a new bank account, you will need to enclose a certified copy of a bank statement so that we can verify the account.

Account in the name of			
IBAN			
BIC/SWIFT Code		Account currency	

Client Signature

I authorise Novia Global to make a payment according to my instructions. I confirm that the bank details above are correct. I have read the tax information overleaf.

Client Signature		Date	

Adviser Declaration

I am the serving agent for the above-named client. I confirm that, where necessary, I have placed trades online to make enough cash available for the requested payment.

Adviser Signature		Date	
Adviser Name			

This form must be printed out and signed with a pen by both parties. It can then be scanned or photographed and emailed to clientservices@novia-global.com. We do not accept digitally signed forms.

Tax Information

The UK regulations governing pension income withdrawals can be complex, and payments do not carry cancellation rights. This means that you won't be able to change your mind after a payment has been processed, so it's important that you understand the potential tax outcomes of a payment from your SIPP. For a more detailed guide to income tax, see our tax guide.

The PAYE system

The Novia Global SIPP is a UK registered pension scheme, and UK tax is deducted via PAYE (Pay As You Earn) – the same system that HMRC uses to collect taxes from employment income. Unlike employment income, pension income is often paid on an irregular, flexible basis, and so HMRC have adopted specific rules and assumptions for use with pension payments. This might result in a tax deduction that's more than you're expecting.

Tax codes

HMRC will issue us with a tax code which contains the information they want us to use to calculate the tax due on your pension payments. As PAYE operator, we are only allowed to use the tax code supplied to us by HMRC, or (if you've transferred your pension from a UK scheme that has already paid you income) by your previous pension provider. A tax code is specific to one source of income and does not apply to other sources. For more information, see www.gov.uk/tax-codes.

Your first payment

Your first taxable payment from the SIPP will be subject to the standard tax code. This code assumes that you have access to the standard tax-free personal allowance and treats the payment as if it were being paid in tax month 1 (6th April to 5th May). Effectively this means that only one-twelfth of the standard tax-free personal allowance will be used against your first payment. You will also get one-twelfth of the basic rate (20% tax) band and one twelfth of the higher rate (40% tax) band applied. The rest of the payment will be taxed at additional rate (45%). These rules apply regardless of the size and timing of the payment and could result in a tax deduction that is significantly more than you're expecting.

Once we've processed your first payment, we will send a report to HMRC which will establish a payroll link with them. They will then have a record of your first payment and will be in a position to determine your tax code for ongoing payments from the SIPP. If the standard tax code is no longer the right tax code for you, they will change it and notify us of the new one.

Reclaiming overpaid tax

The way that HMRC apply their rules to pensions can often result in too much tax being taken, especially on the first payment and on ad hoc payments. If you're taking further taxable payments in the same tax year, it may be possible to get a tax rebate via the Novia Global SIPP (depending on the tax code that HMRC issues). If not, you'll need to wait until the end of the tax year and apply directly to HMRC for a refund of any overpaid tax.

International considerations

If you're a tax resident of a country that has a double taxation agreement with the UK, relief at source might be available to you. Your adviser can tell you whether you might be eligible for an NT (No Tax) tax code from HMRC, and how to apply. Double taxation agreements are complex documents – there are variations between agreements, and even variations across different payment types within the same agreements. For example, your country of residence might have exclusive taxing rights on regular pension income, but on a one-off pension income payment the taxing rights might be shared with the UK. This would mean that an NT tax code may or may not be granted by HMRC, depending on the type of payment you have received from the SIPP.

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