

Fidelity Master
Trust

Fidelity Deferred or Retirement Master Trust

Operations Process Guide

Operations Process Guide

Contents

1. Introduction	3
2. Enrolment	4
3 Contributions	4
4. Changes to Employee Information	4
5. Annual Renewal and SMPI Statements	5
6. Account Corrections	5
7. Transfers In	6
8. Transfers Out	7
9. Divorce	7
10. Retirements	8
11. Bereavement	9
10. Regulatory Responsibilities	9
11. Fidelity Quality Controls	12

Operations Process Guide

1. Introduction

This guide sets out the procedures to be followed in the day-to-day administration of your Deferred and/or Retirement Master Trust Plan (the Plan).

We will provide administration services in accordance with our standard procedures, as may be amended from time to time by us. This will include you supplying us with such information as we may reasonably require from time to time in an agreed format.

This guide should be reviewed in conjunction with the following documents:

- **Plan Specification** - setting out the key information about your MT, including the main parties involved in the administration of the plan, the services we will provide to you and any special conditions which apply to the processes described in this document.
- **Instructions Schedule** - setting out who is authorised to give Fidelity email, phone and signed instructions for the Plan and who has access to PlanViewer.
- **[PlanViewer Guide for Admin Users](#)** - covering how to complete the key tasks that admin users will carry out regularly on PlanViewer.

Please refer to the [Glossary](#) for definitions of the pension terminology used in this document.

Further information and guidance can be found at our Workplace Investment website:

[Workplace Investing - Employers](#)

[Workplace Investing - UK Employees](#)

[Help & Support \(fidelity.co.uk\)](#)

Operations Process Guide

2. Enrolment

For a Retirement Master Trust (RMT) Plan, upon member request via PlanViewer (or paper alternative), Fidelity will create a record for the former employee and transfer assets from the existing Plan.

For a Deferred Master Trust (DMT) Plan, deferred members will be moved into the plan as part of an annual exercise.

For both scenarios above, Fidelity will generate and issue a welcome pack to each new member of the Plan. This welcome pack will invite members to register for PlanViewer and open an account.

3 Contributions

Member single contributions can be paid into the plan on an ad hoc basis. Contributions by the member will be paid gross (i.e. before deduction of any tax relief). It will be the member's responsibility to claim any potential tax relief due by informing HMRC accordingly and/or completing a self-assessment tax return.

There are no limits on the amount of contributions any eligible member may make, but HM Revenue & Customs (HMRC) does restrict the level of contributions that can attract tax relief. Statutory limitations including the Annual Allowance (AA), Money Purchase Annual Allowance (MPAA) and Tapered Annual Allowance (TAA) all apply. Information about these allowances can be found here.

Members are responsible for monitoring if the AA, TAA and/or MPAA is exceeded and for notifying HMRC that an Annual Allowance Charge (a personal tax charge) is due. See Scheme Pays section for further information. Fidelity will notify members where contributions to the Fidelity plan have exceeded the AA/MPAA as known to be relevant, (but not the TAA) after the end of the tax year by issuing a Pension Savings Statement.

Contributions received by 4pm UK time will be invested with a price date of the following business day. Contributions received after 4pm UK time will be invested with the price two business days after receipt.

4. Changes to Employee Information

Stages	Employer	Member	Fidelity	Exceptions
Change of Details	Employers cannot update changes to these member records. Members should be directed to Fidelity to update their details.	Can update their personal details via PlanViewer or contact Fidelity's Workplace Investing Service Centre .	We will issue confirmation of changes made to the member either via post or email depending on the data item, contact information and mail preferences.	Members cannot update their date of birth or name via PlanViewer. These can only be updated by contacting Fidelity Workplace Investing Service Centre. The Plan Specification will show if deferred members cannot update their address via PlanViewer. Members should contact Fidelity's Workplace Investing Service Centre.

