

# Defined Benefit Pension transfers Advice Service & Costs



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## Information about Defined Benefit schemes

Before considering a transfer of your final salary pension it is Important you understand what it is you would be giving up. An attractive transfer value is not a reason to transfer, the reason transfer values appear to be so high is because it costs a huge amount of money for a scheme to provide the income it must guarantee for the rest of your life. For the majority of scheme members retaining your defined benefit scheme offers the best solution to providing you with a risk free income in retirement.

These are some of the reasons NOT to transfer and not exclusively:

- Loss of a guaranteed income for life from the transferring scheme
- Loss of guaranteed indexation of income from the transferring scheme
- Loss of guaranteed spouse's income for life from the transferring scheme. Even if you are single these benefits apply at death which may be different to your circumstances now
- Possible loss of lump sum death benefits
- Possible loss of dependents pension. Even if you do not have children or dependents these benefits apply at death which may be different to your circumstances now
- Loss of protection from the Pension Protection Fund (PPF)
- Possible loss of discounts from certain stores as a member of your current scheme
- Possible loss of free membership to clubs
- Loss of future possible 'ad hoc' pension increases from transferring scheme
- The investment risk on transfer will be borne by yourself and not by your employer, therefore, if investments suffer a significant fall you would lose the guarantee from your current employer who would have had to make good any losses. You would also lose any potential protection on offer from the PPF.
- The impact any proposed transfer may have on your tax position, additionally many pensions now when transferred breach the lifetime allowance triggering a potential 55% taxation on benefits taken in excess of your life time allowance.
- The impact on your access to state benefits may also be affected and this may require specialist advice.

Having advised on many defined benefit pensions I regularly find that members have significantly underestimated the future their pension, for this reason I recommend that prior to starting the advice process or requesting a transfer value that obtaining a current benefit statement and if possible, a projection of benefits at your chosen retirement age may be far more beneficial in your understanding the value of your defined benefit pension.

I also recommend that prior to paying for advice a visit to the Money and Pension Service web site and particularly the pension **The PENSIONS Advisory Service** advisory service may be of benefit to you. The Pensions Advisory Service (TPAS) is set up to give people professional, independent, and impartial help with their pensions – for free.

If however you would like to consider further your transfer options, then our services may be of benefit to you.

### Pension Transfer Gold Standard

The Pension Transfer Gold Standard was designed to help consumers identify firms that give the highest quality pension transfer advice. Details of this are in the PTGS Consumer Guide.

There are nine guiding principles:-

- Help clients understand when advice is appropriate
- Ensure advice given supports the clients overall wellbeing in the context of their stated objectives.
- Ensure client's understanding and acceptance of all charges
- Ensure the most appropriate and updated technical skills are applied
- Transparent management of conflicts of interest
- Help clients understanding the cost of transferring benefits
- Avoid unregulated investments and introducers
- Transparency in advice process and outcomes
- Promote the Consumer Guide to the PTGS



## What can you expect from our service?

These are the brief steps in our Defined benefit transfer service followed by an explanation.

- 1) We will have a brief discussion and if you are not an existing client I will ask you for some limited personal details and ask you confirm these by registering for our portal where you can also download various disclosure documents.
- 2) We will register you for a **Pension Triage** Presentation.
- 3) If you still wish to receive advice the opportunity to discuss some more specific details about which of our services you require and about the scheme you require advice on.
- 4) I will send you a **Personal Charges Communication** this explains the service you have requested and the costs.
- 5) **Fact Finding** - On receipt of your signed disclosure documents and confirmation of your wish to proceed to advice we will start to gather your personal details to enable us to provide you with advice.
- 6) Presentation of recommendations depending on which service you have chosen we will provide you with a personal letter of recommendation.
- 7) If appropriate implementation of the recommendations made.

### Pension Advice Triage



We will arrange a presentation through Expert Pensions that will provide unbiased, educational guidance. This will ensure you know the difference between safeguarded benefits such as those found in a Final Salary pension and a defined contribution personal pension.

This will not be specific to your scheme and we will not provide advice at this stage and you will be under no obligation to proceed with advice.

### Fact Finding

Before I can provide ANY advice, I will need full disclosure of all your and if relevant your partners personal and financial circumstances.

The following is a list of the minimum details that I will require.

- Verification identity for money laundering purposes
- information about you and your family, and how much income you need to support your family during your retirement
- information about employment, current income and spending, tax position, entitlement to state pension or state benefits
- information about your health
- Details of all your pensions, investments including banks, savings, ISA's etc.
- Details of any Mortgages, Loans, Debts, and any dependency on state benefits
- Details of any life Assurance, Death in service benefits, Critical illness cover
- Information about your priorities and spending plans for your retirement
- how much risk you feel comfortable with and the extent to which you are prepared to accept a reduced income / lifestyle in retirement if investments performed poorly or you run out of money before you die.

