

# Frequently Asked Questions Transferring out



## Do you have a question about transferring your pension benefits?

Answers to the most commonly asked questions can be found in this leaflet. Please read this information before contacting the Scheme Administrators, WTW.

Decision ahead



Get in correct lane

### 1. What is a cash equivalent transfer value (CETV)?

A CETV is the current cash value of your benefits in the Scheme. It is a one off amount of money that a member can receive from the Scheme and transfer to another registered pension provider. This is instead of the Scheme paying you a Defined Benefit (DB) pension income and/or lump sum and any other associated benefits, such as a dependant's pension, that may be paid after you die.

### 2. How is the CETV calculated?

It is worked out by looking at what we expect your pension would cost the Scheme overall. To do this, we make certain assumptions based on advice from the Scheme Actuary. The main assumptions we make are about what pension increases will be in the future, how the Scheme's assets will grow and how long members and their dependants will live. We make these assumptions on a scheme-wide basis rather than on an individual basis.

When we work out a CETV, we also take into account current market conditions. We review CETV assumptions regularly throughout the year, to ensure they represent the best estimate of what will happen in the future. This means the **transfer values can both increase and decrease from month to month**. Not all reviews will result in changes to the underlying basis but we cannot predict in advance when changes will be required or implemented.

### 3. Are there any restrictions on when I can transfer out?

Yes, members only have a statutory (legal) right to transfer their DB benefits out of the Scheme if they are more than one year from their normal pension age.

You can request a non-statutory transfer if you are within 12 months of your normal pension age or you have already reached your normal pension age. The Trustee is not obliged to provide one but will consider such requests on an individual basis. It is not possible for a transfer value to be paid after your pension has been put into payment.

Please note, there is a requirement for members to take independent financial advice before transferring, where their DB transfer value is over £30,000 and you are transferring to a DC Scheme, so you will need to allow enough time to appoint a qualified financial adviser and receive this advice, before a transfer payment can be made. We will need to see proof that your adviser and their sponsoring firm are registered with the Financial Conduct Authority, and that the arrangement you are transferring to is a registered arrangement with HMRC. However, even if your transfer value is less than £30,000 you may still wish to seek independent financial advice.

### 4. What about my DC Account and/or Additional Voluntary Contributions (AVCs)?

You can transfer your DC account at any time (up to the age of 75) if you are a deferred member (no longer paying contributions). The value of the transfer will simply be the value of your DC Account at the date it is disinvested (shortly before your transfer is paid).

AVCs invested in a DC Account are dealt with in the same way as any DC Account transfer.

### 5. Where can I transfer to?

You can currently transfer your pension to another HMRC registered scheme that will accept your transfer, or if transferring overseas, to a Qualifying Recognised Overseas Pension Scheme. However, there are some restrictions on transfers to help prevent pension scams and we may need to carry out due diligence checks into the transfer request in line with industry guidance. Sometimes this may mean that you cannot transfer your benefits to a particular pension scheme.

### 6. Are there any charges for transferring out?

Normally there are no charges for transferring out of the Scheme.

### 7. Is the CETV guaranteed?

A statutory CETV is guaranteed for 3 months. Any further requests for a transfer value within 12 months may be chargeable. Any AVC's or your DC Account included in the transfer value are not guaranteed and will be the value at the date they are disinvested.

### 8. What is a non-guaranteed CETV?

If you are still building up DB service in the scheme (e.g. if you are in the Hybrid Section) your benefits are increasing every day. As such we cannot give you a guaranteed CETV (i.e. that would not change for 3 months) because the value of your pension is still increasing every day.

### Pension Scams

It is illegal for companies to cold-call individuals in relation to their pensions, unless you have consented to the call in advance or are an existing customer of the caller.

If you receive an unexpected call about your pension from someone you don't know, usually in relation to transferring or accessing your benefits, or about an investment opportunity, it could be a scam. If you are concerned about a call you have received, you can find help and information on the Financial Conduct Authority's 'ScamSmart' website: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart). You can also call them on 0800 111 6768.

## 9. Is my DB cash equivalent transfer value more likely to go up or down in future?

We don't know. We work out a transfer value by making certain assumptions and looking at the current market conditions – see Q2. Both these factors will change over time in a way we cannot predict.