Operations Process Guide

5. Annual Renewal and SMPI Statements

On the Plan's annual renewal date (see your Plan Specification), it is necessary to confirm and, if appropriate, update the records for Plan members. This will enable Fidelity to produce the Annual Benefit Statements and Statutory Money Purchase Illustrations (SMPI). The statements will appear online in PlanViewer for your members, and they will be sent an email notification to confirm this. If members set their preference to not receive electronic communications, the statement will be posted to them. If an email notification to a member is returned as undelivered, the statement will be posted to them.

The statements need to be issued within 12 months of the scheme year end.

6. Account Corrections

From time to time, corrections may need to be placed on member accounts where an error has occurred. In the event of errors identified by the employer, please contact the Service Delivery Team.

When an error occurs, both parties will discuss in detail the nature and extent of the error and Fidelity will outline the anticipated timeline to correct the member accounts affected. Where Fidelity or a fund provider have made an error, we will ensure that the affected member account is not financially disadvantaged; this may be subject to *de minimis* limits and any tax considerations. We will communicate with members as appropriate.

Stages	Employer	Member	Authorised Third Parties	Fidelity	Exceptions
Identification of an Error	Contact Service Delivery team when an error is identified, providing details of the nature of the error.	Members should contact the Workplace Investing Service Centre if they believe an error has occurred on their account.	Authorised third parties should contact the Workplace Investing Service Centre if they believe an error has occurred on a member's account.		Employer may decide to take corrective action - for example, by adjusting payroll.

Operations Process Guide

Impact Analysis and Outcome	Upon receipt of the results of the analysis of members' accounts you will confirm if the correction should proceed and agree to the associated costs. In the event of a late contribution payment, the Trustees require that a correction is carried out. See contributions section for further details.			We will analyse the impact on the member account and confirm to the employer the cost of the correction as well as any associated administration charge. See note below**	If a member account gains from an error, no corrective action will be taken but there may still be associated administration charges for conducting the analysis.
Corrective Action	The employer agrees to the correction and pays the amount requested (if applicable).			Account corrections will be carried out and confirmation will be provided when complete.	
Member Communications	Communications to impacted members will be agreed between the employer and Fidelity.			Communications to impacted members will be agreed between the employer and Fidelity.	No communication is sent to a member where the account has gained from the error.

***Fidelity reserves the right to charge an administration fee of £100 per hour, this fee will be invoiced separately after the corrective action has been completed. Fidelity will request 110% of the loss calculated in order to cover unit price fluctuations whilst the corrective action is being taken. Any monies in excess of the amount needed to make the correction will be returned to you.*

7. Transfers In

If a member makes a request, the Plan may accept transfer payments of uncrystallised benefits from:

- other UK registered pension schemes
- certain types of overseas plan.

Transfers in of Crystallised Funds are not permitted.

All requests to transfer into the Plan should be initiated by the member on PlanViewer or by contacting the Workplace Investing Service Centre. Fidelity will deal directly with the member and the administrator of the previous arrangement.

Operations Process Guide

The member needs to consider all their transfer options and should seek financial advice in this regard. All transfers in of safeguarded benefits (including DB transfers) irrespective of value, require positive advice. Safeguarded benefits will be converted to ordinary DC benefits.

Further information for members is available here [Transferring a pension to your Fidelity Workplace Pension](#).

8. Transfers Out

Members can transfer the whole, or part of their account. If a member wishes to transfer only part of their account, only the uncrystallised assets in the account can be included in the transfer.

All requests to transfer out of the Plan should be initiated by the member. Fidelity will deal directly with the member or their IFA and the administrator of the new arrangement. There are further details here: [Transferring a pension to your Fidelity Workplace Pension | Fidelity](#).

We will carry out appropriate due diligence on any transfer away from the plan. Further details can be found here: [Pension Fraud | Fidelity](#)

If a member requests, and providing that all relevant conditions have been met, the Plan may make a transfer payment to:

- another UK registered pension plan, or
- a qualifying overseas pension scheme (QROPS) - excludes USA.

Transfers to any other type of pension plan are unauthorised payments. Fidelity will not make unauthorised payments.

Note that all protections except PPA55 are lost on transfer unless the transfer is a block or buddy transfer.

9. Divorce

If a member is going through divorce proceedings, they should contact the Workplace Investing Service Centre who will talk them through the process.

