



The Raindrop Pension Account

Key Features Document

Introduction

The Raindrop Pension Account is administered by Gaudi Regulated Services Limited. The Financial Conduct Authority is a financial services regulator. It requires Gaudi, the Scheme Administrator, to give you this important information to help you to decide whether the Raindrop Pension Account 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.

If you are unsure whether this product, its features, investment options and charges are right for you then you should take appropriate financial advice. Gaudi, Seccl (the Custody Provider) nor Raindrop is authorised to give you financial or investment advice.

Aims of the Raindrop Pension Account

The pension plan is designed to let you:

- Save for retirement in a tax-efficient and flexible way.
- Build up a pension fund to give you an income and a tax free cash sum.
- Take control of your pension savings through simple and clear retirement-focused investment choices.
- Manage your pension savings digitally on your phone or through the web.
- Have complete flexibility to change how much you contribute at any time, whether personally or through a limited company of which you are a director.
- Make transfer payments from other suitable pension arrangements.
- Take benefits at retirement in stages, if you want to.
- Specify to whom you would like benefits to go on your death, although the decision rests with the Scheme Administrator.

Your commitments

Once you have commenced a Raindrop Pension Account, your commitments include:

- To pay money in and/or transfer benefits from other suitable pension arrangements.
- Keeping those funds within a registered pension scheme until you take benefits, the earliest age at which is 55.
- Taking responsibility for the choice of the investments in your pension fund.
- To adhere to the Terms and Conditions of the pension plan. Please see the Raindrop Pension Account Terms and Conditions for more details.
- To tell the Raindrop Pension Account Administration Team if you stop being eligible for a pension plan or you are aware that your contributions are not eligible for tax relief. Please see the Questions and Answers section for examples where this could be the case.
- Paying the fees in accordance with the Raindrop Pension Account Charges Guide.

Risk factors

Below are outlined risks associated with saving for retirement through a pension plan. Some of the risks below refer to the investment performance of the funds in your pension plan. Remember that you are responsible for the investment decisions. In many instances, the funds you invest in will also have key information documents that outline the specific risks applicable to that investment and you are recommended to read these as well as this document.

The favourable tax treatment for pension savings and the age at which you can first start to take benefits could change in the future.

Investment performance or charges may be better or worse than expected, which could affect the potential size of your pension fund and therefore the benefits you receive.

The charges or fees you pay in relation to this pension plan may be higher than expected, which could affect the potential size of your pension fund and therefore the benefits you receive.

Other things that can affect the potential size of your pension fund and the benefits you receive include the amount you pay or transfer in to the pension plan, which could be lower than you anticipated, or if you take benefits earlier than you were aiming for.

Investment conditions can also affect your pension income - if you convert your pension fund to an annuity (i.e. purchase a policy from an insurance company that provides you with a regular income) then prevailing interest rates at the time of conversion will affect the amount of annuity you will receive. Generally speaking, lower interest rates mean lower annuity amounts, although annuity amounts are also affected by other factors such as life expectancy and your state of health.

Alternatively, if you decide to draw your pension income directly from your pension fund then investment returns may not sustain your income requirement.

There may be a delay in receiving benefits if some of your investments cannot be sold quickly.

You have a right to cancel your pension plan within the first 30 days. Where you have invested during this period and you exercise your right to cancel then the amount returned will be the amount realised less any costs associated with the investment and subsequent disinvestment.

Whilst the pension plan can accept transfers from other pension schemes, not all transfers may be suitable. For transfers from a defined benefit pension scheme or a scheme that has safeguarded benefits there is a requirement for you to take regulated financial advice. The Raindrop Pension Account will not accept any defined benefit or safeguarded benefit transfer of any size without evidence that you have been advised that it is suitable for you. For all other transfers you are responsible, with the help of a financial adviser if necessary, for ensuring that the transfer is suitable for you.

Questions and answers: About the Raindrop Pension Account

What is the Raindrop Pension Account?

The Raindrop Pension Account is a pension plan that allows you to save for retirement in a tax-efficient and flexible way.

