A GUIDE

Your pension transfer explained

Helping you weigh up the pros and cons

Countrywide Assured

The purpose of this guide

Transferring your pension to another company is a big step to take. It's a decision that needs looking at from every angle, because once you transfer your pension, there's no going back.

The purpose of this guide is to help you weigh up the pros and cons and what to do should you decide to transfer your pension. The type of pension under the spotlight is a **'defined contribution pension'**. You'll find specific information about your pension on your transfer statement.

Defined contribution pension
This type of pension is made up of money paid in by you and/or your employer, which is placed in a variety of investment funds that may include shares. The value and size of your pension is based on the amount of money saved and the performance of the investments. See page 8 for more details.

Our aim is to keep things simple. But there are some things we cannot avoid, such as widely-used pension and industry terms. You'll find all the definitions of the terms included in this guide on page 8 and on your transfer statement – should you need them. The key terms used in this guide are underlined. You'll also find we've highlighted important things to look out for and key pieces of information with the help of icons – see the key opposite.

If you have any questions or need any help with understanding the pros and cons, your statement or the process, please visit our website **countrywideassured.co.uk** or call us using the telephone number shown at the top of the letter accompanying this guide. We'll be able to answer any questions you may have or provide information about your pension with us.

What we can't do is give any advice. Only a government-backed organisation such as Pension Wise or independent financial advisers can give financial guidance or advice. This is something we recommend you consider when it comes to transferring your pension. You'll find contact details on page 6.

Key:

A key to the icons used throughout this guide.

Important information

Shop around

Warning

Contents

Reasons to transfer

Making a decision

Your decision to transfer your pension savings is likely to be influenced by a number things, for example, how close you are to your selected retirement date, or indeed beyond it, or because you've found a way to make your money work harder for you. Based on calls to our customer helpline, here are just a few examples of the reasons why some of our customers transfer their pension savings.

...on your selected retirement date

"I want an income product that I can't get from Countrywide Assured."

"I need a wider range of investment funds."

"I want to use an online investment platform to manage my pension savings."

...before your retirement date

"I want to gather all my pensions into one plan."

"I want lower charges."

"I've found better investment growth elsewhere."

...after your selected retirement date

"My independent financial adviser recommends the transfer."

"I'm following my retirement plan."

"I'm emigrating and want to transfer my pension overseas."

Whatever you have in mind for your pension savings, it's important to approach your decision with a financial focus, such as weighing up the financial consequences of a pension transfer. This way you're more likely to arrive at the best outcomes for you. It's why we can't stress enough the importance of getting financial guidance or advice before taking any action.

To help you get started, take a look at our list of pros and cons to see how it compares to yours.

If your defined contribution pension is worth £30,000 or more, and has a guarantee, our regulators insist that pension providers request proof of financial advice before taking any action. This extra step in the process is intended to protect you and your money.

Take a moment to look at our list of pros and cons for transferring your plan:

> There are always pros and cons for any decision. Have you factored in all the possible outcomes? Once you transfer your pension, there's no going back. Get guidance from Pension Wise – if you're aged 50 or over – or independent financial advice.

Pros

- Gives me flexibility to get my retirement plans underway.
- Better investment growth may be available elsewhere.
- May give me wider fund choice and matches my investment risk appetite.
- Other companies may offer lower charges.
- Income options, such as annuities and flexi-access drawdown, aren't available from Countrywide Assured.
- Combining lots of small pensions into one to reduce the hassle and save me time.

Cons

- Loss of guarantees, if your plan has them.
- Transfer charges and set up fees for a new pension.
- Cost of wider fund choice.
- Potential loss of benefits, such as life cover, for me and my family.
- Loss of future bonuses.
- Other companies may have higher charges.

How does your list compare to ours? You may find it helpful to ask yourself the following questions to see if you can add any more pros or cons to your list.

Questions to ask yourself

I'm transferring my pension before my agreed retirement date. It's got a guarantee, which I'll lose. Have I factored in this loss when weighing up the benefits of my new plan?

Do the charges for transferring my pension before my selected retirement date outweigh the benefits of my new pension?

Is there another way of achieving my goal?

How much will it cost to combine and manage my money? Is it worth the time I'll save or the extra flexibility?

Have I considered everything including other pensions and retirement savings?

What future bonuses am I losing by transferring my plan now?

Will the future investment performance of the company I'm transferring to cover the cost of the transfer and the charges of my new pension plan?

Will my pension money see better growth because I have a wider choice of funds?

> **Past performance is not a guide to future performance. Please remember that the value of your pension savings may go down as well as up, so you may not get back the original amount invested.**

Getting the facts

Must-do checks before making a move

It's important to check you have all the facts before transferring your investment.

Charges

You need to think about all the charges involved in a transfer. The transfer charge is shown on your transfer statement and you'll find details of all your plan's current charges on your latest annual statement under the 'Your plan – money out' section.

