

The transfer process

What happens when?

This leaflet aims to help you understand the key stages in the transfer process including what you can expect from us.

Taking a transfer from a Defined Benefit (DB) scheme can take a few months. We aim to make the transfer process as smooth and quick as possible, but it is **up to you** to ensure that everything is provided in full before the deadlines. We draw to your attention to the letter enclosed from The Pensions Regulator urging you to exercise extreme caution particularly during the Covid-19 outbreak.

Transfer Information Pack We will send you a Transfer Information Pack normally within two to three weeks, unless we have told you otherwise. Your pack will include a statement of the amount you can transfer. You should read your pack carefully - it contains other important information. In particular we highlight our *Protecting you from scams* leaflet.

Take advice If you don't already have one, find an adviser – see the MoneyHelper website: www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser. You can check if an adviser is authorised by the Financial Conduct Authority (FCA) by using the Financial Services Register: <https://register.fca.org.uk>

Before taking a transfer we always need to check you have taken advice from a FCA authorised adviser (unless the your transfer value is DC only or the value of your scheme DB benefits is no more than £30,000). See next page for descriptions of DB and DC and what you should consider when taking advice.

Making your decision You should not rush this. You should consider the benefits and options you are giving up in return for the transfer value to your proposed arrangement – such as your yearly pension, possible future increases, the possibility of taking early retirement and some of your pension as a cash lump sum, as well as any benefits payable on death.

More information on these benefits and options will be provided in the Transfer Information Pack. Some of the risks you may wish to consider when thinking about a transfer are set out here: www.fca.org.uk/consumers/pension-transfer-defined-benefit.

If you are proceeding If you want to proceed, send us the completed Application to Transfer within the three month deadline and confirm you have taken appropriate independent advice (your pack will have a form for this).

We will need some other documents from you, your adviser and your Receiving Arrangement to assess whether a transfer can proceed. The checklist in your pack will outline what needs to be done and by when. **It is important that you ensure everything is returned by the deadlines given.**

FAILURE TO MEET THE DEADLINES

You may need to start the process again. There may be a delay before you can do this and you may be charged for further transfer statements.

Processing your transfer The completion of your transfer depends on all of the above. Some transfers may take longer than others, for example, depending on the particulars of the receiving arrangement.

Payment Payment will be made as soon as possible. It will depend on disinvestment dates where your transfer includes a DC pot. It could take up to **6 months** from the date of your transfer statement if the paperwork isn't supplied promptly.

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Transfers

What should I consider when taking advice?

The FCA suggests you read their note and watch their video on what to expect from the transfer advice process and what good advice may look like: www.fca.org.uk/consumers/pension-transfer/advice-what-expect. They have also suggested that when choosing an adviser, as well as asking them about their fees, you consider asking them other things like: <https://www.fca.org.uk/consumers/what-ask-adviser>.



Remember that MoneyHelper is available, a Government backed service offering free, impartial guidance, whether you plan to take a transfer or not: www.moneyhelper.org.uk

Where can I take a transfer?

You can take your transfer to another UK pension arrangement if it is registered with HMRC. Ask your adviser about this.

You should take care in the selection of your proposed receiving arrangement, as a transfer to it will not be possible unless it meets certain conditions. MoneyHelper and your FCA authorised adviser can tell you more about any conditions which might need to be met. See our *Protecting you from scams* leaflet.

Can I take a transfer overseas?

You can take a transfer overseas provided, among other things, the overseas plan is a qualifying recognised overseas pension scheme (QROPS), is listed with HMRC, and you can demonstrate that you are normally resident in the same country as the QROPS or are employed by the company responsible for the QROPS. Your adviser can tell you more about this. Different information packs apply depending on whether the transfer is to be made to a UK or overseas scheme - so please tell us. HMRC's list can be found here: <https://www.gov.uk/guidance/check-the-recognised-overseas-pension-schemes-notification-list>

What happens if I miss the deadlines?

Your Transfer Information Pack will contain a checklist outlining what you need to do and by when. The deadline for letting us know where you want to transfer is three months from the transfer date shown in your Pack. If you miss this you will need to start the process again. There may be a delay before you can do this and you may be charged for further statements. Other deadlines for providing information will be set out in your Pack. You are responsible for ensuring your adviser and the Receiving Arrangement(s) meet these deadlines.

Beware of pension scams

As mentioned in our *Protecting you from scams* leaflet, pension scamming is on the increase and you should be aware of this. Scammers may:

- Contact you out of the blue by phone, email or social media.
- Entice you with a free pension review, one-off investment opportunity or legal loophole.
- Say they are from Pension Wise or other government-backed body, or pose as an FCA authorised adviser.
- Offer opportunities in overseas arrangements, for example involving hotels or vineyards.
- Rush you into making a decision, or emphasise the opportunity is a 'limited offer'.

For more information, see: www.thepensionsregulator.gov.uk. In all cases, the Pensions Regulator has said you should exercise extreme caution and visit the www.fca.org.uk/scamsmart website.

What is a Defined Benefit (DB) and Defined Contribution (DC) pension?

A **DB pension** is where the level of benefit you receive on retirement is set by the rules of the scheme, usually based on salary and service - examples include final salary and career average salary schemes. You are often able to exchange some of your pension for a tax-free lump sum on retirement.

A **DC pension** (also known as money purchase pensions) is where what you get depends on the contributions paid into it, the investment returns they earn and (unless you take it as cash) the cost of buying a pension income at retirement. These can include work-based schemes, personal pensions and many additional voluntary contributions (AVC) arrangements.

See also: www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics