



PASA GOOD PRACTICE GUIDANCE

Defined Benefit Transfers: Faster, Safer, Better

May 2022

DB Transfers: Good Practice Guidance

Section	Content	Page
1	Introduction & Background	1
	Consultation Responses	2
	Impact of Transfer Regulations	2
	Reliance on Third Parties	3
	The FCA Transfer Template	3
2	Objectives & Principles of the Code	4
	Objectives	4
	Principles	5
3	Scope of the Code	6
	Out of Scope	6
	DC to DC Transfers	6
	Transfers under Trustee Discretion	6
4	Processes	7
	Quotation	7
	Settlement	11

Appendix 1 - Transfer Acknowledgement Template

Appendix 2 – Considerations

Appendix 3 – References

Disclaimer

The document is for guidance only and doesn't purport to constitute legal advice. It's not exhaustive and nothing in this document can be relied upon as evidence of compliance with any other legal or regulatory requirements. This document relates to circumstances prevailing at the date of its publication and may not have been updated to reflect subsequent developments. Following the document's guidance doesn't relieve a party of its legal and regulatory obligations and following the guidance may not prevent a claim being brought against a party.

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1. Introduction & Background

The time taken to process defined benefit (DB) transfers varies hugely. Some transfers take months to execute, while others are processed within a month. Unexplained delays damage the relationship members have with their scheme, and pensions in general, and can lead to a breakdown of trust.

Administration delays can also mean less time being available to the member (and their adviser) to consider options and suitability, resulting in decisions being rushed and perhaps not in their best interest. All this can lead to time consuming and costly complaints.

Transfers are complex and processes vary by administrator, but all should have the same objective – providing the full information needed by a member (and their adviser) as promptly and efficiently as possible so they can make a properly informed decision.

PASA's mission is to improve administration standards and the DB Transfers Working Group was asked to develop guidance on DB transfers which prioritises the member and their needs. This means:

1. designing transfer processes which contribute to a better end-to-end member experience
2. ensuring member (and their adviser) communications are timely and helpful
3. protecting members from pension scams

This Guidance sets out the principles and suggested simplified approaches for faster, safer and more efficient transfers which comply with regulations. The proposed processes aren't prescriptive – administrators are free to adapt them as necessary to fit their preferred operating model. However, the principles of the Guidance should be followed at all times.

The **2019 Guidance** was Part 1 of an intended two-part release, with Part 1 covering 'Standard' transfers and Part 2 covering 'Non Standard' cases. Rather than producing Part 2, the Working Group decided to create a Good Practice Code covering **all** DB transfers and to consult with the industry prior to publication. The responses to the consultation produced a few surprises, which are detailed below.

Work on including the industry feedback and drafting the revised Code was interrupted by the COVID pandemic and delayed further by the fundamental changes to transfers arising from the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 (the 2021 Transfer Regulations)¹, which came into effect on 30 November 2021. Both had a significant impact on the development of the Code. However, the most significant change was the decision to produce consolidated Guidance on DB transfers, instead of a Code. This was in response to the industry's desire for greater flexibility in dealing with DB transfers.

¹ <https://www.legislation.gov.uk/uksi/2021/1237/contents/made>

Consultation Responses

Four key themes emerged from the many consultation responses received:

1. Overall support for the transfer objectives
2. A majority rejection of set timescales for tasks in favour of allowing individual businesses to determine their own timescales and processes in line with their own established systems and working practices
3. A preference for greater flexibility in timing and content of member communications
4. Recognising third parties are relied upon for some elements of a transfer, which can significantly affect processing times

This feedback was unexpected, but very clear, and we have reflected this in the Guidance below.

Impact of Transfer Regulations

Pension scams have increased, putting members' pension savings at risk. While administrators have developed their own processes to deal with scams, with most following the [PSIG Code of Good Practice](#), more needed to be done. The Government introduced fundamental changes to the statutory right to a transfer with the 2021 Transfer Regulations.

Under the Transfer Regulations, a statutory transfer can only be made if one of two Conditions is met (see Appendix 1). Transferring administrators must therefore check which Condition applies and notify the member of this legal requirement. While most administrators already carry out due diligence to check for scams, the 2021 Transfer Regulations set out in more detail the scam signs to look out for. Transferring schemes are required to notify members within seven days of a decision to refuse a transfer. They need to ensure members are notified which Condition was used to make the transfer no later than when it's completed. This means additional contact with the member, but it fits within the Guidance objective of timely and helpful communications.

Pension scams affect a minority of DB transfers, so while some scrutiny is required, this should be focused on those transfers which are likely to represent a higher risk of being a scam.

Transfers at low risk of being a scam should be processed as speedily as possible. For example, transfers to a Condition 1 pension scheme, or transfers to receiving schemes held on an administrator's 'clean list'. This will allow adequate time to focus on transfers which more likely to show warning signs.

