TRANSFER FACTSHEET

Did you know?

You may be able to transfer other pension accounts you have into the Fidelity SIPP

What you need to know

Over the course of your working life it is likely that you will have a number of pension accounts. Did you know that it might be possible for you to move these to your Fidelity SIPP?

It's important to understand that transfers are a complex area and may not be suitable for everyone. Before going ahead with a pension transfer we strongly recommend that you undertake a full comparison of the charges, features and services offered.

This factsheet provides some important information regarding why you may, or may not, wish to proceed with a pension transfer to Fidelity. Fidelity Personal Investing only gives information on products and services and does not provide advice. You should read this factsheet carefully and speak to a Fidelity adviser or an authorised financial adviser of your choice if you are in any doubt about transferring a pension.

Currently you can start withdrawing money from most personal pensions when you are 55, but the Government is changing the minimum age from which pension benefits can be taken from 55 to 57.

This change will come into force from 6th April 2028. In some cases the right to take benefits from a pension before the age of 57 may be protected after April 2028.

Whether this applies to a particular pension depends upon how the rules of that pension scheme were written. You will need to confirm with the pension scheme you are transferring from whether you retain the right to take benefits at an age between 55 and 57. If you do have a protected pension age it is possible that this can be preserved if you transfer to another provider, although these funds may need to be kept separate from other pension funds and you may not be able to take all your benefits at the same time.

Important information: Fidelity's advice service can offer you personalised retirement advice. We have a team of advisers who will be able to help you. Additional advisory fees will be charged and agreed with you before undertaking any additional work. Just call **0800 222 550**. Of course, you are free to select your own adviser.

The Government offers a free and impartial guidance service to help you understand your options at retirement. This is available via the web, telephone or face-to-face through the Pension Wise service which is part of MoneyHelper; the easy way to get free help for all your pension and money choices.

You can find out more by going to **moneyhelper.org.uk/pensionwise** or call them on **0800 011 3797**.

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The advantages of a pension transfer

There are a number of reasons why you may want to consider moving other pensions to Fidelity:

- **One administrator** – having only one pension administrator means that you will receive only one set of paperwork, making it easier for you to manage your pensions.
- **Innovative services** – we also offer a range of innovative services, to help you manage and understand your pension. You'll be able to see your pension alongside other investments you hold with Fidelity in your online account and make changes whenever you want.
- **Potentially wider investment choice** – you will have access to our wide choice of funds, exchange traded products and investment trusts. This may be particularly useful to you if your current pension arrangements offer limited investment choice or are under-performing. You should compare the investment choice with your existing arrangement(s).
- **Potentially lower charges** – at Fidelity we try to keep our fees and charges as low as possible, with no charges when switching between investments, to allow more of your money to work for you.

  You should compare our charges with your existing arrangement(s). Full details of our charges can be found in the relevant key information document and our Fidelity SIPP Key Features Document (Doing Business with Fidelity).

The disadvantages and other key factors to consider

Transferring existing pensions may not be suitable for everyone. As with all financial decisions there are important factors you need to consider.