It is important that you understand that even if you feel committed to transfer your pension before you start the process that to provide you with the best possible advice, I will still require you disclose all the information I request. I will not under any circumstances sign a pension transfer advice confirmation for a scheme transfer without completing the full advice process.

## Advice Services and Costs

We are an intermediary that is acting on your behalf when delivering our services to you.

You should use the information provided within this document to decide if our services are right for you. This should be read in conjunction with our Services and Costs document.

### What type of service will we provide you?

#### Abridged Advice

Abridged advice is a term used to describe a shortened advice service where we look at your personal circumstances, the risks of a transfer, retirement objectives/needs, and obtain details of your existing pension scheme. This service would not extend to a detailed analysis or comparison of benefits that an alternative pension scheme could provide if a transfer proceeded.

Based on this information we will either be able to advise that a transfer would not be appropriate for you or that further analysis would be required before we can confirm whether a transfer would or would not be in your interests, in which case you have the option to proceed to full advice if you wished to do so.

Where you receive abridged advice and our recommendation is not to transfer you will receive a suitability report outlining the reasons for our advice. Please note, however, that scheme trustees are only permitted to allow a transfer where a member has received full pension transfer advice. We have outlined below the amounts that would be payable in each of the scenarios mentioned above.

#### Full Advice Service

Where we provided full advice we will we look at your personal circumstances, the risks of a transfer, retirement objectives/needs, and obtain details of your existing pension scheme and also undertake a full analysis to compare the benefits under your [insert name of scheme] against those that could be provided under suitable destination scheme.

Based on this information and analysis we will be able to recommend whether or not a transfer is appropriate for you. Please note that the cost of full advice is higher due to the detailed analysis we are required to undertake.

### What will you have to pay us for our investment services?

#### Abridged Advice

- £1750 Where we provide abridged advice and we recommend that you do not transfer your pension £1750
- £1750 Where we start the abridged advice process, but we are unable to take a view on whether it is in your best interests to transfer without undertaking full advice.
- £4750 First Scheme Where we provide abridged advice followed by full pension transfer advice and the total current crystallised value of all pension assets would be less than £900,000
- £5750 First Scheme Where we provide abridged advice followed by full pension transfer advice and the total current crystallised value of all pension assets would be more than £900,000
- £3000 Each additional Scheme you require advice on

#### Full Advice Service

- £4750 First Scheme where the total current crystallised value of all pension assets would be less than £900,000
- £5750 First Scheme where the total current crystallised value of all pension assets would be less more £900,000
- £3000 Each subsequent scheme

We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.

All charge amounts quoted are exclusive of VAT (and we do not charge VAT)

**It is a regulatory requirement that the fees are charged regardless of whether or not you transfer your pension  
And whether our advice is to transfer or to remain in the existing scheme**

## Ongoing Advised services

Following on from receiving any initial advice you may wish to take up one of our ongoing advice services. This may be related to transferred funds or other investments you already hold that you require advice on.

### Premier

This service is for clients who are seeking regular contact with their adviser and who's planning requirements can be achieved through an individual investment or pre-constructed portfolio. This would normally apply to clients with between £100,000 and £250,000 to invest.

Our initial consultation will establish what financial considerations are important to you. We listen to your objectives and concerns and, by doing so, establish a plan that is specific to your needs. We then research across all the appropriate markets to provide an understandable and acceptable solution to these needs.

We provide you with your report and, if you are happy with our strategy, we implement our recommendations, deal with all the paperwork for you, and keep you informed of progress each step of the way.

We then provide you with an on-going service which, among other things, gives you access to your adviser.

Recommended investments - this will be a pre-constructed portfolio of investment funds which meets a specific risk profile, and has a specific mandate, e.g. growth, income, or a combination of the two. The portfolios are constructed, reviewed, and maintained by the providers Investment Committee, which meets regularly to ensure that the funds contained within the portfolios are fit for purpose.

### Bespoke

This is our complete financial planning service for clients with significant assets who require annual, or more regular, reviews and contact with their adviser. This would normally apply to clients with over £250,000 to invest.

Our initial consultation will establish which financial considerations are important to you. We listen to your objectives and concerns and, by doing so, establish a plan that is specific to your needs. We then research across all the appropriate markets to provide an understandable and acceptable solution to these needs.

We provide you with your report, and if you are happy with our strategy, we implement our recommendations, dealing with all the paperwork and keeping you informed of the progress each step of the way.

We will create a personal portfolio of investments tailored to your individual requirements, appropriate to the level of risk you are prepared to take. Using our expert knowledge of investments and the markets, we will review your investments' performance, in accordance with our review schedule and, where necessary, will contact you to discuss any required changes to your portfolio.