This Guidance doesn't cover the regulatory requirements in any detail, as other good sources of information and guidance are readily available from The Pensions Regulator (TPR) ([TPR Transfer Guidance](#)) and from the Pension Scams Industry Group Code of Good Practice ([the Code](#)), which PASA supports.

Reliance on Third Parties

Some elements of a transfer are outside the control of the transferring administrator. For example, waiting for documentation from a member or their adviser, reliance on a third party to calculate a transfer value or awaiting confirmation from HMRC as to the status of the prospective receiving arrangement. While processing can't proceed in their absence, the Working Group considered ways to minimise 'down time' to benefit the whole end-to-end member experience. PASA expects all administrators to follow the Guidance Principles and limit the 'stop the clock' downtimes through 'active management' of third parties.

Where a third party creates a delay in processing a transfer, thereby undermining those Principles, we expect the administrator to make this known to both the third party and the member. This will encourage the third party to support the overall member experience. Administrators can't control third parties, but they should agree and set realistic expectations for response times, involving the scheme's trustee where appropriate, and seek to influence the third party to improve the service for the member, who is a shared customer.

It's important to note, while this Guidance is voluntary, we anticipate the Pensions Ombudsman will reference it when reviewing complaint cases as a source of what good industry practice looks like. If an administrator's processes already fit with the Principles, there should be no need to amend them.

The FCA Transfer Template

During the drafting of the original Guidance and subsequently this version, PASA was part of a separate working group led jointly by the Financial Conduct Authority (FCA) and TPR. Its purpose was to create a 'Transfer Template' to improve the quality and consistency of scheme and member information requested by, and provided to, members' advisers on transfer cases. In order to give the best advice, it's vital advisers fully understand the benefits being given up under the transferring scheme. The Transfer Template sets out the common scheme and member data items required to advise on DB transfers. With both advisers and administrators requesting and providing a consistent set of data, subsequent requests and questions can be reduced, if not eliminated altogether. Use of the template will improve the quality of advice and make the process more efficient for administrators.

The Transfer Template has been published by the FCA. We expect all requests for transfer information from an adviser to be based on the Transfer Template and similarly, information provided by administrators should also reflect this Template. The Transfer Template is available separately on [PASA's website](#). Further details of the context around the Transfer Template are set out later in this Guidance.

2. Objectives and Principles of the Guidance

Objectives:

1. Improve the overall member experience through faster, safer transfers

This Guidance sets out to improve the time taken to process transfers without prescribing target turnaround times. It promotes the practice of administrators taking a lead on the end-to-end member experience and recommends setting realistic response times for third parties and collaboration to avoid unnecessary delays and to improve the member experience and reduce downtimes. By processing 'low risk' transfers as quickly as possible, greater administration time can be spent on transfers requiring more effort and scrutiny in order to avoid the risks of a scam.

2. Improve communications and transparency in the processing of transfers

Keeping members and stakeholders informed and actively managing expectations reduces the need for members to chase and raise queries. Clarity on the scheme benefit basis and member benefits improves understanding and leads to better quality advice. This Guidance promotes consistency of transfer information through the shared use of the Transfer Template. It also recommends using the legal requirement to inform members of the 2021 Transfer Regulations for a statutory transfer, as a way to set expectations on timelines and to explain the need for certain information or evidence before a statutory transfer can be made. Each communication should add value to the member (and their adviser) by keeping them informed of any delays, as well as making them aware of the next steps, associated timeframes and any circumstances which could affect those timescales. The quicker a transfer can be processed, the fewer member communications will be required.

Some schemes and administrators already provide a good level of detail in their communications, but not necessarily at the same stages as set out in this Guidance. If it can be demonstrated these principles are being met, there's no need for changes to existing processes. However, this Guidance recommends where possible, all information required be requested or provided at the same time to avoid multiple approaches.

Some administrators communicate via email or member portals, therefore reducing their environmental footprint. PASA encourages the use of efficient and secure methods of communication and we wouldn't expect these processes to change as a result of this Guidance. However, the content should be reviewed against the Principles set out below.

3. Improve efficiency for administrators

Using standard forms and templates with clear instructions will result in members and advisers receiving the required information promptly. Using the Transfer Template will standardise transfer information and improve efficiency, saving time and resources. The Transfer Template seeks to avoid repetitive requests for further

information and we also encourage administrators to notify members of documents and information which will be required as part of the transfer process as early as possible to avoid surprises. Administrators may also wish to consider automating transfer calculations and processes for greater consistency, efficiency and effectiveness.