If the Court decides to opt for pension sharing on the divorce or dissolution of civil partnership, they will issue a pension sharing order (PSO), which will show the pension share as a percentage of the pension account. This amount is then available for the former spouse or partner to transfer to their chosen pension scheme or provider. Alternatively, they may transfer their pension share into the Plan, which means that you may see a deferred account without a staff number in your membership data.

As part of this process, the member may be asked for a Cash Equivalent Transfer Value (CETV) of their pension, and this can be requested from the Workplace Investing Service Centre.

Fidelity will require sight of the Pre-Notification/Divorce Annex, Court Order and Decree Absolute to implement the PSO. These should be court-sealed and dated documents, not drafts, and sent to us by post.

Please note that while we don't currently charge to implement a PSO, we reserve the right to change this in the future.

Operations Process Guide

10. Retirements

Members cannot normally access their pension until they have reached the Normal Minimum Pension Age (currently age 55, increasing to age 57 from 6 April 2028).

Unless requested by the member or their advisor a retirement pack will be automatically issued at age 50 and every five years until benefits are fully crystallised.

Members will have several options at retirement. Please refer members to [Figuring out your retirement income options \(fidelity.co.uk\)](https://www.fidelity.co.uk).

There are [Retirement Planning Guides](#) available for further information.

A member must have a retirement pack dated within the previous 12 months in order to take benefits. This is not a requirement if benefits are fully crystallised.

Fidelity will provide benefits in line with pension rules, tax rules and legislation that are in place at the time of transaction.

10.1 Investment Pathways

Where a member still has Crystallised Funds invested in their pension pot, they will have access to four investment choices called Investment Pathways, which are designed around four financial outlooks.

See [Investment Pathways](#) for further information.

10.2 Ill Health and Serious Ill Health Retirement

Where certain conditions are met a member may be able to access their pension benefits before the Normal Minimum Pension Age (NMPA):

Where Fidelity has received advice from a suitably qualified medical professional, registered with the UK's General Medical Council, or (if applicable) its foreign equivalent, that the member satisfies the HMRC ill-health condition, a member will be able to select any of the retirement options available. The medical advice must show that the member is, and will continue to be, medically incapable (either physically and/or mentally as a result of injury, sickness, disease or disability) of continuing his or her current occupation and/or ceases to carry on the occupation.

Where Fidelity has received medical evidence from a registered medical practitioner which states that the member has life expectancy of less than one year, the member can receive their whole pension pot as a serious ill-health lump sum prior to the NMPA. This will be paid tax-free provided that the member is under age 75 and the funds are uncrystallised. For serious ill health cases the member doesn't have to have left employment.

Members who wish to make an application for Ill Health Retirement should contact the [Fidelity's Workplace Investing Service Centre](#) for information on the options, requirements, and process.

Operations Process Guide

11. Bereavement

Stages	Potential Beneficiaries	Fidelity	Exceptions
Notification and Initial Actions	Next of kin or informant may call the Bereavement Hub Service Centre to inform Fidelity that the member has passed away.	Will update the member's status and switch the pension account to the cash fund. An acknowledgment letter will be sent to the informant requesting information and legal documentation. The two-year taxable deadline will start from the date of notification to FIL as pension provider and FIL will keep a record of this.	If next of kin or informant resides overseas, we will communicate via secure email.
Information Gathering	Complete Potential Beneficiaries forms and provide legal documentation requested via post.	Will review information and documentation received and confirm if further information is required.	
Committee Review and Decision upon Rightful Beneficiaries		The Bereavement Committee will make a decision on the distribution of benefits to the beneficiaries. We will then need to review whether this will need to be referred to the Master Trust board. Fidelity will send out an options pack to chosen beneficiaries informing them of the following options. <ul style="list-style-type: none"> • Lump Sum • Beneficiary Flexi Access Drawdown • Annuity • A combination of the above 	
Screening and Anti-Money Laundering	Complete Options pack and Return to Fidelity.	Will review the options form, carry out anti-money laundering checks and screening on the individual beneficiaries and request any further documentation required to verify them.	
Disinvestment and Payment		Will make the payment and send correspondence to all relevant parties.	
Death Benefits Reporting		FIL will transmit death benefits details for DC pot to HMRC for chosen beneficiaries on date of payment.	

