

The Lifetime **SIPP** Defined and Safeguarded Benefit Transfer Guidance Notes

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 or www.moneyadvice.service.gov.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 in the first instance to find one suitable to advise on transfers.