The benefits you can receive are subject to UK pensions legislation. This includes rules about limits on contributions that can qualify for tax relief, the earliest age you can take benefits and limits on what those benefits can be without incurring tax penalties, including the amount that can be taken as tax-free cash.

Who is the Raindrop Pension Account for?

This product is intended to be used by people who want to:

- Invest in simple and clear retirement-focused funds.
- Manage their pension savings digitally on their phone or through the web.
- Want complete flexibility to change how much they contribute at any time, whether personally or through a limited company of which they are a director.

If you are in any doubt as to whether this pension plan is right for you, then you should consider speaking to a financial adviser.

Who will administer my Raindrop Pension Account?

Gaudi Regulated Services Limited will administer your pension plan in accordance with the Trust Deed and Rules. This involves the day to day running of your pension plan, ranging from processing contributions, transfers, investments and paying benefits, to ensuring the pension plan adheres to HMRC rules and regulations.

Seccl are the Custody Provider who provide the platform and systems on which investments will be held.

Raindrop provides the digital systems to allow you to interact with and receive information about your pension plan via their online and App facilities.

Is this a Stakeholder pension scheme?

No. Stakeholder pension schemes are a specific form of pension that must meet Government minimum standards relating to contributions, charges and provision of a default investment fund. Stakeholder schemes are generally available and it is for you to consider, with the assistance of a financial adviser, if required, whether one might meet your needs as well as the pension plan on offer.

What are the Trust Deed and Rules?

The Trust Deed and Rules are the legal documents that have established the Scheme under which the Raindrop Pension Account operates. These documents also appoint the Trustee and the Scheme Operator, who is responsible for registering the Scheme with HM Revenue & Customs (HMRC) to ensure the favourable tax treatment mentioned earlier is applied to the pension plan. The Trustee of the Raindrop Pension Account is Gaudi Trustees Limited and the Scheme Operator is Gaudi Regulated Services Limited who is authorised and regulated by the Financial Conduct Authority.

Will my pension plan have its own bank account?

This type of pension plan does not have a separate bank account for each pension plan but operates under a designated Scheme bank account which is a pooled account run by the Custody Provider on behalf of the Trustee. Money paid in to or out of your pension plan will go via this account, which may also hold uninvested cash.

What will my pension plan be worth?

The final value of your pension plan will depend on how much is paid in, how long you invest for, the charges paid, and how well the investments perform.

You will be sent an annual statement showing how your pension plan is doing. The value of your pension plan will also be available through the Raindrop online and App facilities.

How much pension income will I get?

This type of pension plan allows you, once you have attained minimum pension age, to draw as much or as little of your pension fund as income as you like, when you like, along with offering different benefit options as explained under the 'Benefits summary' section below. How much pension income you will get therefore depends on your choices and many variable factors such as income tax, the value of your pension plan and investment performance.

What are the charges?

Raindrop charges fees to cover the cost of managing your Raindrop Pension Account. The fees will be automatically paid from the Scheme bank account. When there is insufficient cash in the account, assets will be disinvested as required. Raindrop uses these fees to pay the service providers required for running your pension plan. In broad terms, these fees cover such things as administration, custody, payment processing et cetera. The fees for your Raindrop Pension Account are detailed in full in the Charges Guide.

There may be rare situations where an additional fee is required for carrying out work not covered by the Charges Guide. Where this arises you will be notified before any work is carried out to agree this additional fee.

Please remember that asset managers may also charge for the purchase and sale of assets. Refer to their separate key information documents for details.

Paying into the Raindrop Pension Account

What are my payment options?

You can transfer pension benefits from other suitable pension arrangements.

If you are eligible to make UK tax relievable pension contributions the payment options are:

- One-off contributions.
- Regular contributions.

Payable by:

- You.
- Your company if you are a director.
- A third party on your behalf, where the Raindrop online and App facilities allow.

It is generally recognised that making regular contributions is a good habit to get into but you are not committed to maintain them.

Through the Raindrop online and App facilities you have the flexibility to decrease or even stop your regular contributions should you need to.

Importantly you can increase them too when, for example, you feel you can afford to contribute more on a regular basis or you can even top up your regular contribution by making additional one-off contributions when it suits you.