10. Regulatory Responsibilities

Stages	Employer	Fidelity
--------	----------	----------

Operations Process Guide

<p>PAYE (Taxable Withdrawals)</p>	<p>Provide the information that Fidelity requires in a timely manner.</p> <p>The Pensions Regulator outlines the timescales for employers to provide information to their Scheme Administrators in <i>Managing a Scheme - Record-keeping: employer duties</i>. Please see: Record-keeping: employer duties The Pensions Regulator</p>	<p>Fidelity has PAYE Schemes with HMRC solely for the purposes of accounting for and paying the income tax due on taxable payments and will process all such cases arising under your Plan and correspond directly with HMRC with regards to the tax deducted.</p> <p>There is no requirement to issue a P11D to members who received a taxable payment or small pot commutation payment, however there is a requirement for them to be sent a P45 or P60 in these circumstances. Fidelity will submit Real-Time information to HMRC online regarding the payments and tax deducted and send the P45 to the member with the applicable payment. We will send them their P60 shortly after the end of the tax year in which we made the payment to them. We only use tax codes provided to us by HMRC.</p>
<p>Regulatory Returns</p>	<p>Registration Reporting: Within specified timescales, the Employer must provide The Pensions Regulator (TPR) with certain information, including:</p> <ul style="list-style-type: none"> • Details of the employer’s business • Details of the plan or plans they are using to comply with the employer duties • The number of jobholders they have enrolled (if applicable) • Please see: Pension scheme reporting regulatory duties The Pensions Regulator <p>Fidelity will not undertake the registration reporting with TPR as we will not necessarily have details of all plans or have access to all required employer data. We will, however, make some of the member data required for the report available via PlanViewer, please see the ‘Fidelity’ column, right.</p>	<p>Information that Fidelity will provide to the employer to assist it with its regulatory reporting to TPR:</p> <ul style="list-style-type: none"> • The number of jobholders automatically enrolled with effect from the staging date (or the date from which the duties first apply) • The number of workers who were active members of this qualifying scheme immediately before the staging date (or the date from which the duties started). <p>FIL will submit the following directly to HMRC:</p> <ul style="list-style-type: none"> • Accounting for Tax and Event Reporting <p>FIL will transmit death benefits details for DC pot to HMRC for chosen beneficiaries on date of payment.</p>
<p>The Pensions Regulator and Automatic Enrolment (AE)</p>	<p>TPR regulates automatic enrolment (AE). It has produced 11 detailed guidance notes, each covering a relevant and common topic of AE. You can find them through the following link: Auto enrolment guidance The Pensions Regulator</p> <p>TPR has also published 16 codes of practice. Some aspects will primarily be relevant to Scheme Administrators and others to employers. Please see: Codes of practice The Pensions Regulator</p> <p>It is currently consulting regarding amalgamating all existing codes of practice into one.</p>	
<p>HMRC and Taxation</p>	<p>HMRC outlines the respective responsibilities of Scheme Administrators, members and employers in its Pensions Taxation Manual. Please see: Pensions Tax Manual - HMRC internal manual - GOV.UK (www.gov.uk)</p>	