Principles

1. The member experience is paramount. Administrators should endeavour to process each step as quickly and accurately as possible and be mindful of the impact of processing times on member perceptions, quality of outcomes and the administrator's service reputation.
2. Member communications should be timely, fair, clear, unbiased and straightforward. They should set clear expectations; signpost expected information requirements and provide supporting information where applicable.
3. Members and, where appropriate, other third parties should be kept informed of delays in processing and the reason for the delay.
4. When setting internal timescales for each stage of the process, administrators should be mindful of importance of safety and security. Technology should be used where appropriate to improve efficiency of processes and to enhance the member experience.
5. Working practices should, as far as possible, follow the Guidance and administrators should use the Transfer Template when providing information to member advisers, recognising the vital role the administrator plays in supporting members in making informed decisions.
6. Administrators should work with other third parties as necessary to meet the Objectives and Principles of the Guidance.

3. Scope of the Code

The original 2019 Guidance differentiated between a ‘standard’ and ‘non-standard’ transfer case. Following the consultation responses, the 2021 Transfer Regulations and the varying range of processes adopted across the administration industry, the Working Group considered the Objectives and Principles should encompass all transfer cases. Therefore, this Guidance applies equally to all transfers, except those set out in the Out of Scope list below:

Out of Scope

The following transfers are considered out of scope of this Guidance:

1. Bulk transfers including TUPE Transfers
2. Bulk member options exercises
3. Schemes in wind up, or following an insolvency type event including schemes in a PPF assessment period
4. Illustrative transfer values (e.g. for active members)
5. Pension Sharing/Divorce
6. Where schemes have suspended transfer values

Trustees and administrators should agree what constitutes an out of scope case for their scheme to ensure the specific aspects are captured.

DC to DC transfers

While it’s not the focus of this Guidance to focus on DC to DC transfers, we recognise many administrators have harmonised their internal DB and DC transfer processes to some extent. We also recognise members often have DB and DC benefits within the same scheme. The Guidance therefore encourages applying the same good practice principles across the different scheme types wherever possible.

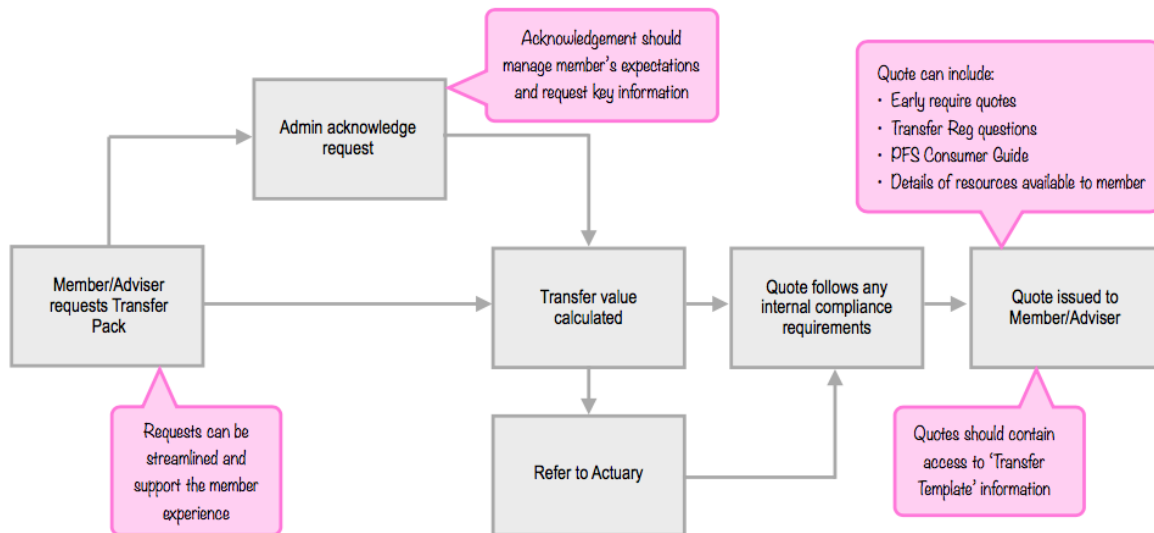
Transfers made under Trustee Discretion

While discretionary transfers aren’t covered by the 2021 Transfer Regulations, administrators are nonetheless expected to carry out an equivalent level of due diligence to check a receiving scheme is unlikely to be a scam risk. See the [PSIG Code](#) for further information.

4. Processes

Quotation

This Guidance stresses the importance of operating processes taking account of the member experience. This means applying the Principles whenever possible. The chart below shows a transfer from a member perspective - the coloured circles show the parts touching the member and the key steps are in the boxes. The aim is to create as few steps as possible.



Outline process

The member contacts the scheme administrator to request a quote. If the request is received from a member's adviser, the administrator should follow their internal procedure on Letters of Authority.

Members at this stage could be asked to provide written confirmation of the request in a standardised format. This could be available on a portal or issued to a member/IFA following the initial request. A suggested template with relevant information is shown in **Appendix 1**.