Remember though, reducing or stopping contributions, even temporarily, will reduce the possible value of your pension fund at retirement.

Contributions are made by direct debit.

Please note that if you are transferring benefits from another pension scheme that has tax free cash protection this protection may be lost on transfer.

Where you are transferring a pension which is in capped drawdown this will automatically be converted into a flexi-access drawdown plan upon acceptance. Drawing an income will trigger the Money Purchase Annual Allowance, if not already applicable. You should consider this point before instructing any transfer.

Are there limits on what I can pay in?

This pension plan will only let you make contributions up to the limits allowed by HMRC.

All relevant UK individuals can pay, and get tax relief on, contributions up to £3,600 gross each year. Where your earnings are in excess of £3,600 you may make gross

contributions of up to 100% of your earnings known as relevant UK earnings subject to a maximum amount known as the Annual Allowance, which is set each year by the Government. The Annual Allowance applies as a total limit across all of your registered pension schemes in a tax year. It covers:

- Your payments.
- Employer payments made on your behalf.
- Any increase in the value of retirement benefits you may earn from a defined benefit pension scheme.

The Annual Allowance does not include transfers from other pension arrangements. They do not receive extra tax relief, so there is no upper limit on them. The Annual Allowance does not apply in a tax year in which severe ill-health benefit conditions are met or death occurs.

Where you have started drawing benefits flexibly from any pension arrangement, then contributions to this pension plan and other money purchase pension schemes will be restricted to the much lower Money Purchase Annual Allowance.

If you are a high earner i.e. have 'adjusted income' of over £240,000 and 'threshold income' of over £200,000 then your Annual Allowance will be subject to a tapered reduction of £2 for every £1 of earnings above £240,000 up to £312,000.

Any payments over an Annual Allowance will be subject to an Annual Allowance charge. The amount of tax charged will be your highest marginal rate of income tax and will ordinarily be paid by you to HMRC via declaring the excess payment on your self-assessment tax return.

Where you were a member of a registered pension scheme but had not fully used your available Annual Allowance from the previous three tax years, you may be able 'carry forward' that unused allowance and include it in your self-assessment tax return which may reduce or eliminate the Annual Allowance charge.

If you think you may be close to, or exceed, an Annual Allowance and you are in any doubt about its impact, you should seek financial advice as this is a complex area.

Can I claim tax relief on what I pay into my pension plan?

Yes; your contributions can attract tax relief.

All relevant UK individuals can pay up to £3,600 gross per annum (i.e. before tax relief) or 100% of their relevant UK earnings (subject to the Annual Allowance or Money Purchase Annual Allowance if applicable) whichever is the greater. The Scheme Administrator will claim basic rate tax relief from HMRC and invest it in your pension plan. For example, for a contribution of £10,000 you would pay £8,000 and the Scheme Administrator would reclaim £2,000 from HMRC. (This example is based on 20% basic rate tax.)

Contributions are made net of basic rate tax irrespective of whether you are employed or self-employed. Contributions made by your employer are made gross.

If you pay income tax at a higher rate than the basic rate, you can claim the extra tax relief through your self-assessment tax return on your personal contributions.

Unused Annual Allowances for the previous three tax years may be "carried forward" for the purposes of making a contribution in excess of the Annual Allowance for the current tax year but not greater than 100% of your earnings.

This cannot be used where you are subject to the Money Purchase Annual Allowance.

Is there any tax relief on employer contributions?

Employer contributions are not taxable as a benefit in kind for you and the employer will normally get tax relief on employer contributions as a business expense.

Can I make contributions if I have 'Enhanced Protection' or 'Fixed Protection'?

If you have either Enhanced or Fixed Protection then it will be lost if you make, or someone on your behalf makes, a contribution. Losing protection could have serious tax consequences as you may have to pay a Lifetime Allowance charge (See 'Is there a limit on benefits I can take from my pension plan?' below for what this means).

Enhanced Protection was introduced to protect pension funds built up prior to 6th April 2006 from being subject to a Lifetime Allowance charge.

The Government subsequently reduced the Lifetime Allowance on three separate occasions on 6th April 2012, 2014 and 2016 and accordingly introduced Fixed Protection to protect pension funds built up prior to each of those dates from the Lifetime Allowance charge.

