ReAssure

Transferring your pension

You can usually move your pension pots to another provider at any time, regardless of whether you have one pension pot or several. If you feel that another policy better suits your personal circumstances and attitude to risk, ReAssure will help make the process as easy as possible for you to transfer to another provider. If you decide to transfer your pension pot, it's important to shop around to see how you can make the most of your money. Making the wrong decision could affect you for the rest of your life, so it's very important you compare the options available to you from different providers.

If you're interested in bringing all of your pensions together with ReAssure, you should understand that not all ReAssure pensions can accept transfers in from other providers. Only the ReAssure Retirement Account and some pensions originally taken out with HSBC offer this. If you don't have one of these pensions and you want to transfer another pension into ReAssure you can open a new Retirement Account which offers flexible withdrawals too. The Retirement Account is only available to people aged 55 or over and you can find out more about it from **www.reassure.co.uk/plan.**

Comparing different policies

Policies from different companies can have very different features and a direct comparison can often be hard. Given the importance of these decisions to your long term financial security it's important that you understand if there are safeguarded benefits that you might lose when you transfer.

Charges are one of the important factors to consider when comparing pension policies, as small differences in annual charges can make a big difference to the value of your pension pot over the long term. Transferring policies may also leave you exposed to movements in stock markets (which can go up or down) whilst you are transferring.

Transferring your pension

Transferring your pension is an important decision. You need to think carefully about the reasons for doing this and make sure you have compared the benefits of transferring against the associated risks. Before making a decision about your pension you should consider getting professional financial advice. A Financial Adviser will provide you with appropriate tailored financial advice taking into account your personal circumstances. If you don't have a Financial Adviser you can find one at **www.moneyHelper.org.uk/choosing-a-financial-adviser**. You may have to pay for any advice you receive.

Whatever you decide to do with your pension, it's important to shop around to compare the products available to you from different providers. You should visit **www.moneyhelper.org.uk** or call **0800 138 7777**.

We've summarised some of the points you should consider in this factsheet, but this list isn't exhaustive. You should also look at any other factors you think could be relevant to your decision.

ReAssure

Your retirement

This factsheet provides you with factual information only - ReAssure does not provide financial advice

What type of pension do I have?

It's important to know what type of pension you have if you're thinking about transferring as the benefits provided are very different. The most common types of pensions are:

Defined benefit pensions:

These are also known as final salary or average salary pensions, and can only be provided through your employer.

When you retire you receive a guaranteed income for the rest of your life, based on a percentage of your salary. Defined benefit pensions offer valuable guarantees, and it's not normally in a person's best interests to transfer out of o ne. As a result, we've focused this factsheet on transfers between defined contribution pensions and the factors we've highlighted may not be relevant if you have a defined benefit pension.

If you're thinking of transferring from a defined benefit pension you will need to get professional financial advice first.

Defined contribution pensions:

These are also known as money purchase pensions. The money you pay in is invested into your chosen investment funds and these are then used to build up your pension pot. All personal pensions are defined contribution pensions.

Investments aren't guaranteed and can go up or down. When you retire you use the fund that has built up to support yourself in retirement. This can be done through a number of different ways. More information about your retirement options can be found at **www.reassure.co.uk/pensions/your-retirement-options**

Pension containing valuable guarantees (safeguarded benefits)

If your policy has a guaranteed annuity rate (GAR), or guaranteed minimum pension (GMP), or is a defined benefit pension this is called a safeguarded benefit. A GAR gives you a minimum annuity rate that we'll use to set up your annuity; a GMP gives you a minimum pension value. If you have a policy with these guarantees, you may be provided with a retirement income which could be better than you could get on the open market. To protect you from losing these guarantees, if you choose to transfer a pension to take a retirement option other than taking an annuity, the government will require you to get advice if the value of the benefit is more than £30,000.

ReAssure is unable to provide financial advice or make a personal recommendation. If y ou're unsure about which retirement option is right for your personal circumstances you should speak with either an Independent Financial Adviser (who can give advice and make a recommendation on a full range of financial products and providers, based on the whole of the market), or a Restricted Financial Adviser (who has access to a limited selection of products and/or providers).

As we're unable to give financial advice we're introducing customers who would like restricted financial advice to LV=. They can provide two levels of service; an online solution for a fee of £199, or telephone based advice for a fee of £450. **Please bear in mind LV= can only provide advice on products from a restricted number of providers.** If you want advice about options available from all providers in the market you will need to speak with an independent Financial Adviser (FA). If you don't have an independent FA you can visit **www.moneyHelper.org.uk/choosing-a-financial-adviser**.

If you'd like to speak to an LV= Adviser either call us and we'll transfer you, or contact them direct on **0800 756 8009**. The LV= Adviser will discuss your options and the costs involved with you, before you proceed.

Why might you consider transferring your pension?

Policy charges:

It's important to compare the impact of all the charges that are applied by your current provider compared to those that another provider would charge, and not just look at one in isolation. This is especially the case with older policies. Reducing the amount of charges you pay will increase the amount going towards your retirement.

Combining policies:

Combining multiple policies could reduce the overall charges applied and also make it easier for you to keep track of a combined retirement value. Bigger pots can also help you can get a better rate if you decide to buy a guaranteed income for life (also known as an annuity) when you retire.

