Transferring your pension to Fidelity

What you should know

Over the course of your working life it is likely that you will work for several different employers, each providing different employment benefits. One of the most important benefits you are likely to be offered is pension plan membership – to provide a retirement income for your future. If you have pension benefits from previous employments it may be possible for you to move these to Fidelity.

Please be aware we do not accept transfers where you have started taking your pensions benefits (including tax free cash) or received benefits from a pensions sharing order, divorce or as a result of death.

This leaflet provides some important information regarding why you may, or may not, wish to proceed with a pension plan transfer to Fidelity. Pension transfers are a complex area and may not be suitable for everyone. Before going ahead, we strongly recommend that you undertake a full comparison of the charges, benefits, features and services offered. You should read this leaflet carefully and, if you're in any doubt whether or not a pension transfer is suitable for your circumstances, we strongly suggest that you seek advice from an authorised financial adviser.

The information in this guide is based on current personal pension and tax rules as at October 2023. These may change in the future.

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The advantages of transferring

There are a number of reasons why you may want to consider moving your accounts to Fidelity:

- **One administrator –** having only one pension plan administrator means that you will receive only one set of paperwork, making it easier for you to manage your pension accounts, and if you have any queries our dedicated UK based Workplace Investing Service Centre can assist on **0800 3 68 68 68** or **fidelitypensions.co.uk**.
- **Innovative services –** in addition we also offer a range of innovative services to help you manage and understand your pension accounts. Examples include our online PlanViewer service, allowing account access at your convenience (Please see **retirement.fidelity.co.uk/planviewer-app/** for more information), and our retirement planning tools.
- **Potentially wider investment choice –** you will have access to our wide choice of funds and fund providers. This may be particularly useful to you if your current pension plan arrangements offer limited investment choice. You should compare the types of funds in your existing arrangement(s) with those available in your Fidelity arrangement.
- **Potentially lower charges –** at Fidelity we try to keep our fees and charges as low as possible, with no charges for switching funds, to allow more of your contributions to work for you. However, please note, there are transaction costs on your funds which cover the costs involved in buying and selling a fund's underlying investments. These are also included in the fund price and the amount and impact can be viewed here **retirement.fidelity.co.uk/costs-and-charges**.

  You should compare our fund charges with your existing arrangement(s).
- **Retirement flexibility –** your previous plan may restrict your options at retirement whereas your Fidelity plan may offer the full range of pension flexibilities.

The disadvantages of transferring

There are many different types of pension plans and transferring existing accounts may not be suitable for everyone. As with all financial decisions there are important factors to consider:

- Transferring a pension that contains any kind of promise or guarantee requires careful consideration. This is because the 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. Generally, you must have taken financial advice before transferring a defined benefit scheme (for example a final salary or career average pension) or any pension containing safeguarded benefits. Common examples of safeguarded benefits include guaranteed minimum pension (GMP), reference scheme test benefits (RST) and guaranteed annuity rates (GAR).
- **Small pots –** if the value of a pension account you hold with another provider is below £10,000 when you reach the normal minimum pension age, you may be able to take the value of that account as a lump sum under small pots commutation rules. If you decide to consolidate other pension accounts you may have into your Fidelity pension account, you may push the combined value above the £10,000 threshold and therefore lose this option.
- **Existing benefits –** the most important relate to existing benefits you are entitled to, which you could lose if you transfer. This could impact you if you have any accounts that allow you to:
  - retire earlier than the normal minimum pension age of 55
  - take flexible or phased retirement, retiring gradually over a period of time
  - have more than the standard 25% tax-free cash lump-sum upon retiring
  - have a guaranteed annuity rate
  - 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
  - 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.
- **Exit penalties –** you should also check to see if there are any exit charges, or penalties if you transfer out of your current plan, as this could impact the future value of your pension account.

Important information – 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 and 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. Please note that 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.

You should also remember that there is no guarantee that transferring your pension account will result in a higher retirement income. Past performance is not a reliable indicator of future results and you may receive a higher or lower pension in retirement than that you could have received if you had decided not to transfer.

Key factors to consider

- **Comparing pensions and providers and getting financial advice –** before going ahead with a pension transfer we strongly recommend that you undertake a full comparison of the charges, benefits, features and services your pension offers against the benefits that Fidelity can provide. This may involve checking on the financial position of your existing plan and requesting a transfer value analysis. An authorised financial adviser will be able to assist you in your decision. You may be charged for this service but you will be notified in advance before you proceed to take advice. **Further information is available from MoneyHelper at moneyhelper.org.uk, or you can call them on 0800 011 3797.**
- For more information on your options or what we may need from you in order for the transfer to proceed, you can contact us on **0800 3 68 68 68** or email us at **pensions.service@fil.com**.
- Please note that as your pensions will be moved to us as cash, you will be out of the market while your money is being transferred. This means you could miss out on growth if the market rises during this time, although equally if the market falls you would avoid losses.
- If your existing pension provider has signed up to an industry accepted paperless transfer service, your transfer should be completed in about 20 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.
- Fidelity only gives information about products and services and does not provide investment advice based on individual circumstances. If you would like advice, please contact an authorised financial adviser.

Next steps...

If you have read the information, and feel it is the right course of action for you, please visit **planviewer.co.uk** to transfer online. Alternatively, print and complete the transfer in form and send it to us if you do not wish to do this online. Call us on **0800 3 68 68 68** if you require any assistance with your transfer.

Four simple steps to protect yourself from pension scams

1 Reject unexpected offers

If you're contacted out of the blue about your pension, chances are it's a scam or high risk and you should also be wary of free pension review offers.

2 Check who you're dealing with

Check the Financial Services Register **(register.fca.org.uk)** to make sure that anyone offering you advice or other financial services is FCA-authorised. If you don't use an FCA-authorised firm and something goes wrong – you won't have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme.

3 Don't be rushed or pressured

Be wary of promised returns that sound too good to be true and don't be rushed into making a decision.

4 Get impartial information and advice

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 now 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** or call them on **0800 011 3797**.

Financial advisers – It's important you make the best decision for your own personal circumstances, so you should seriously consider using the services of an FCA authorised financial adviser.

If you suspect a scam, report it to the Financial Conduct Authority (FCA) by contacting their Consumer Helpline on **0800 111 6768** or using the reporting form at **fca.org.uk**

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