

Additional Rate Tax Payer	You are an additional rate tax payer if you are earning more than the additional tax rate threshold.
Advisor	A professional, who is qualified to give you advice.
Advisability	A Limited Company which is an Appointed Representative of Pensionology.UK (the 'Principal') who are regulated by the FCA.
Annual Allowance	This is the maximum amount of money you can put into your pension funds in a given tax year, and still claim tax relief.
Annual Statement	A statement from your financial services product provider sent to you once a year, showing how much you've paid, what your plan is worth (and if it's in relation to a loan, what you still owe).
Annuity	Where you elect to 'swap' your pension for a fixed sum of money typically for the rest of your life. Contracts can vary.
Appointed Representative	A firm that conducts regulated business on behalf of a directly FCA-authorized firm, who is its 'principal'. The principal firm takes regulatory responsibility for the appointed representative, and must ensure it meets FCA requirements.
Attitude to Investment Risk	Potentially higher return investments are generally subjected to higher risk and lower risk investments are generally subject to lower returns.
Authorised Firm	An authorised firm is one that has permission from the Financial Conduct Authority (FCA) to carry out regulated activities.
Bankruptcy	If you can't pay your debts, you can declare yourself bankrupt – but you will lose control of your assets and income for a set period of time. The period of time is known as 'bankruptcy'.
Basic Rate Tax Payer	You are a basic rate taxpayer if you are earning below the higher rate tax threshold and are paying 20% income tax for the tax year.
Basic State Pension	This is the pension you receive from the government as a result of paying National Insurance (NI) contributions throughout your working life.
Beneficiary	A beneficiary is a person named in a will or under a trust (such as a pension) as entitled to receive a bequest or benefit.
Bonds	A bond is a type of security held on a debt or a single premium life assurance investment bond. Bonds are sold to investors by companies.

Capacity For Loss	A customer's ability to absorb falls in the value of their investments.
Centralised Investment Proposition	A standardised approach to advice, including model portfolios, discretionary investment management, and distributor influenced funds.
Charges	A price for a service rendered.
Contract	A contract is a written or spoken agreement between two parties. For a contract to be in force there needs to be an offer, an acceptance, and a means of consideration (which means that something of value, either an object, a service or money, passes between the parties, and each party gives and receives consideration). Each party expects to carry out certain acts in return for the other party carrying out other acts.
Contributions	A payment or multiple payments made into a pension scheme by you, your employer or a third party, for your benefit.
Corporate Bonds	These are Bonds that are issued by companies when they need to borrow money. As an investment, they often offer higher rates of return than banks and building societies but with a varying amount of risk depending on the financial security of the company issuing the bond.
Defined Contribution	In this type of pension scheme, the amount of money you will have in your retirement fund depends on the amount of money you put in, where the money was invested and how much it grows. It's also known as a money purchase scheme.
Discretionary Fund Manager	A form of investment management in which buy and sell decisions are made by a portfolio manager or investment manager for the client's account. The term "discretionary" refers to the fact that investment decisions are made at the portfolio manager's discretion in line with the aim of the fund.
Diversification	This is the process of spreading – or 'diversifying' – your investments over a range of assets, so that you reduce your exposure to risk. By diversifying your investment, if one type of investment falls in value, then the remaining ones may not fall at the same rate, or at all.
Diversified Fund	An investment fund that contains a wide array of securities to reduce the amount of risk in the fund. Actively maintaining diversification prevents events that affect one sector from affecting an entire portfolio, making large losses less likely.
Dividends	These are payments that are made to shareholders by a company from any profits that the business has made.