Investment choices:

It's always important to keep track of your pension and how it's performing. Your provider will write to you each year to update you about your pension's progress. This will include information about your current investments, and you can use this information to help make informed decisions.

There are a number of different types of pension available with varying investment options and Terms and Conditions. If you're thinking about transferring because you are unhappy with your fund performance, then make sure you are comfortable that any new fund is not exposing you to a different level of risk. It's important to check that the policy you want to transfer to is appropriate for your personal circumstances and attitude to risk. Past performance is not necessarily a guide to future performance and the investment returns you get after you transfer could be better or worse than the returns you'd get with your current provider.

Better service:

Some providers may offer servicing options that your current provider doesn't. For example, if you prefer to manage your policy online, moving to a company that offers this facility could be a factor in deciding to transfer. However, the decision to transfer shouldn't be taken on this basis alone.

You live overseas:

If you live, or are moving overseas, you may want to transfer your pension to a scheme in the country you're living in. Some overseas schemes have registered to confirm they comply with HM Revenue & Customs rules and are known as Qualifying Recognised Overseas Pension Schemes (QROPS). Most providers, including ReAssure, won't transfer to an overseas scheme that isn't a QROPS. If the overseas provider that you transfer to allows you to take your pension benefits in a way that doesn't match HMRC rules you may have to pay a significant tax charge.

What should you be aware of?

Exit charges:

An exit charge may be applied if you transfer your policy. This is more common when the transfer happens during the early years of the pension plan, but some policies have exit penalties until the policy reaches the selected retirement date. These are used to recoup the costs of setting up the policy, which would have been spread over its full term.

A 1% cap on exit charges is applied for policyholders aged 55 or over wanting to access their benefits or transfer elsewhere.

With-profit funds may also apply a market value reduction (MVR) in poor market conditions. This aims to make sure customers who stay in the fund are not worse off because of others withdrawing more than their fair share.

If you're not sure whether your ReAssure pension has any of the above, you can check your policy documents or contact us.

Loss of valuable policy benefits:

If your policy has a Guaranteed Annuity Option (also known as a Guaranteed Annuity Rate) then the retirement income from your existing provider is likely to be more generous than you could get in the open market. This guarantee will be lost if you transfer your pension and you may not be able to achieve the same level of income with another company when you take your benefits.

When you take your pension benefits, you can usually take 25% of the total value as a tax-free lump sum. However, some people can take more than this. For example, this could apply to you if you have benefits in an occupational pension scheme or a Section 32 buy-out bond (a single premium pension policy set up when the policyholder transferred out of an occupational scheme). This guarantee would be lost if you transferred your pension.

Some pensions apply a bonus to policies when they reach the selected retirement date. This usually happens if you're invested in a with-profits fund, but some unit-linked policies also apply a loyalty bonus at the selected retirement date. If your current policy is entitled to bonuses, you could lose your right to these if you transfer.

Some pensions have a protected early pension age which allows people in certain occupations (for example, footballers and tennis players) to take their benefits before age 55. You would lose this benefit if you transferred your pension.

If you're not sure whether your ReAssure pension has any of these benefits, you can check your policy documents or contact us.

Your current policy may include other benefits, such as life cover or waiver of premium:

Life cover is the payment of a lump sum if you die before you retire, while waiver of premium continues to pay your premiums if you're unable to work due to illness. These benefits may become more expensive or difficult to replace as you get older, particularly if your health has deteriorated. Your current policy may also receive tax relief on the premiums you pay towards the waiver of premium or life cover, which you would no longer get if you transferred.

If you're not sure whether your ReAssure pension has any of these benefits, you can check your policy documents or contact us.

Taking pension benefits before age 55? Beware of scams.

You may have been told you can take money out of your pension before you turn 55. This is not the case for the vast majority of people. Unless you're retiring early due to ill health, or you have a protected early pension age, taking pension benefits before age 55 is a pension scam and can have serious tax implications in addition to jeopardising your financial security when you do retire. Read our Fact Sheet on pension scams. **www.reassure.co.uk/about-pension-scams/**

More information is available from The Pensions Regulator here - **www.thepensionsregulator.gov.uk/en/pension-scams**

Thinking about taking your retirement benefits?

Deciding to transfer your pension is an important decision so you need to think carefully about the reasons for doing this and make sure you have compared the benefits of transferring against the associated risks. If you're aged 50 or over, we recommend you use the government's free, impartial guidance service, Pension Wise from MoneyHelper.

Pension Wise offers tailored guidance on how to make the best use of your pension savings, either online, over the phone or face to face. They can also give you information about the tax implications of different options as well as tips on getting the best deal, including how to shop around. Call Pension Wise on **0800 138 3944** or visit **www.moneyhelper.org.uk/pensionwise** to find out more.

ReAssure is unable to provide financial advice, but we can give you factual information. More general information about transfers is available here - **www.moneyhelper.org.uk**

If you want independent financial advice then you can find a Financial Adviser in your area by visiting **www.moneyHelper.org.uk/choosing-a-financial-adviser**. You may have to pay for any advice you receive.

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