Protection from the Lifetime Allowance is a complex area and if you are in any doubt as to whether making a contribution will affect any protection you have, you should seek appropriate financial advice.

Investing in the Raindrop Pension Account

What can I invest in?

You can invest in investments available through the Raindrop online and App facilities.

How do I decide what to invest in?

The Raindrop online and App facility will provide you with guidance on which investments may be suitable for you. You will have the option to choose a different investment if you wish.

Please note that the guidance provided on suitable investments does not constitute advice and you are responsible for selecting the investment appropriate for you.

Limits

Is there a limit on benefits I can take from my pension plan?

The maximum you can take from all your pension arrangements without incurring an additional tax charge is called the Lifetime Allowance (LTA) as set each year by the Government. If you exceed the LTA and any LTA protections you may have, you will be subject to the Lifetime Allowance charge. If the excess is taken as pension income the charge is 25% and if taken as a lump sum it will be 55% of the amount above the available Lifetime Allowance. The charge will be deducted from your pension fund and paid to HMRC when paying your benefits.

The Lifetime Allowance is now increasing each tax year in line with inflation. However, in the past there have been a series of reductions. The Government has made it possible for individuals potentially affected by the reductions to apply for various types of protection from the Lifetime Allowance charge.

You can still apply for Fixed and Individual Protection 2016 provided that you have not had contributions paid to any pension schemes from 6th April 2016 and you do not already have Enhanced or Primary Protection. This will generally only be of interest to those who anticipate that the value of their pension benefits at the time they take them will exceed the standard Lifetime Allowance prior to it having increased to £1.25m.

Every time you take benefits from the pension plan, some of your LTA is used up. Checks against the LTA are carried out at various points, including:

- Whenever you use part of your pension fund to:
 - take a tax free cash sum
 - create a drawdown fund
 - purchase a lifetime annuity
- In the event of your death before age 75.
- At age 75 (if you still have funds in the pension plan).

At each of the above stages, an allowance is made for any tests that have already been carried out.

Lifetime Allowance charges apply to any further benefits taken once all the LTA is used.

Transfers

Can I transfer out of my pension plan?

You can transfer all or part of your pension plan to another registered pension scheme at any time. However, any funds in drawdown can only be transferred in their entirety.

Taking benefits from the pension plan

Benefits summary

Option	From age 55
Pension Commencement Lump Sum (tax-free cash lump sum)	Up to 25% of your pension fund can normally be taken as a tax free lump sum when combined with designating funds to flexi-access drawdown or purchase of an annuity. Note: receiving the Pension Commencement Lump Sum does not trigger the Money Purchase Annual Allowance.
Use your pension fund to buy a lifetime or five-year pension income, often referred to as an annuity	An annuity can be purchased, the amount of which will be determined by the value of your pension fund and annuity rates available in the annuity purchase. Generally speaking, annuity rates depend on interest rates, life expectancy and the type of pension benefits you are buying (e.g. an increasing or level pension and whether any guarantees or dependants' benefits are included). If you are in poor health or have a lifestyle that could adversely affect your life expectancy (e.g. heavy smoker), then you may get an enhanced annuity rate. Note: income received via an annuity does not trigger the Money Purchase Annual Allowance.
Draw a pension income directly from your pension fund	<p>Flexi-access drawdown - You may designate some or all of your pension fund into flexi-access drawdown. The fund remains invested and you can draw as much or as little income from the drawdown fund as you wish, when you wish (subject to the Terms and Conditions). The income you draw from the fund will be subject to income tax at your marginal rate. Note: the Money Purchase Annual Allowance is triggered when you first drawdown an income but there is no obligation to draw an income.</p> <p>Uncrystallised Funds Pension Lump Sum - You may use some or all of your pension fund to pay you this type of lump sum. 25% of the lump sum is tax free, the remainder will be subject to income tax at your marginal rate. Note: taking this lump sum will trigger the Money Purchase Annual Allowance.</p>
A combination of the above to meet your individual requirements	You could take a combination of the benefits described above and you do not have to take benefits all in one go. An annuity can be purchased from funds in drawdown as well as from uncrystallised funds. The way in which you take benefits is flexible and can be structured to meet your individual requirements.