## Payment for on-going services

There will be an additional charge for any on-going work, such as periodic or on-going reviews, that we carry out on your behalf. We will confirm the rate, frequency, and length, of any on-going service(s) before beginning that service.

Our on-going charges are as follows;

Total Assets under management	Premiere	Bespoke
Up to £99,999	<b>0.75%</b> £675 per annum based on a fund value of £80,000	<b>1%</b> £800 per annum based on a fund value of £80,000
Between £100,000 and £499,999 a month	<b>0.50%</b> £1,000 per annum based on a fund value of £200,000	<b>0.75%</b> £1,500 per annum based on a fund value of £200,000
£500,000 and above	<b>0.35%</b> £2,100 per annum based on a fund value of £600,000	<b>0.5%</b> £3,000 per annum based on a fund value of £600,000

Ongoing charges can be paid in several ways:

- A regular fee paid by standing order
- By deduction from your investment(s) on a monthly, quarterly, six-monthly or annual basis, where the product / platform provider can offer this facility

For investments held on a platform (an online investment administration service) you may choose to pay our charges out of the funds held in the platform cash account. it is important to maintain sufficient funds in the platform cash account to cover our charges as they become payable.

You may at any time cancel an Ongoing Advice Service by serving your notification of cancellation to us in writing. Upon receipt of your cancellation notice for an Ongoing Advice Service we will arrange for any future payment of any associated charges to cease.

Please note as the investment amount increases, your ongoing charge will also increase.

**Our ongoing financial review service consists of three service propositions**

SERVICES	Premier	Bespoke
Initial Meetings and Advice		
Initial Consultation	✓	✓
Preparation of Personal strategy report	✓	✓
Explanation of report	✓	✓
Implementation of strategy	✓	✓
Ongoing contact & meetings		
Telephone / email direct to adviser	✓	✓
Main annual review meeting <£500k		✓
Six monthly review meetings <£500k		✓
Ad hoc meetings up to 2 per year		✓
Ad hoc meeting 1 per year	✓	
Reporting		
Access to provider portal	✓	✓
Valuation / strategy report (1 per year)	✓	✓
Main review meeting report (1 per year)		✓
Provider reports	✓	✓
Ad hoc report		✓
Investment management		
Auto re-balancing	✓	
Personal Portfolio Administration & quarterly review		✓
Contact		
Telephone / email direct access to adviser		✓
Telephone / email assistance via the office	✓	
Administration		
Client file retention & maintenance	✓	✓
Forward Provider correspondence	✓	✓
Professional services		
Liaising with 3rd party professionals	✓	✓

Full details of each of these services are shown on the following pages

Initial meetings and Advice		
Initial Consultation	We explain how we work and the costs involved. We encourage you to ask questions regarding the service and options available. You provide us with an understanding of your personal circumstances and requirements, and we assist in trying to identify your objectives and priorities. By understanding your needs, we will be able to advise you on a personal basis.	Before committing to anything it is important that you are fully aware of the service we offer, how we are remunerated and what we can actually do for you – this meeting covers all these areas.
Preparation of a 'Personal Strategy Report'	We prepare a 'Personal Strategy Report' that covers every aspect of your finances including any pre-existing portfolios/plans and your income and expenditure etc. It also includes researching what options are available and creating an overall strategy by taking account of your objectives, risk profile and tax position. Please note that any taxation advice is not regulated by the Financial Conduct Authority	It is very important that you have, in writing, a detailed explanation of what options are available. It is impossible (and very unwise) for you to decide based solely on verbal discussions, and you need to be able to absorb any recommendations that are made. There may be some instances where this is not required, if we are able to agree upon the type of investments you require, without the need of an initial report.
Explanation of strategy	We explain the full rationale for the recommended strategy and answer any queries you might have.  We then help you to reach an informed decision on how best to proceed, based on this report	Before implementing any recommendations (and after you have had chance to review it) it is very important that you are comfortable with what we are recommending. It is unwise to proceed if you are unsure of any advice that we have given.
Implementation of strategy	Once decisions are made, we implement our recommendations and deal with everything for you. We keep you apprised of the progress every step of the way, and provide you with all the necessary paperwork. We also submit, and track, any applications and confirm finalisation of the strategy.	Once you are happy to proceed it is important that you aware of what needs to be done to complete the application. It is unwise to have a detailed strategy and then to not follow through the recommendations made.