If the transfer is on a statutory basis, and the quote won't be provided within one month of the request, the member will need to be informed their transfer may only proceed if it satisfies one of the two Conditions under the 2021 Transfer Regulations. This notice, and a brief description of the conditions, may be set out in an acknowledgement letter (see **Appendix 1** for a template).

Acknowledgment

Where schemes are able to issue the transfer quote within one month of a request, an acknowledgment isn't needed. However, the administrator may wish to take the opportunity to set expectations on timelines and request certain information where needed to help establish the transfer Condition which applies. Alternatively, administrators should ensure the key parts of the acknowledgement letter are included with the transfer quote.

This acknowledgment could include information on Pension Scams and could refer to the Pensions Advice Taskforce (PAT) Gold Standard set out by the Personal Finance Society (PFS). A link to this can be found in the **References Section**, or the acknowledgement could simply include a copy or link to the PAT Consumer Guide. This sets out what the member should expect from an accredited adviser when considering a transfer out of a DB scheme. A link to the consumer guide (printable and web-friendly) is included in the **References Section**.

The key objectives of the acknowledgment are to:

1. Confirm the member's request
2. Inform members where they need to seek appropriate independent financial advice
3. Provide the member with a better understanding of the process and early notice of the associated timescales for receiving the quote and potential settlement
4. Request information required to process the transfer

When providing time expectations to members, administrators should consider using calendar days rather than working days. This should be consistent across all communications.

Appendix 1 is an example of the type of information a scheme could provide. It's set out as a questionnaire for completion and return, but the information could be presented in a different way. For example, as an online standard document, as a personalised acknowledgement letter, as a form to accompany an acknowledgement letter, or as part of the quote document.

The decision on whether to transfer benefits can be extremely difficult for members and finding and working with an appropriately qualified and regulated financial adviser can take time. It's therefore important members are given as much time as possible to explore their options.

If data issues are discovered or a quote can't be calculated in a reasonable timeframe, administrators should issue a holding letter to the member (and their adviser as appropriate), explaining the delay and/or requesting additional information if needed.

The Quote

Statutory transfers (transfers with guaranteed CETV quotes in line with Part 4ZA of the Pension Schemes Act 1993) will obtain a statutory discharge.

The quotation must be guaranteed for three months from the calculation date and sent to the member within 10 working days of calculation. To accept the guaranteed CETV, the member must make a valid application in writing to the scheme trustees or manager within the guarantee period.

To maximise time for the member to consider whether to proceed with the transfer, quotes should:

1. clearly set out important information first
2. be issued in a timely manner using a safe means (e.g. first class post or by secure email or member portal)
3. include all the necessary forms to proceed including the standard Section 48 declaration which requires the member adviser to confirm they've provided the member with appropriate financial advice
4. where appropriate, include a self-addressed return envelope where issued by post
5. clearly set out what information is required and how to complete and return the forms
6. include clear instructions on the supplementary information a member is required to submit, such as ID, whether digital or hard copy

There's been significant industry concern around delays in processing transfers and the quality of financial advice available. The industry has been working with the adviser community to develop standards to help protect member interests and improve industry practice.

Improving and following standards helps protect schemes and providers against possible maladministration claims.

It's important to provide members' advisers with high quality information and data quickly to ensure the member is able to make a properly informed decision. Valuable time can be spent with questions and answers being exchanged, often with a lack of understanding as to why questions are asked or why particular data is needed. Sometimes advisers fail to appreciate a scheme's benefit structures and flexibilities, leading to frustration on all sides.

The Transfer Template has been designed to be used by both advisers and administrators.

Data requirements in the Transfer Template are comprehensive and simplified into scheme and member level data. Scheme level data should be set up once (for the scheme) and provided thereafter whenever an adviser requests information about the scheme. Member information will be requested by the adviser only once per member and providing it will reduce the number of follow up questions. The overall objective of the Transfer Template is to improve the quality of advice, based on an accurate understanding of the benefits and options under the transferring scheme. Access to standard information in a consistent format has significant potential to reduce the cost of advice, avoid mistakes and help to deliver better value for the member.

The Transfer Template can be completed manually or automated, depending on administrator preference. The scheme level data, for example, could be set up in a data room, to which the adviser is granted access. Although there would be an initial set up cost, the investment should deliver long-term time and cost savings for administrators.

If a transfer value needs to be calculated by the scheme actuary, the case should be referred to the actuary promptly and should contain all the relevant information necessary.

Referrals to the scheme actuary for calculations are typically cases manually calculated due to low volumes, limited automation, particularly complex benefit structures, high value or high risk members.

TPR's guidance on transfer values states

“Trustees should discuss with the actuary and the administrator how best to ensure that calculations are carried out correctly. This might be achieved by the trustees asking the actuary to undertake sample checks on a range of cases. In addition, it would be good practice for trustees to have transfer values over a certain amount routinely checked.”