When can I take benefits?

You may take income from your pension plan from age 55. You may also take benefits earlier if you suffer illness or an accident which leaves you permanently unable to carry out your current occupation and you cease that occupation.

If you are 50 or over the Government provides a free and impartial service to help you understand what your choices are and how they work. This can be accessed online, over the telephone or face to face - see www.pensionwise.gov.uk.

It is strongly recommended that prior to accessing your pension benefits you seek advice from a suitably qualified financial adviser or obtain guidance from Pension Wise.

On death, different tax treatments apply depending on whether you die before or after 75 - please see the section 'Death benefits from your pension plan' below.

Death benefits from your pension plan

What if I die?

The paragraphs below summarise the benefits payable (assuming an annuity has not been purchased).

What benefits can be provided?

All of the pension fund is available to provide your beneficiaries

with a lump sum payment or beneficiary drawdown fund or an annuity.

Who can receive a lump sum payment?

Most people will qualify as an eligible beneficiary for lump sum death benefits under the Scheme Rules. The Scheme Administrator will use its discretion to choose who to make the payments to, having made reasonable enquiries to identify the eligible beneficiaries. It is highly recommended that you complete and keep updated an "Expression of Wish" of who you would like your beneficiaries to be that, whilst it cannot be binding, will be taken into consideration.

Who can have a beneficiary drawdown fund or annuity?

Selected beneficiaries of the lump sum death benefit may prefer to take the benefit in the form of income via a beneficiary drawdown fund or annuity. Where the selected beneficiary is your spouse, civil partner or financial dependant they will have this option. For other beneficiaries, this option will only apply if you have nominated them as a beneficiary for the income option or where you have made no nominations and you have no spouse, civil partner or financial dependants.

How are death benefits claimed?

To claim death benefits, the person dealing with your affairs should contact the Raindrop Pension Account Administration Team at the address shown at the end of this document. They will confirm the information needed to pay the benefits as quickly as possible.

Are death benefits taxable?

- Death before age 75: Benefit payments are not subject to income tax provided the lump sum is paid or the beneficiary drawdown fund or annuity is set up before two years from the date of notification of death to the Scheme Administrator. If benefits exceed the Lifetime Allowance then the recipients of the death benefits will be personally liable to pay the Lifetime Allowance charge to HMRC.
- Death after age 75: Benefit payments are subject to income tax at the recipient's marginal rate.
- Inheritance tax: This is not normally payable although it may arise in the event that payments are made to your estate.

Is my pension fund taxable?

Pension funds do not pay UK taxes on income or capital gains. However, tax cannot be reclaimed on UK and some overseas dividends.

Further information

Can I cancel my pension plan?

You have a legal right to cancel your pension plan if you change your mind.

If you want to cancel the pension plan, you should notify the Raindrop Pension Account Administration Team within the 30 day cancellation period. The pension plan cannot be cancelled once the 30 days have elapsed.

The right to cancel applies to the commencement of the pension plan, on all transfers into the pension plan and to commencing income withdrawal for the first time.

If you decide to cancel your pension plan, any contributions will be returned to you less any tax relief claimed on your behalf, which will be returned to HMRC. Where you cancel your pension plan in respect of a transfer from another pension scheme, the transferring scheme may not agree to accept back your transfer value, or may not take it back on the terms that applied before the transfer, in which case you will be responsible for finding an alternative scheme to transfer the funds to.

In the event of cancellation, the net realisable value of any assets purchased and subsequently disinvested will form the basis of the amount returned. This means that having taken into account any fees or charges paid in relation to the investment and any price movements (particularly downwards), you may get back less than you originally invested.

What if I have a query or complaint?

If you have a query or complaint, please email the Raindrop Pension Account Administration Team at the address shown at the end of this document. If you have a complaint the Team will do all it can to resolve it. Details of the complaint handling process are available on request.