- The most important relate to existing associated or guaranteed benefits you may be entitled to, which you could lose if you transfer. This could impact you if you have any pensions that allow you to:
  - receive a defined benefit/final salary pension at retirement, a pension promised by your employer and based on the level of your pay, often at the date of leaving.
  - retire earlier than the current standard minimum retirement age of 55.
  - have more than the standard 25% tax-free cash lump-sum upon retiring. Please note that the value of tax savings will depend on individual circumstances and all tax rules may change in the future.
  - have guaranteed death benefits in excess of the value of your pension.
  - have a guaranteed annuity rate.
  - have a 'with profits' investment in your pension. This type of arrangement will provide an annual bonus, which is guaranteed, plus a maturity or terminal bonus which is not guaranteed and which will reflect underlying investment performance. The timing of any transfer should take into account when the next annual bonus payment is due and whether eligibility for a maturity or terminal bonus is affected by the transfer. Some with profits funds also apply value adjustments in times of poor or volatile market performance, so you should check if this applies to your policy before you transfer.
  - have inflation protection, or allow 'linking' of service years as one continuous period of employment, as with public sector pension schemes, such as teachers, nurses etc.
  - have any other minimum pension benefits.
- **No guarantees** – you should also remember that there is no guarantee that transferring a pension will result in a higher retirement income. Past performance is not a guarantee of future results and you may receive a higher or lower pension in retirement than you could have received if you had decided not to transfer.
- **Exit penalties** – you should also check to see if there are any exit charges or penalties if you transfer out of your current pension, as this could impact the future value of your pension. Fidelity will reimburse the exit fees charged to a customer by their former provider when they move their investments to Fidelity, up to a maximum amount of £500 per person. Please see **fidelity.co.uk/exitfeeterms**.
- **Changing your mind** – if you transfer your other pensions and then change your mind, your previous pension provider may refuse to reinstate your benefits.
- **Comparing pensions and providers** – before going ahead with a pension transfer we strongly recommend that you undertake a full comparison of the charges, features and services your pension offers against the benefits that Fidelity can provide. **Further information is available from the MoneyHelper at moneyhelper.org.uk, or you can call them on 0800 011 3797.**
- **Small Pots** – If the amount you wish to transfer from any pension is less than £10,000 then you may be able to take it all as a cash lump sum, some of which may be tax free with the balance taxed at your marginal rate of income tax. If you transfer 'small pots' into one account which then exceeds £10,000, the option of taking it all as a cash lump sum could be lost.

Pension accounts that can be transferred to the Fidelity SIPP

- Personal Pension Plans including other Self Invested Personal Pension Plans.
- Stakeholder pensions – low-cost pensions that follow Government rules designed to give everyone an easy way to save for retirement. You should compare charges in a Stakeholder pension with the Fidelity SIPP as they may be lower.
- Retirement Annuity Contracts (RACs) which are also known as Section 226 plans.
- Additional Voluntary Contribution (AVC) plans linked to defined contribution occupational schemes and Free Standing Additional Voluntary Contributions (FSAVC) plans – top-up arrangements for work-based pensions that are separate from your employer's pension scheme.
- Executive Pension Plans and Small Self-Administered-Schemes (SSAS) – company pension schemes designed primarily for directors, executives and key employees.
- Section 32 buy-out policies (without guaranteed minimum pension (GMP) benefits).
- Pension schemes already paying a retirement income (Pension drawdown plans).

Pension accounts that might be transferable to the Fidelity SIPP

A pension that contains any kind of promise or guarantee requires careful consideration. This is because such benefits are normally lost once you transfer and cannot usually be reinstated. The value of some benefits can be substantial and a transfer, giving them up, may prove to be both costly and inappropriate.

We may, at our discretion, accept a transfer from a pension that contains such benefits, provided that our requirements have been met.

Benefits tend to fall into two broad categories:

First, those benefits, often referred to as 'safeguarded benefits', that generally offer either a guaranteed level of income at retirement (typically the most valuable benefit) or provide a guaranteed conversion rate for your pension pot to buy your pension income in retirement (applicable to larger value funds only – see below). Examples of such pension arrangements (or benefits within an arrangement) include:

- Any Defined Benefit scheme: Final Salary schemes or career average schemes; some types of Additional Voluntary Contributions (AVC) linked to a Final Salary Scheme (where the AVC accrues additional defined benefits);
- Pensions arrangements containing a guaranteed minimum pension (GMP); reference scheme test benefits (RST);
- Some older style pensions that contain a minimum income guarantee in retirement;
- Guaranteed Annuity Rate (GAR) when the pension fund value is more than £30,000 (GAR may provide a higher guaranteed income than would normally be available on the open market).

For transfers containing the above, we will require confirmation that you have received appropriate financial advice and that the advice confirmed it was in your best interests to transfer. Without this, the transfer to us cannot proceed.

Second, other benefits/guarantees which are not directly linked to a guaranteed level of income at retirement (this includes lower value pension funds containing a GAR (see below)). Examples of such benefits include:

- Protected tax-free cash (you can take more than the normal 25% of your fund as tax-free cash);
- Protected pension age (you can access your pension earlier than the current minimum pension age of 55 or from 6 April 2028 age 57);
- Guaranteed Annuity Rate (GAR) when the pension fund value is less than £30,000 (GAR may provide a higher guaranteed income than would normally be available on the open market);
- Guaranteed investment returns (a guaranteed fixed increase on your money each year, regardless of how your underlying investments perform);
- With-profits bonuses (if you are invested in a with-profits fund, you may benefit from annual and terminal/maturity bonuses depending on the underlying investment performance. You should consider how a transfer and the timing of it will impact the payment of those bonuses).