Equity	This is a term that's used to describe a company's issued stocks and shares. If you own shares in a company you own some of the company's equity. It can also be used to describe the amount, or value, of your home. If you 'have equity' in a property, it means that you own a portion of it above the value of any debts secured on that property, such as a mortgage.
Esoteric investments	A wide definition of scope but essentially a type of investment that is out of the 'ordinary' and that requires specialist knowledge. For example: Unlisted shares, hotel rooms and intellectual property rights.
Exit Penalty / Exit Fee	An exit or termination fee is a fee charged by a company if you want to end a contract early.
Fact Find	This is the process by which we gather information about you in order to be able to provide accurate advice.
Fees	Fees are one of the ways you can pay your adviser for their advice and services. They're usually fixed and agreed before the financial or legal advice and service is provided.
Financial Ombudsman Services	The Financial Ombudsman Service has been set up by law to help settle individual disputes between consumers and financial firms. It gives consumers a free, independent service to help resolve disputes, but you usually have to have first taken your complaint to the financial firm yourself before the Ombudsman can step in.
Fixed Interest Security	This is another name for a 'bond'. The amount of interest you receive, when you invest in a fixed interest security, is stated at the time of purchase. These are usually regarded as a lower risk investment than stocks or shares.
FCA	The Financial Conduct Authority (the FCA) is the UK's financial services regulator.
FSCS – Financial Services Compensation Scheme	The Financial Services Compensation Scheme (FSCS) is the UK's statutory compensation scheme for customers of authorised financial services firms. This means that FSCS can pay compensation if a firm is unable, to pay claims against it.
GIA – General Investment Account	Similar to an ISA, a GIA is a form of savings kept with a banking institution for a stated period, with the exception that it has no tax-free benefits.
GILTS	These may also be called gilt-edged or Treasury bonds. They're bonds that are issued by the UK government. They're regarded as being very low-risk, secure investments because it's the government that promises to pay you back.

Greyfriars	A SIPP/SSAS and asset provider based in Leicester who are regulated by the FCA. They act as the administrator of the products we advise on.
Higher Rate Tax Payer	You are a higher rate tax payer if you are earning more than the higher tax rate threshold and are paying 40% income tax for the tax year.
Illustration	A document estimating what a pension member might get when they retire, in today's prices.
Income Protection	This is an insurance policy that pays you a monthly income if you're unable to work due to illness or injury, until you are able to return to work, or you retire, whichever is the sooner.
Income Tax	This is the tax paid on your income. Generally, all income is taxable. The exceptions are for income falling within personal allowances and income that's generated from certain tax-efficient wrappers such Pension Schemes.
Independent Financial Advisors	Independent financial advisors (IFAs) are professionals who give financial advice about products and services across the whole market. They act on your behalf, and may charge a fee.
Insolvency	Insolvency is usually defined as a financial state in which a company can no longer pay its bills or other obligations on time. It happens when liabilities – or debts – are greater than assets and cash flow.
Interest	When you give your money to a bank, to look after, you may receive an amount of money on top in return. That percentage is known as interest. You also have to pay interest on loans or mortgages when you borrow money.
Key Facts Document	All financial advisers must provide customers with at least two 'Key facts' documents: one explaining their status (whether they are tied, multi-tied or independent) and one explaining the services they offer and a menu of their charges. This helps you understand the value and cost of the adviser's advice and service. Comparing these documents is a good way to shop around.
Key Features Document	A 'Key features' document is one that all firms authorised and regulated by the FCA must give you to explain their services, products and details about anything that you're interested in buying.
Letter of Authority	Written confirmation of a person's authority to act or obtain information on behalf of another.

Letter of Recommendation	Also known as a Suitability Letter/Report (see below).
Lifetime Allowance	This is the maximum amount of money that you can accumulate as pension savings throughout your lifetime and still benefit from tax relief. If the amount you save exceeds the lifetime allowance, then you will have to pay tax on these savings.
Minimum Pension Age	For most, a pension client cannot retire from a non-state pension scheme until they reach the age of 55.
Model Portfolio	A series of investment solutions that can be characterised by a consistent risk profile, asset allocation and in most cases fund selection.
Money Laundering	The government has introduced tough money laundering laws in a bid to combat international crime and terrorism. This means that solicitors and other professionals need to check that you are who you say you are when you first instruct them. They may also ask for proof of identity if you have not instructed them for some time. Usually, identity is provided with a form of photographic document – such as your passport.
Money Purchase Pension	Occupational pensions, personal, group personal, stakeholder, Free Standing Additional Voluntary Contributions (FSAVCs) and Additional Voluntary Contributions (AVCs) can be called money purchase pensions. You can choose where your contributions are invested. The size of your fund depends on your contributions, over what time period you invest them, and how well your investments grow.
Multi-tied Advisor	A multi-tied financial advisor can offer you a choice of products from a limited range of financial companies.
Organic	An FCA regulated investment manager offering model portfolios. Organic provide the Model Portfolios within the products we advise on.
Pension Commencement Lump Sum	Also known as ‘tax-free cash’. Broadly this is a tax free payment of up to 25% of the pension value, subject to a customers lifetime allowance.
Pensionology	An FCA regulated firm. Providing restricted advice on a Centralised Investment Proposition and Scheme Administration pension services.
Pensions Law	An area of law governing the payment and the protection of pensions.
Personal Allowance	A personal allowance is the amount of income that you can earn each year before you start paying tax.

