

# The Lifetime SIPP

## Guidance Notes - Transfers to and from The Lifetime SIPP

A client can move benefits from other registered pension arrangements into their Lifetime SIPP. As you are aware other pension arrangements may hold different benefits, rules or fees which could be lost on transfer to the client's disadvantage.

As part of our role as operator of The Lifetime SIPP we try to ensure suitable advice is obtained by the clients before transferring their benefits. We formalise this by requesting all IFA's working for our clients to complete our Terms of Business, which can be found in our literature section. We also check the FCA permissions for each IFA at the time the transfer requests are received to ensure they have appropriate and up to date FCA permissions to advise on the transfer.

At no point will The Lifetime SIPP accept transfers in from clients direct or from an unregulated source.

In line with concerns raised by HMRC and the FCA, The Lifetime SIPP Company reserve the right to obtain further proof of the legitimacy of the receiving or transferring scheme to ensure no pension liberation occurs.

### Transfers In

In order for a transfer in to be processed we require our transfer in form to be fully completed and returned to us via the appointed IFA. Upon receipt of this form we can then proceed with our checks and request the transfer in from the ceding scheme.

Under the HMRC pension transfers can take up to 6 months to complete, however many do not take that long. All members should be made aware of these timescales.

As part of Lifetime's administration agreement with Hartley SAS Limited the majority of the transfers in are requested via a transfer company called Origo, more details of their company can be found at:

[http://www.origoservices.com/OurServices/OptionsTransfers/Options\\_Transfers.aspx](http://www.origoservices.com/OurServices/OptionsTransfers/Options_Transfers.aspx)

### Transfers from Defined Benefit or Safeguarded Benefit Schemes

A Defined Benefit pension plan (DB) is a type of pension plan in which an employer promises to pay a specified benefit on retirement. This payment is predetermined by a formula based on the employee's earnings history, length of service and age, rather than depending directly on individual investment returns.

There are also occasions where a pension scheme has 'safeguarded benefits' (SB) that may not be directly related to your final salary. Transferring such a scheme to a SIPP will typically mean those benefits will be lost. The following list, whilst not exhaustive, shows the most common pensions schemes where 'safeguarded benefits' may apply.

- Defined Benefit/Final Salary Schemes
- Superannuation Schemes
- Statutory Schemes
- Occupational Defined Contribution Schemes • SSAS (Small Self Administered Schemes)
- Executive Pension Plan (EPP)
- Target Money Purchase Scheme
- Hybrid Schemes
- Career Average Schemes (CARE Scheme)
- Retirement Annuity Contract (Section 226 policies)
- Section 32 Buyouts

If you chose to transfer from a DB/SB scheme your future pension income cannot be predicted with any certainty, and valuable benefits for and your dependents may be lost.

By transferring into a SIPP, you will give up any guaranteed benefits you would have been entitled to in the former DB/SB scheme. Once you have transferred the income you get in retirement will depend on:

- The amount you invest (the transfer value and any further contributions)
- The investments you choose and how well they grow
- The charges taken out of the plans, and
- The amount of retirement income your pension pot can provide for you at retirement

Should you be unsure of what benefits you may be giving up you should visit [www.gov.uk/pensionwise](http://www.gov.uk/pensionwise) or [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk) for further help and assistance.

The Lifetime SIPP Company do not accept any transfers from DB/SB schemes that have not been advised by an FCA regulated financial adviser.

Should you wish to transfer your DB/SB scheme we will require the following:

- Fully completed transfer in form
- Copy of the statement of benefits and transfer quotation from the ceding scheme
- Completed transfer declaration
- Completed declaration by an IFA who holds a valid Statement of Professional Standing

If you do not have an IFA, we recommend visiting [www.unbiased.com](http://www.unbiased.com) in the first instance to find one suitable to advise on transfers.

## Transfers Out

In order for a transfer out from The Lifetime SIPP to be processed we will require our Transfer Out Request form to be fully completed and returned to us via the appointed IFA.

If any assets are to be transferred away in specie then arrangements need to be made with the receiving scheme in order for them to accept the asset. Additional charges may apply to in specie transfers out, and we expect the receiving scheme to arrange for all re registrations.

**Note:** Where you are requesting an In Specie transfer it is your responsibility to check that the receiving scheme can accept the transfer.

If the transfer payment is to be wholly cash deposits then the member and their IFA need to make the arrangements to ensure all investments are sold, as SIPP trustee we will be required to counter sign all surrender requests.

The transfer will not be completed until all fees have been settled. The member will then be required to sign an instruction to the bank closing down the SIPP's bank account and therefore finalising the closure of the SIPP.