For transfers containing the second type of benefits noted above we will need you to provide your confirmation that you are aware of the benefit you will be giving up by transferring but that you still wish to proceed.

If you are unsure about the type of pension you currently hold and what benefits are available to you, contact the provider of the pension. We believe that it is essential that you receive financial advice in order to make an informed decision.

The lists above are not exhaustive and you should research the benefits available to you within your existing pension before you request a transfer. Fidelity's advice service can undertake a detailed analysis of your existing arrangement for you and highlight any potential benefits you may lose on transfer so you can decide if it's worth transferring. There is a fee charged for this service, and you can contact **0800 222 550** for more details. Of course you are free to choose your own financial adviser.

How it works

You have two options available. You can re-register or cash transfer.

Re-register

An investment fund can have a number of categories known as share classes. These are indicated by the letter that appears after the fund's name, e.g. 'A', 'I' or 'Z'. Each share class can have different costs, currencies and minimum investment levels, to suit the needs of different types of investor. For example, the share class you can invest in via your workplace pension might not be the same share class you could buy as a private investor. Fund Managers may also create a share class with different voting rights or dividend payouts. The returns you get on your investment could be different depending on which one you choose.

If the funds you hold in your existing pension are available on our investment platform and your existing pension provider supports the re-registration process, we can move your pension into the same funds via re-registration. If you currently hold the fund in a different share class to the one we offer, we may need to carry out a conversion to facilitate your re-registration. Where this is required, we will work with your existing provider to convert your units into a share class we can support before transferring it to us. Please note that a further conversion may be required to move you into the cheapest available share class on our platform. If a cheaper share class is available, we will also convert any existing holdings of that share class in your account. During this time you will not be out of the market and you may temporarily be converted into a share class with higher charges in order to facilitate the transfer. The share class conversion activity might take a few days and you will probably have a different number of units in the fund after you move as the prices of different share classes of the same fund are normally different. If your existing pension provider does not support the re-registration process, your funds will be sold and the cash balance transferred to your SIPP Cash Account. You can then select your new investments online when you are ready.

Cash Transfer

Alternatively, if the investments you hold in your existing pension are not available on our investment platform you can choose to have the assets in your old pensions sold and the proceeds transferred to the Fidelity SIPP as cash. Once the cash transfer has taken place, you simply need to choose your new investments on-line. We will deposit any money paid to us in one or more trust accounts with authorised banks. When payable, interest on cash held will be credited to your account at rates set out at **fidelity.co.uk/cashprotect**

Please note that if your pensions are moved to us as cash, you will be out of the market while your money is being transferred, so you could miss out on growth and income if the market rises during this time. If your existing pension provider has signed up to an industry accepted paperless transfer service, your transfer should be completed in about 10 business days. If not, the transfer could take up to 10 weeks, but could be longer as the process is reliant on prompt action by your existing providers whose time frames can be variable.

Transfer minimums for new accounts

If the transfer is from another pension provider and going into immediate pension drawdown the minimum is £50,000.

For all other transfers the minimum is £100.
This includes transferring:

- Entirely in cash
- A combination of cash and existing pension funds
- A pension already in pension drawdown
- An existing pension fund whether it is all of your fund holdings or a selection

Transfer minimums for existing accounts

- If you have an existing Fidelity SIPP and wish to transfer other pensions into your plan, unless they are not already in or about to go into drawdown, the minimum transfer amount is £100.

Cashback offer

We promote pension transfer cashback offers on a regular basis (exclusions and T&Cs apply). However, it is important that you take enough time to decide whether transferring your pension to us is right for you. If you need more time and wish to qualify for the cashback offer, please wait until the next offer period.

For more information, please call **0800 368 1722** or visit **fidelity.co.uk/transfer/pension/**

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