Check to see if there's a set-up fee for your new pension. There will be a charge to manage your new plan. Does this add up to more than the current charges shown on your statement?

If you prefer the investment growth of another provider, will this beat the costs of transferring and joining a new scheme?

Financial guidance or advice

Transferring a pension is complex and the loss of any guarantee is likely to prove costly. We can't stress enough the importance of getting financial guidance or independent financial advice before you take any action.

So if you're aged 50 or over, make sure you take advantage of the free and impartial service offered by Pension Wise by calling **0800 138 3944** or visit **Moneyhelper.org.uk/pensionwise**
To find an independent financial adviser in your area, visit **unbiased.co.uk**

Your pension options at retirement

You can access your pension money in different ways so please make sure you fully understand all your pension options at retirement and the effects of charges and tax.

You'll find all you need to know on our website **countrywideassured.co.uk** where you'll find our guide 'Your pension options explained'. For a printed copy, please call us.

i From age 55 or over, you'll be charged a maximum of 1% of the value of your plan for taking money from your pension.

NEED TO CHECK THE CHARGES ON THE NEW PENSION.

Protecting your Lifetime Allowance

The Lifetime Allowance is a limit on the value of payouts from your pension schemes – whether lump sums or retirement income – that can be made without triggering an extra tax charge. The current amount is £1,073,100 for the tax year 2021/22. If you receive more than the allowance, you'll have to pay a tax charge known as the 'Lifetime Allowance Charge'.

There are different ways to protect yourself from changes to the Lifetime Allowance and you'll need to register with HMRC. For more information visit **gov.uk** and search for 'Protect your Lifetime Allowance'.

If you have Lifetime Allowance protection, we strongly recommend that you get independent financial advice before making a transfer because the rules are so complex and we don't want you to lose out.

Switch your investment fund

If you're unhappy with your current choice of investment fund(s), have you thought about switching to another one of our funds rather than transfer to another company?

For more information about our funds, visit our website or call using the telephone number shown at the top of the letter accompanying this guide.

Pension scams

Pension scams are a real threat and big business. The fraudsters' methods are highly sophisticated and convincing. They use all available methods to make contact, including turning up at your front door.

To find out more and for details on how to spot a scam, visit our website **countrywideassured.co.uk**

Guarantees

A guaranteed pension income or lump sum at retirement is a valuable benefit which you don't want to lose.

Your transfer statement shows how much your guarantee is worth. Contact us to find out more.

If your pension has a guarantee, we strongly recommend you get independent financial advice or if you're aged 50 or over, Pension Wise offer free guidance.

See page 6 for contact details and other services and support available.

⚠ You will lose any guarantees if you transfer your pension.

i Got a defined contribution pension with a value of £30,000 or more with a guarantee?

Our regulators insist that pension providers request proof of financial advice for pension savings of £30,000 or more before taking any action.

This is for your protection not least because of pension scams but also to make sure you don't lose out on important and valuable pension benefits.

There will always be reasons for or against any decision. The challenge is to make sure you've considered all possible outcomes because once you transfer your pension, there's no going back. Get guidance from Pension Wise – if you're aged 50 or over – or independent financial advice. See page 6 for details.

What's next?

Get guidance or financial advice, and shop around

Get advice

Free guidance
Pension Wise is a useful, free source of independent guidance on how to use pension savings. Not only does their website offer a wealth of information but also for those aged 50 and over, Pension Wise offers a free face-to-face and/or telephone appointment.

No matter the size of pension savings, make the most of this invaluable service.

Moneyhelper.org.uk/pensionwise
0800 138 3944 – see the Money Helper Booklet for further information about this service.

Independent financial advice
Getting up to date and independent advice could save you money in the long run. It's important to view an adviser's upfront fee alongside the potential long-term savings in areas such as tax and charges.

A pension expert will review existing pension savings and offer options that are personal to individual needs – this could prove invaluable especially if there are complex circumstances to consider, such as health issues and/or dependants.

For many, getting independent advice takes away the fear of making the wrong decisions and the stress of shopping around.

Finding a local independent adviser is easy. Visit **unbiased.co.uk**

Shop around
It's a common recommendation to shop around when it comes to day-to-day purchases and utility services, and the same goes for pension and investment products. It really does pay to shop around not least because charges and penalties do vary, especially if you're aiming for flexibility and/or there are more complex issues to consider.

Pension savings have been hard-earned. So take the time to ask key questions. Here are a few to help get started:

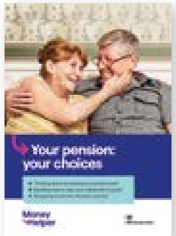
- Will the company still be around in the future?
- What are the company's credentials?
- A company's offering a great rate but what's the impact of their charges?
- How easy is it to switch to another product? Are there any penalties for doing so?