If you are not happy with the response and you wish to take the matter further you can refer it, without giving up any other rights you may have, to one of the following:

- The Pensions Ombudsman
10 South Colonnade
Canary Wharf E14 4PU
Telephone number: 0800 917 4487
www.pensions-ombudsman.org.uk
- Financial Ombudsman Service
Exchange Tower, London, E14 9SR
Telephone number: 0800 023 4567
www.financial-ombudsman.org.uk

Where can I find more information?

Please contact the Raindrop Pension Account Administration Team. Its contact details can be found at the end of this document.

Can I get an illustration of benefits?

At the start of your pension plan, an illustration giving details of the potential benefits and costs will be supplied or on request prior to your pension plan commencing.

Compensation

The Financial Services Compensation Scheme (FSCS) may provide protection if the Scheme Administrator cannot meet claims made against it or if investments or money cannot be returned.

If you are eligible, the maximum level of compensation for claims against firms declared in default on or after 1st April 2019 is £85,000 per person per firm. Further information about compensation arrangements is available from the FSCS website at www.fscs.org.uk.

Pensions are regulated contracts in their own right and hence are covered by the FSCS. Investments with regulated investment providers or insurance companies will be covered separately under the FSCS.

Those companies will provide information about the levels of cover provided.

Your status under the FSCS does not affect any statutory right you may have to compensation.

Law

The law of England and Wales will be used to decide any dispute.

The information in this document is based on current understanding of the law and practice as at its Version date. Every effort is made to ensure that this information is helpful, accurate and correct but the law and practice may change or may not apply to your personal circumstances. You should not take any action on the basis of this information alone as you should also read the Terms and Conditions and the Trust Deed and Rules. Before taking any action you should always consider taking appropriate financial advice.

HMRC practice and the laws relating to pension taxation are complex and depend on individual circumstances and changes which cannot be foreseen.

This product is an investment regulated by the Financial Conduct Authority. The Raindrop Pension Account is operated by Gaudi Regulated Services Limited who is authorised and regulated by the Financial Conduct Authority with permission to establish, operate and wind up personal pension schemes.

Terms and conditions

This Key Features Document gives a summary of the Raindrop Pension Account. It does not include all the definitions, exclusions or terms and conditions.

The full contractual terms are set out in the Trust Deed and Rules and the Terms and Conditions. If you would like copies of these, or clarification of any of the information provided in this document, please contact the Raindrop Pension Account Administration Team at the email address shown at the end of this document.

The Terms and Conditions may be varied from time to time by giving you one month's notice.

Contacting the Raindrop Pension Account

The Scheme Administrator of the Raindrop Pension Account is Gaudi Regulated Services Limited.

The Trustee of the Raindrop Pension Account is Gaudi Trustees Limited and the Operator is Gaudi Regulated Services Limited.

The address of the Scheme Administrator is:

Raindrop Pension Account Administration
2 Oakridge Office Park
Whaddon
Salisbury SP5 3HT
Telephone: 01722 713316
Fax: 01722 711898
Email: sipp@gauditd.co.uk

Raindrop Technologies Holdings Ltd (FRN: 931052) is an Appointed Representative of Resolution Compliance Ltd, which is authorised and regulated by the Financial Conduct Authority (FRN: 574048). Raindrop Technologies Holdings Ltd is registered in England and Wales. Number: 12431555. Registered office: Flat 52, 10 Brixton Hill, London SW2 1EG, UK.

“Gaudi” refers to the applicable entities of the Gaudi Group including Gaudi Limited (registered number 6502014), Gaudi Regulated Services Limited (registered number 6638918) and Gaudi Trustees Limited (registered number 7898388) each being registered in England and Wales and having their registered address at 2 Oakridge Office Park, Whaddon, Salisbury. SP5 3HT.

Gaudi Regulated Services Limited is authorised and regulated by the Financial Conduct Authority. FCA Registration Number: 488015.

Seccl Technology Limited is a company registered in England and Wales at 20 Manvers St, Bath, BA1 1JW (Number: 10237930). Seccl Custody Limited, a wholly owned subsidiary of Seccl Technology Limited, is registered in England and Wales (Number: 10430958), and authorised and regulated by the Financial Conduct Authority (Firm Reference Number: 793200).

You can check out these details on the FCA's website at www.fca.org.uk/register.