A common trigger for a quote to be referred to the scheme actuary for checking is the size of transfer value. As market conditions move, the size of transfer values can too. Transfer values have been high in recent years, which has caused more cases to exceed the scheme's standard referral criteria. It's not uncommon for the review of the calculation to include the actuary re-calculating the transfer value and then checking it, rather than just checking the calculation produced by the administrator. This means doubling the effort and increasing the timelines. Trustees and administrators should, where possible, agree service levels with the scheme actuary for checking transfer quotes referred to them and should regularly review the threshold levels for actuary checking.

Extending automation to a wider range of transfer calculations could also reduce the need for actuary referrals where the volume of transactions and the risk justifies it.

All quotes should be quality-checked via the scheme administrator's usual practices.

Section 48 declaration

The industry uses/supplies different discharge forms. Under S48 of the Pensions Schemes Act 2015 the member only needs to take advice if the value of their safeguarded benefits exceeds £30,000².

PASA provides a transfer discharge template and encourages standardisation in discharge forms. It reduces the risk of queries between advisers and administrators which can hold up processing. This has been updated to reflect changes brought about by the Senior Manager and Certification Regime (SMCR).

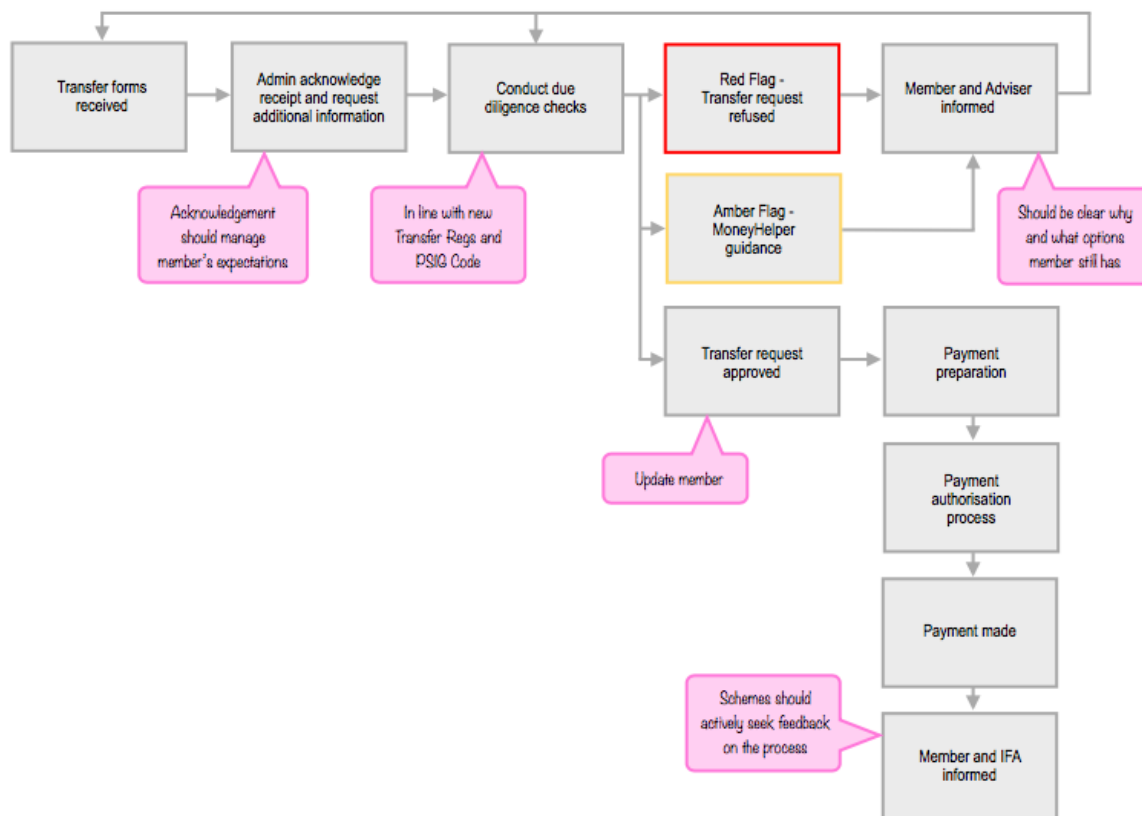
² In particular, it should be noted it's not the value of the benefits to be transferred considered in relation to the advice threshold – but the total value of safeguarded benefits under the scheme (regulation 5(1) SI2015/742)

Administrators don't need to know the nature of the advice the member received, only that regulated advice has been given. The relevant section on the Pension Schemes Act 2015 is set out within the **References section**.