Personal Pension	This is a pension policy that's taken out through a pension company, into which you pay contributions and will at retirement provide some or all of your pension income. These are invested in funds, which you can choose according to your attitude to risk and plans for the future. A personal pension is set up on a money purchase (defined contribution) basis.
Principal	Pensionology are the principle of Advisability and are responsible for the products they arrange and the advice they provide.
Regulated	Means there are control measures enforced and standards set that must be adhered to by the FCA.
Restricted Advice	A personal recommendation to a retail client in relation to a retail investment product which is not independent advice, or basic advice.
Retail Customer	We treat all our customers as a retail client. This provides you with the greatest level of protection.
Risk	Some investments are riskier than others. For example, an investment in the stock market is riskier than money put into savings accounts – there's more chance of something going wrong and you losing money. Riskier investments tend to offer potentially higher returns as compensation for the risks involved.
Risk Profile	An evaluation of an individual or organisation's willingness to take risks, as well as the threats to which an organisation is exposed. A risk profile identifies the acceptable level of risk an individual or corporation is prepared to accept.
SIPP	A Self Invested Personal Pension is a type of plan that allows you, or your appointed fund manager, to make choices from a wider range of investments than other personal pension schemes offer.
Stakeholder Pension	This is a personal pension in its most simple form. A stakeholder pension will allow you to make a minimum investment of £20 per month and offer a range of funds in which to invest – and there must be no penalties for transferring away from the fund. Your employer may offer access to a stakeholder pension scheme.
Stockbroker	A stockbroker is a professional who buys and sells stock (shares) on behalf of clients. Only registered stock brokers can buy or sell shares on the stock exchanges.
Stocks & Shares	Both terms mean the same thing: companies' stocks and shares that can be bought and sold. Owning a share in a company means owning a part of that company, or owning some of that company's stock.
Socially Responsible Investments	Also known as sustainable, socially conscious, "green" or ethical investing, is any investment strategy which seeks to consider both financial return and social good.

Suitability Letter/Report	A personal recommendation from a Financial Advisor in relation to your finances.
Tapered Annual Allowance	Those with income above £150,000 have their annual allowance reduced by £1 for every £2 of income over that figure. The maximum reduction is £30,000 - i.e. clients reaching an income of at £210,000 have the minimum annual allowance of £10,000.
Tax Free Cash	Also known as 'PCLS' / 'Pension Commencement Lump Sum'. Broadly this is a tax free payment of up to 25% of the pension value, subject to a customers lifetime allowance.
Tax-efficient investing	Tax-efficient investing is the process of investing in such a way as to minimise the amount of tax paid. This could mean using tax-efficient wrappers such as making contributions to your pension.
Taxation Law	This area of law governs the payment and evasion of tax due to Her Majesty's Revenue & Customs.
Term	This is the length of the contract you make with your mortgage, policy or investment provider.
Tied Financial Advisor	A tied financial advisor can only offer advice on the products of one provider.
Trusts Law	This type of law governs the creation and maintenance of trusts, such as those used to protect family assets through the generations.
Unit Trust	These are 'open-ended' investments in which the underlying value of the assets is directly calculated by the total number of units issued multiplied by the unit price less the transaction or management fee charged and any other associated costs. There are many different unit trusts available, all investing in different assets.
Unsecured Pension	An unsecured pension is a way of taking an income from your pension fund up to age 75, while leaving the rest of your fund invested. It does involve incurring some risk to the value of your pension fund. There are two types of unsecured pension – a short-term annuity and income withdrawal.
Yield	Yield is a general term for the rate of income that comes from an investment, expressed as an annualised percentage and based on its current capital value.