Remember, there are pension scammers out there looking to steal pension savings. Be vigilant when shopping around. There's more information on pension scams in the Money Helper booklet and at **countrywideassured.co.uk**

Money Helper

This is an independent and impartial service set up by the government. It offers a wide range of information, advice, tools and tips on pensions and other topics, all designed to help people make 'informed decisions and plan for a better future'.

moneyhelper.org.uk
0800 138 7777



This guide is one of many available from Money Helper: 'Your pension: your choices'.

Other pension providers

If you hold pensions with other providers, they too are likely to have information and a customer helpline offering support.

Company pension

Your previous and current employers and/or company scheme administrators are potential sources of information and are likely to provide a customer helpline.

What's next?

Completing the paperwork

If you decide to go ahead with your pension transfer, this diagram shows the steps involved and how long they may take.

You are here
If you decide to transfer your pension.

START

You or your adviser will need to contact us to request a transfer pack.

Transfer pack – including forms, lands on your doorstep

You or your adviser completes and returns the form(s).

You or your adviser sends the relevant form to your new pension provider.

Got any questions or need help with the forms? Speak to your adviser or call our customer helpline.

Your new pension provider completes and returns the relevant form to us.

We process the paperwork

We'll contact you or your adviser, and your new pension provider if we need more information.

Transfer your money

END

If you're taking your money to use in retirement, we may give you a call. Why? Because we want to make sure you're aware of the risks, if any, of taking this action.

Definition of key terms

Annuity

It's an insurance product which provides a guaranteed income at retirement either for life or a set period. For more on annuities visit **moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/annuity-options-and-shopping-around**

Defined contribution pension

This type of pension is made up of money paid in by you and/or your employer, which is placed in a variety of investment funds that include shares. The value and size of your pension is based on the amount of money saved and the performance of the investments. Pensions include company, personal and stakeholder pensions. It's also referred to as a 'money purchase' scheme.

Flexi-access drawdown

It's a method of creating a retirement income that offers an alternative to an annuity. It means you can keep your money invested while taking an income from it. It works by investing your retirement savings in funds designed to generate an income for you. But unlike the annuity, the income is not guaranteed. What it does offer, as its name suggests, is the flexibility to make changes to your income levels and/or switch to alternative income options in the future.

Guaranteed Annuity Rate

This benefit guarantees a particular annuity rate (GAR) when your pension reaches your selected retirement date. It means that even if the rate available elsewhere is different, the annuity rate guaranteed by your plan still stands. It's a guarantee which could give you a much higher pension than one available in the market place. So if you're thinking about buying an annuity to provide an income in retirement, this is a valuable benefit. It's important to check your plan terms and conditions because you could lose this benefit if, for example, you transfer your pension to another company or take all of your pension as a lump sum.

Guaranteed Minimum Fund Value

This provides either a guaranteed minimum fund or plan value, where the higher of the two values is payable. This guarantee is linked to a selected retirement date or a plan's end date, which means it will no longer be valid if any changes are made to the plan, such as an interruption or reduction in the regular contributions, or any money is taken out of the plan before this date.

Guaranteed Minimum Pension

This guarantees a minimum pension at a selected retirement date. The amount will depend on the value of the plan. The guarantee is linked to a selected retirement date which means it will no longer be valid if any money is taken out before the selected retirement date.

Guaranteed Pension income

The amount of income you will receive at retirement if your plan continues as it is until your selected retirement date. This income may be increased by future bonuses.

Lifetime Allowance

This allowance is a limit on the value of payouts from your pension schemes – whether lump sums or retirement income – that can be made without triggering an extra tax charge. The current amount is £1,073,100 for the tax year 2021/22. If you receive more than the allowance, you'll have to pay a tax charge known as the 'Lifetime Allowance Charge'. This charge is only applied to the amount of pension savings that exceed the Lifetime Allowance. Currently the charge is 55% if you take your money as a lump sum, or 25% if you choose an income option. Bear in mind that you'll have to pay income tax too on any income or lump sums taken from your pension(s) that fall outside of the 25% tax-free money. For more information visit **gov.uk/tax-on-your-private-pension/lifetime-allowance**

For definition of other key terms, see **countrywideassured.co.uk**

Free guidance

Pension Wise is a useful, free source of independent guidance on how to use pension savings. Not only does their website offer a wealth of information but also for those aged 50 and over, Pension Wise offers a free face-to-face and/or telephone appointment.

No matter the size of pension savings, make the most of this invaluable service.

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0800 138 3944

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Pension wise
Your money. Your choice.

Independent financial advice

Getting up to date and independent advice could save you money in the long run. It's important to view an adviser's upfront fee alongside the potential long-term savings in areas such as tax and charges.

Finding a local independent adviser is easy. Visit **unbiased.co.uk**.

Any questions?

Call us using the telephone number shown on the top of the letter accompanying this guide.

Or go to
countrywideassured.co.uk

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Countrywide Assured plc. Registered in England: 2261746. Registered Office: 2nd Floor, Building 4, West Strand Business Park, West Strand Road, Preston, Lancashire, PR1 8UY

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