Many scheme administrators have built a Section 48 adviser declaration into their own discharge paperwork. However, it's the responsibility of the adviser to provide this and therefore schemes should be willing to accept a separate letter covering the information required.

The signatory on this declaration can also include the Senior Manager covered under the Senior Manager & Certification Regime. Schemes should contact the member adviser after receipt of this form to confirm the adviser who gave the advice to the member actually works for the firm identified. Please see [this link](#) for further TPR guidance on this.

Settlement Process



Every administrator will have their own settlement processes. However, the aim here is to always ensure the standard forms and information received are checked for completeness as soon as possible. Administrators should avoid waiting until the day before the standard service level runs out before checking the information is complete to avoid 'stopping the clock' while the missing information is obtained. Early triage ensures any errors or omissions are spotted in good time and will help ensure member expectations are met.

The standard forms and information should include:

1. Trustee Discharge
2. Section 48 declaration (where relevant)
3. Relevant ID (where required and/or not previously supplied)
4. Receiving Scheme Warranty
5. Information to decide on Conditions which apply
6. Information to decide whether there is a risk of a scam

Once forms and information have been checked, an acknowledgment should be promptly sent to the member. This should either confirm the transfer will be processed subject to due diligence checks or request any additional information required.

Transfer Regulations

For a statutory transfer, schemes may need to request certain information or evidence from members in order to establish one of two Conditions are met so the transfer can proceed (or to otherwise determine it can't). This will depend on the nature of the receiving scheme (for example, whether the receiving scheme is an authorised master trust, occupational pension scheme or overseas scheme) and on the assessment of a potential risk of a pension scam. The information and evidence required will vary depending on the circumstances of the transfer request, and in some cases members will be required to take prescribed impartial scams guidance from MoneyHelper and provide the scheme with evidence of having taken this guidance.

Some schemes may include requests for information and evidence in their standard transfer request form, while other schemes will follow up with members after receipt of a basic transfer request. The amount of information requested will depend on the type of transfer (e.g. overseas), and the level of due diligence considered to be appropriate.

In all cases, administrators will need to have procedures and timescales in place to work within the statutory timeframe for processing statutory transfers, recognising the statutory timeframe must also allow adequate time for the advisory process.

Procedures and due diligence relating to the evidence and information required under the 2021 Transfer Regulations and to combat scams are set out in the [PSIG Code of Good Practice](#). Please refer to the PSIG Code for recommended next steps should the case show signs of a scam.

In addition, TPR's guidance for trustees, pension managers and administrators on checking, proceeding with and refusing transfer requests from scheme members is available and can be found in the **References Section**.

To accept the guaranteed CETV, the member must make a valid application in writing to the scheme trustees or manager within the guarantee period.

A member is deemed to make an application in writing on the date received by the scheme trustees or manager or on the date it's posted, if sent by registered or recorded delivery.

Receiving schemes must be willing to accept the transfer and members will have to provide evidence they've obtained appropriate independent advice if the value of safeguarded benefits in the scheme exceeds £30,000. It should be noted members' advisers have a regulatory obligation to only recommend a suitable product which is able to accept the transfer.

Payment must be made within six months of the guarantee date shown in the quote when all the legal conditions have been met. TPR has provided regulatory guidance on DB to DC transfers and conversions, and this includes guidance on the process and timescales.

The acknowledgement letter should set out expectations of the next steps and timeframes. Where relevant, there should be clear communication with members regarding the information and evidence which may be required in relation to their transfer request meeting one of the Conditions under the 2021 Transfer Regulations.

Due diligence to combat pension scams is set out in the PSIG Code of Good Practice. Please refer to the PSIG Code for recommended next steps should the case fail the due diligence checks and be a suspected scam.

Changes to transfer values quoted

If the member's application to transfer is received too late to meet the guarantee date, they should be informed a recalculation is required straight away, and setting out a revised timescale. Some schemes may have discretion to permit some leeway whereby the original transfer value quote is honoured if members need more time to decide.

Where a transfer value has dropped, the member/their adviser should be notified of this prior to processing. However, the scheme may have set a tolerance level, typically between 5%-10% of the transfer value, where it's processed without further referral and communicated retrospectively. To avoid queries later, it may be worth either notifying the member of a drop in value before processing, in all cases, or alternatively, making it clear in the quotation that small changes to the transfer value after the guarantee date will be automatically applied.

Non statutory transfer

Where it's decided a statutory right doesn't exist, or MoneyHelper guidance is required, the member must be informed within seven days of this decision being made. Administrators can assist with a referral to MoneyHelper

by offering to book the next available suitable appointment for the member. The statutory right doesn't exist until the member provides evidence of having taken MoneyHelper guidance.

Where a statutory right doesn't exist, a scheme may choose to pay a transfer under its discretionary powers. Trustees and administrators may wish to take legal advice before doing so.