Stages	Member	Fidelity
--------	--------	----------

Operations Process Guide

Annual Allowance Reporting	<p>Disclose, in their self-assessment returns to HMRC, the value by which pension savings across all their pension schemes in aggregate, exceeded the Annual Allowance (or the Money Purchase Annual Allowance if applicable). It is the member's responsibility to ensure they have used any applicable carry forwards relief when making their disclosure, or for calculating their Tapered Annual Allowance (if applicable).</p> <p>The member is responsible for paying their Annual Allowance Charge. However, members are permitted to authorise any of their pension schemes to pay it. Scheme Administrators are not obliged to facilitate voluntary Scheme Pays, but Fidelity does do so.</p> <p>Mandatory Scheme Pays. The member must have exceeded their Annual Allowance (AA) by at least £2,000. Please note this is the Annual Allowance and not just the Money Purchase Annual Allowance (MPAA) or Tapered Annual Allowance (TAA). The member can ask us to pay a charge relating to (say) their MPAA, provided they have also breached their AA by £2,000 or more in the relevant tax year. The member must notify us by 31 July of the year after the tax year in which they incurred the Annual Allowance Charge (AAC). For example, if the member incurred the AAC in the Pension Input Year (the tax year) 6 April 2022 to 3 April 2023, they must notify us by 31 July 2024 if they wish us to pay it to HMRC from the Scheme. The notification deadline can be brought forwards where the member has taken all of their benefits or attained age 75.</p> <p>Notice deadline extended</p> <p>The 'Scheme Pays' notice deadline is extended for a pension scheme when the following applies:</p> <ul style="list-style-type: none">• The member is given a pension savings statement for a tax year:<ul style="list-style-type: none">– on or after 2 May in the year following that in which the tax year in question ends, and– before the end of the period of 6 years beginning with the end of the tax year in question.• The scheme administrator is required to give the member that pension savings statement because of a change to the member's pension input amount in relation to the pension scheme for the tax year due to either:<ul style="list-style-type: none">- the scheme administrator receiving additional information from a third party https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm167500 , or- a change to the pension scheme rules https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm167600 .• As a result of that change to the pension input amount, the member is able to use 'Scheme Pays' in relation to the pension scheme for the tax year in question. <p>Then the member must notify the scheme before the earlier of:</p> <ul style="list-style-type: none">• the end of the period of three months, beginning with the day on which the scheme administrator gives the member the pension savings statement due to the change to the member's pension input amount, or• the end of the period of six years beginning with the end of the tax year in question. <p>Voluntary Scheme Pays basis. If the Mandatory Scheme Pays criteria are not met, Fidelity will still facilitate Scheme Pays. For example, if the member has exceeded their AA by less than £2,000. Please note that the deadline for the member to inform us for Voluntary Scheme Pays, is 31 August after the tax year in which they incurred the AAC. That is, if they incurred it in the 2022-2023 tax year (ending 5 April 2023), they must inform us by 31 August 2023.</p>	<p>It is the Scheme Administrator's responsibility to disclose to members who have exceeded the standard Annual Allowance (or Money Purchase Annual Allowance if applicable) in respect of total contributions under their arrangements, following the end of the Pension Input Period (which is the tax year). The disclosure deadline is the 6 October following the end of the tax year. Pension Savings Statements will be produced using the date contributions are received by Fidelity.</p> <p>Fidelity is not permitted to refund contributions to a member simply because the member has exceeded their Annual Allowance/Tapered Annual Allowance or Money Purchase Annual Allowance (whichever is applicable) including any allowance carried forward.</p> <p>Fidelity facilitates both Mandatory and Voluntary Scheme Pays. This enables the member to authorise us to pay their Annual Allowance Charge from the pension plan administered by Fidelity. For more information, please see HMRC's Pensions Taxation Manual: PTM051100 - Annual allowance: essential principles - HMRC internal manual - GOV.UK (www.gov.uk)</p>
-----------------------------------	--	---

11. Fidelity Quality Controls

A copy of our AAF quality control report is available on request from the Service Delivery Team.

NOTES

1. Information assets that are proprietary to FIL, private to FIL's customers and other private or proprietary information assets and resources that, if subject to inadvertent or unauthorised disclosure, would likely cause financial, legal, regulatory, or reputational damage to FIL. Information assets take many forms including, but not limited to: electronic, printed, written, transmitted, stored and spoken.
2. Confidentiality: ensuring that information is accessible only to authorised individuals
3. Integrity: safeguarding the accuracy and completeness of information and processing methods
4. Availability: ensuring that authorised users have access to relevant information when required
5. Refer to local, national or regional regulation and legislation as appropriate
6. This shall ensure that information and vital services are available to users whenever they need them

Important information

Issued by FIL Life Insurance Limited. Fidelity, Fidelity International, the Fidelity International logo and the F symbol are trademarks of FIL Limited.