On-going Contact and Communications		
Telephone / email direct access to adviser	You can telephone or email your adviser at any time during working hours for assistance. Where appropriate, we may suggest an ad hoc meeting for more complex queries / needs.	This will help ensure that you understand how the advice we have given you and the plans we have put in place continue to benefit and/or protect you. It will also give you the comfort to know your financial affairs are in safe hands.
1 annual review meeting per year < 500k Six monthly review meetings > 500k	We will offer you a face to face meeting during which we will complete a review your circumstances, needs and priorities. We will also establish whether your current investments remain suitable and, at your request, we can also consider any other financial needs you may have.	This enables us to consider any changes in your circumstances and ensure your financial arrangements continue to meet your needs. It also gives you the opportunity to ask any questions you may have.
Ad hoc meeting	In addition to the annual review meetings you can request extra meetings at any time. This may be because your requirements or circumstances change, to discuss your current investments or to establish if you have any other needs.	This gives you the opportunity to flag up any changes in circumstances as soon as they happen, ensuring your financial arrangements remain the most appropriate for you.
Implementation of strategy	Once decisions are made we implement our recommendations and deal with everything for you. We keep you apprised of progress every step of the way and provide you with all the necessary paperwork. We also submit and track any applications and confirm finalisation of the strategy.	Once you are happy to proceed it is important that you aware of what needs to be done to complete the application. It is unwise to have a detailed strategy and then to not follow through the recommendations made.



Reporting		
Access to provider portal	If required, we will give you access to the provider portal, this will enable you to view details about your investments at any time.	This enables you to have up to date information about your investments at a time convenient to you.
Main review meeting	After your review we will provide a detailed report summarising our discussions and any recommendations we may make.	This provides a written record that you can refer to at your leisure, so you know exactly what was discussed and agreed.
Ad hoc meeting - report	If you choose to have an extra meeting, we will provide a report summarising our discussions and any recommendations we may make.	This provides a written record that you can refer to at your leisure, so you know exactly what was discussed and agreed.
Quarterly Reports	You will receive a quarterly report outlining how the fund has performed and confirming any changes that have been made.	This provides a written record that you can refer to at your leisure.

Investment Management		
Personal portfolio administration	Having thoroughly established your circumstances, objectives, and goals, we will create a personal portfolio of investments tailored to your individual requirements and appropriate to the level of risk you are prepared to take. Using our expert knowledge of investments and the markets, we will review your investments' performance, in accordance with our review schedule. Where necessary will contact you to discuss any required changes to your portfolio.	This gives you the peace of mind that your Investment strategy remains appropriate to your needs, and your appetite for risk and reward.

Administration		
Client file retention & maintenance	As and when you provide us with updates to your circumstances, we update your file and will hold it securely at our offices for as long as you remain a client of ours. This will, obviously, be in accordance with our Data Protection Policy.	This gives you the peace of mind that your records are kept securely and up to date.
Forward provider correspondence	We will forward any correspondence concerning your investments to ensure you are kept up to date with their performance and current value.	This means that you are always up to date with information regarding your investments, enabling you and us to consider whether any actions or changes are needed or appropriate.

Professional services		
Recommending 3rd party professionals	Where required we can recommend any 3rd party professionals to you such as Accountants and Solicitors.	This will ensure that all your financial circumstances are being coordinated by people who are connected and trust each other
Liaising with 3rd party professionals	Where required we will liaise with your other professional advisers, e.g. solicitor and accountant, to co-ordinate your affairs, ensure consistency of approach in related matters and provide relevant updates.	This will ensure that all your financial circumstances are being coordinated by one person to achieve your objectives and not using your valuable time by dealing with many different firms.

**INFORMATION ABOUT OTHER COSTS AND ASSOCIATED CHARGES**

**Minor Non-Monetary benefits**

We advise and arrange on a range of products from a variety of firms; we may receive certain support from these firms, which is used to enhance the quality of service we provide to you. This year we expect to receive in total 40 hours' worth of training from some or all these firms. Some of the cost of this training may be passed to you as part of the total product charges you pay these firms. Other support we may receive includes access to technical services, information technology support or the supply of product literature. Further information regarding any of these arrangements is available on request.

**Other third party costs**

There may be other costs, including taxes, that are payable through other parties (such as the product provider) that we may not be party to. Such charges are normally disclosed in relevant third party documentation, for example a Key Features Document.

**Aggregated costs and charges**

We will also provide you with an Aggregated Costs document in relation to certain investment types. This will provide you with information on the total costs to you of the financial products and services that have been recommended for these investment types and illustrate the impact of those costs on your investment returns. This will include all third party product and service costs as well as our firms' own adviser charges. This will be provided to you before any investment transactions take place and on an ongoing basis where you have selected to take ongoing services.

This is our standard Service Proposition Document upon which we intend to rely. For your own benefit and protection, you should read the contents carefully before signing, because by signing, you consent to understanding the content within. If there are any terms within this document that you do not understand, please ask for further information.

I/we further confirm that having read, and understand, the information contained within this Service Proposition Document, and I/we have been made fully aware of the following.

Full Name

Signature

Date

Full Name

Signature

Date