Further guidance for dealing with these circumstances is set out in the [PSIG Code](#).

Once a case has completed due diligence checks it's ready for settlement.

Verifying member identity

Schemes will commonly seek to verify the member's identity before making payment. If paper-based ID is required, this should be safely returned to the member. Original documents should be returned via recorded delivery.

If the member fails an online ID verification, the acknowledgement letter should explain this and ask for alternative paper-based ID. ID delays can be avoided/reduced by undertaking electronic verification at quote stage.

In order to avoid delay, the administrator may continue with the payment set up process pending provision of minor information missing from the forms, for example, missing ID.

Additional Voluntary Contributions

Where members have Additional Voluntary Contributions (AVCs), the acknowledgement letter should inform the member when the AVCs will be paid and if this means an extension to the overall timeline.

Where AVCs exist and there are no specific restrictions regarding the receiving scheme, for example only accepting one payment, each component should be transferred at the earliest opportunity particularly where there's a delay in an AVC disinvestment.

Where a transfer value requires a recalculation, typically this would be where a valid application hasn't been made within the required statutory period.

Cashflow

It's important to ensure there's sufficient money in the scheme bank account to be able to pay out the transfer value when the checking and due diligence processes are complete.

Guidance on good practice for managing the cash flow are set out below:

7. It's not uncommon for schemes to hold approximately 1.5 times the amount estimated to be needed to pay regular outgoings to accommodate additional payments from the scheme

8. If the transaction exceeds this threshold amount, disinvestment may be required
9. Time needs to be factored in to allow for liaison with third party investment managers or AVC providers
10. Disinvestment documentation should be sent promptly – this should help avoid delays, especially if all trustees need to be contacted
11. Some schemes set up regular disinvestment to ensure transfer payments can be made without sign off from all trustees for each event
12. All forms and checks should be completed correctly before disinvestment, to avoid the need to contact the member again prior to making the payment

Authorisation and settlement

Before a transfer value is paid out it will need to be authorised. This process can often require different levels of authorisation and in some cases multiple authorisation, depending on case size. Examples of this might be:

13. Cases under £250,000 – sign off by senior administrator
14. Cases between £250,000 and £750,000 – sign off by team leader
15. Cases over £750,000 – sign off by team leader and more senior colleague

It's expected cases with lower authorisation levels should be handled more quickly. Administrators should ensure the availability of the required authorisers at the right time to avoid delays in payment.

Where a transfer is to an overseas arrangement a final check should be included to check the scheme against the HMRC list of QROPS, to ensure it remains on the register on the day of payment. Care still needs to be taken with schemes shown on the list, as HMRC registration isn't a guarantee of a safe destination.

Payment should be sent by electronic transfer where possible, checking the receiving bank account is valid.

Confirmation should be sent to the member once payment has been submitted. The communication should confirm the date submitted and the expected date for the money to be received by the receiving scheme.

For statutory transfers, the confirmation must state which Condition was satisfied under the 2021 Transfer Regulations. It's possible for the receiving scheme to make the confirmation of Condition instead of the transferring scheme, especially if it's one to which transfers are frequently made (the receiving scheme will know if they're a Condition 1 scheme and if not, a Condition 2 transfer is the default). Administrators may wish to check with the receiving scheme whether or not they will make the confirmation.

Appendix 1

[TEMPLATE: for use as initial acknowledgement of transfer request where the quotation won't be issued to member within one month of the request [or earlier to improve the member experience]. Also allows early collection of transfer information. The information form could also be available on a member portal]

Transfer Conditions – Important Member Information

Thank you for your interest in transferring your benefits to another pension arrangement. We'll deal with your request and provide all the information you [and your adviser] will need [as quickly as possible/within [X] days], but to help avoid delays and reduce the risk of a scam, we'll need certain information from you.

[Include links/reference to other important information e.g. ScamSmart materials, scheme specific scams information or video links]

Government regulations on pension transfers changed on 30 November 2021, requiring certain conditions must be met for you to have a legal right to a transfer. This is to protect you from potential pension scams. Before we can pay a transfer to your new scheme, we need to check one of the two conditions below applies:

Condition 1 – Your new scheme ('the receiving scheme') is:

- a. a Public Service Pension Scheme; or
- b. an authorised Master Trust; or
- c. an authorised Collective Defined Contribution Scheme.

Condition 2 - There are no pension scam warning signs present

Where we find serious warning signs ('**Red Flags**') we won't be able to pay the transfer.

Where we see less serious warning signs ('**Amber Flags**'), we will ask you to show us you've taken guidance from MoneyHelper before we can pay your transfer. MoneyHelper is an impartial and free telephone or online guidance service provided by the Money and Pensions Service. We can help you by booking the earliest suitable appointment for you, but the availability of appointments may be limited at times and could result in some delay, over which we have no control.

