

Information about Transferring Pensions

Pension transfers can be complicated and there are many factors to consider before going ahead. Your individual circumstances and objectives will be a key factor in determining whether a transfer is suitable or not.

B&CE are not able to give you any advice on whether or not you should transfer, but we hope this Information Sheet will help with your decision.

Some of the issues to consider before deciding whether to transfer your pension

- There is no charge for transferring into or from a stakeholder pension such as EasyBuild.
- You can find an independent comparison of pensions at www.fsa.gov.uk/tables.
- If you have several pensions and are looking to put them into one new pension, make sure you are aware of all the related costs and benefits you might be giving up.
- It is possible that your current pension may have valuable benefits that you would lose if you were to transfer, such as death benefits or a Guaranteed Annuity Rate option.
- Some pension providers may apply a penalty when you transfer out. These can be significant – sometimes several thousand pounds.
- Ask your current pension providers for a current valuation and a transfer value to find out what the cost would be if you went ahead with the transfer.
- Compare your existing pensions with EasyBuild before making a decision. You can ask your other pension providers to provide a projection to your chosen retirement age.
- Even if your other pension providers transfer penalties are too high and you choose not to transfer, you may be able to start an EasyBuild pension fund as well as keep your existing one. Call us if you want more information on this.
- If you are making contributions to another personal pension, you should consider what you may be losing and if your employer is prepared to match your contributions into EasyBuild. However, you should check whether a reduction in contributions to your existing pension carries any penalty.
- Generally, the further away from retirement you are, the more likely the benefits of transferring will outweigh the penalties, but there is no guarantee of this. As time will reduce the effect of any initial penalties associated with the transfer, you may decide that even with the penalties incurred it is still worth transferring into EasyBuild.
- If the new pension costs more than your B&CE EasyBuild Stakeholder pension, make sure you are satisfied that any additional costs are for good reason, details will be in the key features document.
- Stakeholder pensions are usually cheaper than other personal pensions and it is important that a stakeholder scheme is considered as an option for your pension planning.
- It is important the funds you choose to invest in are appropriate for the amount of risk you are currently prepared to take with your money – remember investments can go down as well as up.

Occupational Pension Transfers from a salary related Defined Benefit (DB) scheme

Transferring your funds out of an 'Occupational or Company Pension Scheme' is a more complex area than personal pension transfers and is not always beneficial as you could potentially miss out on a number of benefits. This is especially true for salary related schemes and we recommend you read the Consumer Financial Education Body (CFEB) guide "*just the facts about salary related pension transfers*", before making a decision. (www.moneymadeclear.org.uk/publications#pensions_and_retirement)

An independent financial advisor with specialist knowledge should therefore produce a full transfer analysis and advise you as to what your options are and the most appropriate course of action.

NB: From the 1st October 2010 B&CE will only accept DB transfers in the following scenarios;

The Employer is closing the DB scheme and is giving members an incentive/option to transfer to another pension arrangement.

The customer has received advice from an Independent Financial Adviser (IFA) with a specific recommendation to transfer to B&CE.

In both scenarios we need to ensure that we have the appropriate written evidence before we can accept and process the transfer

Important information

If you are unsure about transferring you should seek independent financial advice, (www.unbiased.co.uk) (tel: 0330 303 0025) but please be aware that an adviser may charge a fee for their advice.

If you decide not to get advice make sure you fully understand the risks and benefits of transferring your pension.

Further information is available from a number of sources; www.moneymadeclear.org.uk (tel: 0300 500 5000) www.pensionsadvisoryservice.org.uk (tel: 0845 601 2923)

Remember, the consequences of making a wrong decision when transferring your pension are significant, so if you still have any doubt we strongly recommend you seek professional advice.