

Pension Transfer - Important Considerations

As a member of a defined benefit pension scheme (or pension scheme with safeguarded benefits) we hope the Gold Standard enables you to better understand what good advice on what to do with your pension looks like.

Please be aware that the Financial Conduct Authority (FCA), the regulator of financial advice firms, maintains the view that the value of guaranteed benefits available to members of a defined benefit or final salary pension scheme are such that for most scheme members a transfer to a money purchase agreement, where you take on the risk of your pension fund, is unlikely to be in your long-term interests.

Financial advice firms which adopt the Pension Transfer Gold Standard have committed to an advice process that is underpinned by adherence to nine principles. These are designed to empower you to:

- **Make an informed decision on whether a transfer of your pension benefits is appropriate for you**
- **Help in understanding what good advice in this area should look like**



Should I move my safeguarded pension benefit?

Pension Transfer Advice is complex and can be viewed as expensive. It's important you have enough understandable information about the generic advantages and disadvantages to enable you to decide whether to go on to take advice on the transfer or conversion of your pension benefits. Firms adhering to the standard will ensure provision of this information 'at arms-length' so you are not under any undue influence in deciding whether to incur the subsequent cost of advice. You may sometimes hear this referred to as a 'triage' service.

Below are a few statements which will explain some of the more common circumstances that cause people with safeguarded pension benefits to either leave those benefits where they are or to transfer them in to a flexible pension.

Reasons some people give to leave their benefits where they are:

1. This pension will be my sole or primary source of income in retirement and the fact that it is guaranteed and has built in indexation is reassuring to me
2. I believe that I have a normal life expectancy so the fact that the pension will pay out until I die, whenever that might be, is important to me
3. As this is my sole or primary source of income in retirement I am reassured that it will not be reduced if stock markets fall
4. I have a partner who will also be dependent on this pension income, and I am pleased that it will continue to support them if I die before they do
5. I am happy that, although this pension is a reduction in income from the level I earn in employment, it is enough to meet my financial needs in retirement

Reasons some people give to transfer their benefits into a flexible pension:

1. My retirement is likely to be a gradual affair and I expect to have varying income needs from year to year, so it is important for me to be able to vary the income I receive from my pension accordingly
2. Unfortunately I am not in good health and as a result my life expectancy is likely to be below average; I understand that a flexible pension gives greater options for my heirs and dependents
3. I am planning to take early retirement - at least partially - and value the flexibility that a flexible pension can give me in this regard
4. I have a range of financial assets at my disposal to support my retirement, so this particular pension will not be my sole source of income. The guarantees within this particular pension are therefore not important to me and flexible pensions give me more options.
5. I fully expect to manage my various pension and non-pension assets myself and together with my adviser decide where to take income from as appropriate.



Our Process

Initial contact

We provide you with this triage document and associated documents in line with Pension Transfer Gold Standard. We believe this will give you enough information to see if you want to engage our services.

Do you wish to engage our services?

NO

No further commitment. Hopefully you will understand your pension better.

YES

We open discussions and start finding out about you.

Prepare a proposal - this outlines all the work we will do in building a financial plan in relation to your final salary scheme. This will include our fixed fees.

It should be noted that if the advice is to remain in the scheme, the fee is still payable.

You accept our proposal

NO

No further commitment

YES

We build your bespoke financial plan on your final salary scheme. This will include:

- Scheme benefits - your benefits
- The scheme rules
- Transfer value comparator
- Death benefits
- Flexibility
- Cash flow forecasting

Once we have built your financial plan, we present it to you in an interactive way so you get a true understanding of your benefits and what the advantages and disadvantages are of transferring. We will make a recommendation to stay or transfer from the scheme.

Should the decision be to transfer?

NO

No further commitment, simply pay the financial planning fee.

YES

Proposal for implementation

We prepare a proposal for the work to actually transfer your scheme in to our recommended provider and deploy your investment strategy and withdrawal strategy where appropriate. This will include our fixed fees.

You accept our proposal

NO

No further commitment

YES

We implement the recommendations. We prepare your bespoke implementation report. We sign off the transfer and make sure it happens within the time limits, taking all of the hassle out of the process.

We hope you found the information in this guide useful and informative.

How to Contact Us

-  01737 225 665
-  advice@conceptfp.com
-  www.conceptfp.com
-  The Coach House, 1 Howard Road, Reigate, Surrey RH2 7JE

I can confirm that I have read and understood the pension transfer information and process for Concept Financial Planning.

Signed

Date