Contact Details

We can be contacted at:

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For enquiries, please use our online enquiries form:

http://www.pensionsadvisoryservice.org.uk/online-enquiry

www.pensionsadvisoryservice.org.uk

This leaflet is available in large print or Braille on request.

THE PENSIONS ADVISORY SERVICE

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THE PENSIONS ADVISORY SERVICE

Transferring your pension

About the Pensions Advisory Service

The Pensions Advisory Service has been providing help and guidance to members of the public on pension matters since 1983, either by telephone or written advice. We also help people who have a pension complaint or dispute.

Our service is free and sustained by a nationwide network of volunteer advisers, who are supported by technical and administrative staff based in our London office.

Further information about pensions

We also publish the following information leaflets:

- Pensions and leaving work
- Getting information about your workplace pension
- About the Pensions Advisory Service
- Tracing your pension
- Your pension scheme is winding up
- Pension saving for small business owners
- TPAS & the Pensions Ombudsman
- Saving into a pension—planning for your future
- Women & pensions
- Pension disputes procedure
- Mistakes and overpayments
- Retiring early due to ill health?
- Pension saving for the self employed

This leaflet is available in large print, Braille and Welsh.

Please note that this is a guide for information only. The Pensions Advisory Service cannot be held responsible in law for any opinion expressed, nor should any such opinion be regarded as grounds for legal action.

There are lots of ways you can contact us:

By visiting our website where pensions are explained in plain English:

www.pensionsadvisoryservice.org.uk

By post or web-based enquiry form

The Pensions Advisory Service, 11 Belgrave Road, London, SW1V 1RB (we're sorry, our offices aren't equipped to receive personal visitors).

www.pensionsadvisoryservice.org.uk/online-enquiry

Ring us on 0845 601 2923.

We operate a national helpline, answered by pension professionals who are able to provide information and guidance on any aspect of occupational, personal, stakeholder and state pensions. We're here to help members of the public, but not those acting in a professional capacity.

We're available to speak to you from Monday to Friday from 9am to 5pm. If you need to call outside these hours, please leave a message and we will call you back.

Transferring your pension

If you choose to stop paying into a pension scheme before you take your benefits or open your pot, that pension still belongs to you.

You need to decide what to do with the pension, to ensure it's still working for you.

Whatever you decide to do, make sure you keep safely all paperwork connected with your pension. It may be very useful for you to have your own records if there are difficulties later on. Also, remember to tell your pension provider every time you move house so that you do not lose track of your pension pots.

Should you transfer?

Transferring your pension is an important decision. If you need help making a decision, speak to an independent financial adviser who will be able to discuss your options. You can find a financial adviser by using this website: www.unbiased.co.uk. Make sure that any adviser you use is authorised by the Financial Conduct Authority (FCA).

I've decided to transfer my pension: what are my options?

If you want your money to keep working for you, you can decide to move your pension to:

- a workplace scheme with your new employer or
- your own private pension.

You do not have to decide to transfer straight away. You have the right to request a transfer until you are one year from the scheme's normal retirement date (the date the scheme says you can open your pension pot) or your selected retirement age (the date you specified).

First look at your paperwork to check what sort of scheme you are transferring from.

Transferring from a defined benefit scheme

If you are taking a transfer from a defined benefit scheme, you will transfer the value of your benefits, as worked out by the scheme administrator.

This is called a cash equivalent transfer value and is often referred to as a CETV.

To find out your CETV, you need to write to your scheme to ask for a **statement of entitlement**.

Your scheme or provider might have a standard form you can use to ask for your statement of entitlement.

Your provider should give you your statement of your entitlement, which will include your CETV, **within three months of the date** you requested it. The CETV will be **guaranteed for three months**.

If you decide to transfer your benefits, you will need to write to your provider to action this within the three-month guarantee period. Again, your scheme might have sent you a form for this purpose when it sent you your statement of entitlement.

When you write to your provider, you will need to include details of the pension scheme or provider you want to transfer the benefits to. The scheme must then pay the transfer value to your chosen pension **within six months of the start of the guarantee period**.

Pension unlocking/pension liberation plans

These are products designed to allow you to take money out of your pot before the age of 55. They have been illegal since a High Court ruling in December 2011. HMRC's rules governing pensions only allow you to take your money from the age of 55 (unless on grounds of ill-health), and if you use one of these plans, there may be serious tax consequences.

Read the leaflet on our publications page to find out more.

http://www.pensionsadvisoryservice.org.uk/transferring-your-pension/pension-liberation-plans

More help and information

You might encounter some issues with transferring your pension, especially if your old scheme is being wound up, or the transfer isn’t paid when you expected it to be. We’re here to help. We provide more information with helpful links on our website at

http://www.pensionsadvisoryservice.org.uk/transferring-your-pension . You can also ring one of our advisers on 0845 601 2923.