If you already know the pension arrangement you're considering transferring to, please complete **either part A or part B** below and send it to us along with the documents requested. This will help us deal with your transfer in good time. You must complete the form yourself and not ask someone else to do it for you, or we won't be able to process your transfer. If you don't yet know the transfer destination, we'll ask for the information later.

PART A - Condition 1

Scheme Name (the one you want to transfer from):

Your Name:

Your Member Reference Number:

Full name of the receiving scheme (the one you want to transfer to):

I confirm the receiving scheme is:

1. a public service pension scheme

(for civil servants, armed forces, health service workers, teachers, judiciary, police, fire fighters and local government workers); or

2. an authorised Master Trust scheme

(the list of authorised master trusts can be found [here](#)); or

3. an authorised Collective Defined Contribution (CDC) Scheme*

*no CDC schemes have yet been authorised

PART B - Condition 2

Scheme Name (the one you want to transfer from):

Your Name:

Your Member Reference Number:

Full name of the receiving scheme (the one you want to transfer to):

Please answer the following questions:

- | | YES | NO |
|--|--------------------------|--------------------------|
| 1. Is the receiving scheme an occupational pension scheme (a company pension run by your employer)? | <input type="checkbox"/> | <input type="checkbox"/> |

If 'NO', please go straight to question 2.

If 'YES', we will need proof of employment. Please send us the items requested below.

	ENCLOSED
A letter from your employer confirming they're a sponsoring employer of the receiving scheme and you're employed by them, along with confirmation of the date from which you've been continuously in their employment	<input type="checkbox"/>

A schedule of contributions or a payment schedule showing the amounts of pension contributions (excluding additional voluntary contributions) paid to the receiving scheme for the last three months by, or on behalf of, you and your employer, or by your employer only; and the dates on which those contributions were paid	<input type="checkbox"/>
---	--------------------------

Payslips, or other evidence in writing advising of pay remittances, showing the salary paid to you by your employer for the last three months	<input type="checkbox"/>
---	--------------------------

Copies of your personal bank or building society statements/passbook, showing the deposit of salary for the last three months.	<input type="checkbox"/>
--	--------------------------

- | | YES | NO |
|--|--------------------------|--------------------------|
| 2. Is the receiving scheme a qualifying registered overseas pension scheme (QROPS)? | <input type="checkbox"/> | <input type="checkbox"/> |

If 'YES', is it a company pension run by your employer? (If so, please ensure you provide the employment information in Q1 above)	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------

If 'NO', we will need proof of your overseas residency, as below:

ENCLOSED

A copy of your formal overseas residency documentation

Two other items of written evidence confirming residence
in the same country or territory as the QROPS established

(Copies of documents should be certified by a solicitor, notary or the equivalent and non-English language is accompanied by a formal translation.)

YES NO

3. Is the transfer value required for divorce purposes?

If "YES", we will send you the information you need and details of charges that apply.

(If your divorce will be heard in Scotland, you will need to tell us the date you married, separated and any date of summons.)

YES NO

4. Did anyone approach you 'out of the blue' regarding this transfer?

I confirm the information and evidence I have given is correct and complete.

Signed (Member) _____

Date _____

Please return this form and documents to:

[Name/Address]

[or submit if used an online form]

Appendix 2

Considerations: process suggestions to improve member experience

Consideration 1

With the increased volume of requested transfer quotes since Freedom and Choice, schemes should take all reasonable steps to maximise automation in the calculation routine.

Consideration 2

Where possible, transfer quotes for members over the scheme's minimum retirement age could be accompanied by an early retirement quote. Member advisers will need this information to explore all options and improve member outcomes. Whilst projections can be run by the member adviser, having a quote produced by the scheme would reduce the risk of advisers incorrectly estimating a member's benefits. It's also important for a member to consider all the options available to them when deciding what course of action to take.

Consideration 3

Schemes should proactively review their referral criteria (alongside the scheme actuary) on a regular basis to consider the number of transfer values which need to be referred to the actuary.

Consideration 4

Look to embed online ID verification processes to reduce the need for members to provide paper-based ID. If paper-based ID is required, consider agreeing to accept appropriately certified copies rather than originals, unless originals are needed as a result of Crown Copyright rules.

Appendix 3 – References and links

[The Pensions Regulator Guidance on dealing with Transfer Requests](#)

[PSIG Code on combating scams](#)

[Joint Money Laundering Steering Group Guidelines](#)

[Certifying a document](#)

[Pensions Advice Taskforce \(PAT\) Gold Standard set out by the Personal Finance Society \(PFS\)](#)

[PTGS Consumer guide \(printable\)](#)

[The Pension Regulator Guidance on DB to DC Transfers](#)



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PASA is a Community Interest Company and our full name is Pensions Administration Standards Association CIC.

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