## 10. How can I tell if taking a transfer is the best option?

There are many factors to consider, which is why the law requires members to take independent financial advice where the DB transfer value is £30,000 or more and being transferred to a DC Scheme. The financial adviser will help you determine whether it is the best option for you. The following is not an exhaustive list but contains basic considerations you should think about:

- Your willingness to accept the risk of your invested pension falling in value once transferred.
- The loss of potential increases to your pension once in payment.
- The loss of any potential beneficiary benefits in the event of your death.
- Your family history and your own personal outlook on living for longer.
- The value of any other savings and pension you may have.
- Whether you are confident managing your pension investments throughout your lifetime.
- Whether you wish to continue to pay into a pension scheme on a tax efficient basis (please refer to the MPAA section of our Annual Allowance leaflet.
- Whether you have any tax protections that could be lost on transfer.

## 11. How do I find an Independent Financial Adviser?

You can find a financial adviser by ringing IFA Promotions on 0800 0209430 or by visiting [www.Unbiased.co.uk](http://www.Unbiased.co.uk). Advice on what to think about when appointing an adviser can be found at: [www.moneysavingexpert.com/savings/best-financial-advisers](http://www.moneysavingexpert.com/savings/best-financial-advisers). It is important that you receive advice from a regulated adviser who is qualified to deal with transfers from DB pension schemes.

## 12. What are the fees charged by an Independent Financial Adviser?

The charges for financial advisers can vary. There is usually an initial fee for advice, which can be a fixed figure or a percentage of the transfer value, although some advisers can charge per hour for their services, so it is better to check first. There is normally an ongoing fee, which includes the costs of servicing and managing the invested funds once a transfer takes place. The 'Total Expense Ratio' (TER) is the figure which should be used to establish the total ongoing fees. You should ensure the fees are clear before you proceed as over the lifetime of your investment a low percentage fee can result in a significant monetary amount.

## 13. If I decide not to proceed with a transfer out what do I need to do?

You don't have to do anything. If WTW do not receive your completed transfer out documentation within 3 months, they will close your case and your benefits will remain in the Scheme.

## 14. If I decide not to transfer out, do I still have the option to do so at a later date?

Yes (see Q3) but you are only entitled to one free Transfer Out quotation in any 12 month period. The Trustee reserves the right to provide another quotation within a 12 month period in special circumstances but will usually apply an administration charge for more frequent requests. The current charge is £122.50.

## 15. Can I transfer just my AVCs or my DC Account if I also have a DB Pension?

Yes it is possible to transfer your AVCs and DC Account only, or your DB pension or both. But you can't transfer just part of your DB pension or part of your AVCs/DC Account.

## 16. How long will it take to pay the transfer value?

It can take several months to complete a transfer of benefits from one pension arrangement to another as quotations will need to be provided, advice will be taken and documentation will need to be issued, completed and returned by all parties. Once all the documentation has been received, transfer payments will usually be made within 5 working days of receipt. However, please see Q17 below for situations where a transfer may take longer than this.

## 17. What happens if there is a delay in my transfer due to a referral to HMRC?

If we receive your completed documentation within the guaranteed period of three months, the transfer value will be honoured. However, we may need to refer the transfer request to HMRC. This may happen if the receiving scheme is not well known to us, so we will request confirmation from HMRC that the scheme is formally registered. We will need to wait until this confirmation is received from HMRC before making the transfer payment. We may also need to conduct further checks depending on the arrangement and any concerns regarding possible pension scam activity.

## 18. Who is WTW and how can I contact them?

The Trustee has appointed WTW to provide the administration services for the DB sections of the United Utilities Pension Scheme. WTW is a large third party pension administrator with expertise in defined benefit schemes. You can contact them on 0113 394 9309 if you have any further questions about transferring out your benefits.

## 19. How can I find my previous pensions?

You can use the Pension Tracing Service at:  
[www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)  
Telephone: 0800 731 0193

### Further Information

You can find information about transfers on the websites below to help you make a decision.

**MoneyHelper:**  
[www.moneyhelper.org.uk/](http://www.moneyhelper.org.uk/)

**The Pensions Regulator:**  
[www.thePensionsRegulator.gov.uk/DBtransfers](http://www.thePensionsRegulator.gov.uk/DBtransfers)

**Please note: The Trustee, UU Pensions Team and WTW are not authorised to provide advice on whether you should transfer your pension benefits.**