PIEs are covered by the Code of Good Practice for Incentive Exercises and statement mentioned above.

Should I combine all my pensions in one pot?

You may change jobs several times in your working life and build up a pension with each employer's workplace scheme. You might be tempted to put all your pensions together into one place. However, this may not be in your best interests. You need to think carefully about transferring each pension.

If you have lots of small pots when you want to get your pension, you may be able to put your pots together. If you add together the value of all your small pots, and the total value is below a limit set by the Government, you may be able to take all of them as cash.

If you have a pot valued at less than £2,000, you may be able to take it as cash regardless of the size of your other pension pots. We have factsheets on the publications page of our website which explain this in more detail.

http://www.pensionsadvisoryservice.org.uk/publications.aspx

If you are unable to take the pots as cash, you may be able to put them together so that you have one larger pot you can use to buy an income from an insurance company or for income drawdown.

You are likely to get more income in exchange for one large pot than by using lots of little ones.

However, before transferring your pensions, you should check what costs or fees you might incur. Check with your provider or an independent financial adviser.

Things to think about if you are considering a transfer out of a defined benefit scheme

You transfer the value of your benefits, not the benefits themselves. If you are transferring to another defined benefit scheme, that value will then be used to buy benefits in the new scheme under that scheme's rules. Your new scheme is unlikely to offer you the same benefits as you had in your previous scheme.

If you transfer to a defined contribution scheme, the value of your benefits will be invested in your new pension pot. At your selected retirement date, you open that pot and use it to give yourself a retirement income. This means that you are giving up the promise of a known level of benefit. Your pot may or may not provide an income that is greater than what you would have got from your defined benefit scheme.

Transferring from a defined contribution scheme

If you are taking a transfer from a defined contribution scheme, you transfer the **value of your pot**.

To find out your transfer value you need to write to your provider. Your provider might have a form you can use to request this. Your provider should provide you with a statement of your transfer value within three months of the date you requested it. The transfer value will be guaranteed for three months.

If you decide to go ahead and transfer your benefits, you need to write to your scheme to request this within the three-month guarantee period. Your scheme might have sent you a form for this purpose when it sent you details of your transfer value. You will need to include details of the pension scheme or provider you want to transfer the benefits to. The scheme must then pay the transfer value to your chosen pension within six months of the start of the guarantee period.

I want to transfer to an overseas pension

You may want to transfer your UK pension to an overseas pension, if you are living overseas, or already have an overseas pension set up.

Your overseas pension must be recognised by HM Revenue & Customs as a qualifying recognised overseas pension scheme (QROPS). A QROPS is a pension set up outside the UK that is:

- regulated as a pension scheme in the country in which it was established and
- recognised for tax purposes (i.e. benefits in payment must be subject to taxation).

Your UK pension scheme or provider can only transfer your pension to your overseas scheme if it is a QROPS. If it is, the transfer can go ahead as if the transfer were to another UK scheme.

If your overseas scheme is not a QROPS, it can apply for QROPS approval. If approval is not granted, the transfer cannot proceed.

If your UK scheme is contracted out, it will need to go through a few more steps to make sure that the overseas scheme is suitable to receive your transfer.

What happens if the scheme tells me it's in deficit?

If a scheme is in deficit, it means that it may not have enough money to pay all the pension benefits. The scheme authorities may have no option but to reduce your transfer value. If that is the case, you should speak to an independent financial adviser to talk through your options.

I've been offered a transfer incentive: what is it?

Your scheme or provider might offer you a transfer incentive to persuade you to alter your benefits. Our website has a checklist of things you should think about.

http://www.pensionsadvisoryservice.org.uk/transferring-your-pension/things-to-think-about-when-transferring-your-pension . You should be given access to independent financial advice, paid for by the employer, to help you make your choice.

A Code of Good Practice for Incentive Exercises has been introduced in response to industry and Government concerns that such exercises could be done in a way that meant pensions scheme members could be worse off. The Code was written by an industry working group and published in June 2012. You can read it here: http://lgn1338395292.site-fusion.co.uk/

The Pensions Regulator has also issued a statement giving its view on how transfer incentive exercises should be carried out, which you can read here: http://www.thepensionsregulator.gov.uk/docs/incentive-exercises-statement-july-2012.pdf

I've been offered a pension increase exchange: what is it?

A pension increase exchange (PIE) exercise is an offer designed to persuade you, if you are taking your pension, to give up the pension increases set out under the rules, in return for a one-off increase to your pension. If you accept it, your pension is paid at the new rate for the rest of your life, without any further increases.

When offering a PIE, if the amount offered in exchange for your increases meets a certain minimum standard set out in the Code of Good Practice for Incentive Exercises and guidance is given to you, you don't have to be offered financial advice.