



# South Tyneside Council

Local Pension Board

Date: 30<sup>th</sup> March 2022

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## Transfers Out Procedure

(for information and discussion)

Report of the Head of Pensions

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### **Purpose of Report**

1. This report provides details on the Fund's approach to member requests to transfer accrued benefits to other registered pension schemes. A new Transfer Out Procedure has been developed for consideration.
2. The Board is asked to comment on the new Transfer Out Procedure and the underlying processes.

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## Background

3. In April 2015, the Government introduced greater flexibility in the way individuals aged 55 and over can access any defined contribution pension savings they may have. The additional flexibilities were referred to as “Freedom and Choice”.
4. The introduction of “Freedom and Choice” gave rise to an increase in interest for members to transfer out of the Fund to defined contributions schemes so that it was easier for members to access their accrued pension benefits.
5. Whilst “Freedom and Choice” has seen a notable increase in transfers to defined contribution schemes, it has, unfortunately, been accompanied by a large increase in pension scams in the pensions industry. The Fund takes the risks of pension scams very seriously and undertakes a vigorous due diligence process in reviewing individual transfer out applications.
6. The approach taken to transfer out applications differs between ‘club transfers’ and ‘non-club transfers’. Club transfers are those which form part of the ‘Public Sector Transfer Club’. Such transfers are governed by the ‘Club Memorandum’ which allows for easier movement of pensions from one club employer to another club employer.
7. This report is focussed on non-club transfers only and provides details on the approach taken by the Fund in dealing with such transfers. Non-club transfer applications are subject to thorough due diligence, in which an assessment needs to be made as to whether a member has a ‘statutory right to transfer’. An assessment is also necessary as to the risks of pension scams in each case.

## Statutory Right to Transfer

7. Members of a pension scheme are generally able to transfer their accrued pension benefits to another registered pension scheme where:
  - (a) it is permitted in the governing documents of the respective schemes; and/or
  - (b) a member has a “statutory right to transfer” as prescribed in the Pension Schemes Act 1993.
8. For many personal pension schemes, transfers out are often expressly permitted in the Trust Deed and Scheme Rules. However, the LGPS is not a trust based personal pension scheme, but rather a statutory scheme with its ‘governing provisions’ largely set out in legislation.
9. In respect of transfers out of the LGPS, Regulation 96 of the LGPS Regulations 2013 (as amended) effectively requires a member to have a “statutory right to transfer” under the Pension Schemes Act 1993.

Consequently, (a) and (b) above are intrinsically linked when dealing with transfers out of the LGPS.

10. Determining whether a member has a statutory right to transfer is a time-consuming process and, amongst other things, involves the review of the governing documents of the receiving scheme. The governing documents usually include Trust Deed(s) and Scheme Rules. It is only from considering these documents that a conclusion can be reached as to whether the legal tests set out in the legislation are met.

### **Pension Scams**

11. Pension scams are on the rise in the UK and can result in people losing some, or all, of their accrued pension benefits. These benefits have often been accrued over many years and the loss of these benefits can have a devastating impact on people and their retirement plans.
12. In addition to losing some, or all, of their accrued pension benefits, victims of pension scams are also at risk of significant tax implications for any payments considered to be unauthorised under the Finance Act 2004. The tax liability may be up to 55% of an unauthorised payment. In essence, this means the tax liability could be up to 55% of a person's cash equivalent transfer value ("CETV").
13. The Fund takes the risk of pension scams very seriously. An assessment of the risks is taken in all non-club transfers in accordance with the industry guidance. Any areas of concern are identified in the due diligence report and the member is informed accordingly.

### **Risks to the Fund in dealing with transfers out**

14. The risks in dealing with transfers out are not solely reserved for members; there are also risks for the Fund.
15. The first risk is one of a financial nature for the loss of the CETV, either in whole or in part. When a ceding scheme has not undertaken the appropriate level of due diligence, that scheme is at risk of having to reinstate some, or all, of a person's pension benefits that have been lost. Should this happen, the ceding scheme risks reputational damage as well as financial loss.
16. Even when a ceding scheme has undertaken the appropriate level of due diligence, and consented to a lawful transfer, that scheme can still be found to have breached a duty of care to the member if it has taken too long to approve the transfer application.
17. Whilst the legislation allows a ceding scheme six months from the 'guarantee date' to complete a transfer out application, the Pensions Ombudsman has made it clear in a number of judgements that schemes are not permitted to take their time and must act promptly.

18. Delay has been held to be maladministration and ceding schemes have been ordered to make compensatory payments to members in such cases. Such payments are typically up to £2,000.
19. In addition to payments for maladministration, the Pensions Ombudsman may make an award to compensate a member for any financial loss they have incurred due to delay by the ceding scheme. Such loss would likely be from missed investment opportunities / returns and the value of such an award may be notable.

### **The Fund's approach to transfers out**

20. The Fund has a very thorough approach to assessing transfer out applications. This involves referring all non-club transfers to Legal Services to assess:
  - whether a transfer is a 'recognised transfer' (i.e. a transfer to another scheme registered with HMRC);
  - whether a member has a statutory right to transfer;
  - whether the member has received the appropriate financial advice; and
  - the risks of a pension scam with the transfer.
21. The Transfer Out Procedure was last updated in 2020. The views of the Board were sought at the meeting in December 2019. The 2020 Procedure sought to streamline the transfer out process, whilst maintaining a high-level of checks. Some of the main changes made in 2020 included:
  - the introduction of an 'Approved List' for certain schemes that had previously been subjected to detailed due diligence on at least several occasions. Schemes on the Approved List were subject to a "lighter touch" level of due diligence;
  - enhanced engagement with members early in the transfer out process; and
  - creation of a Pension Scam Liberation Questionnaire
22. The current Transfer Out Procedure has operated well. However, there have been recent changes in legislation and best practice which mean it is appropriate to update the Procedure again.

### **Recent Changes in legislation**

23. Until recently, when the due diligence review identified areas of concern, the Fund was still required to proceed with the transfer out when the member had a statutory right to transfer, and the member wished to proceed with the transfer. This was irrespective of any concerns the Fund

may have as the Fund was unable to lawfully void a member's statutory right to transfer.

24. With effect from 30 November 2021, The Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 (the "Transfer Regulations") came into force. The Transfer Regulations introduce the concept of amber and red flags into the statutory right of transfer. Amber flags include the Fund only having partial information on the Receiving Scheme or a suspicion that some of the information provided is not genuine. Red flags include the member receiving unsolicited contact, being pressured or incentivised to transfer or the member failing to comply with an amber flag requirement.
25. Should the Fund identify any amber flags as part of its due diligence process, the member is required to take additional pension scams guidance from the Monetary and Pensions Service (MaPS) before the transfer can proceed. Where the Fund identifies any red flags, then the transfer out is to be refused.
26. The additional safeguards brought in by the Transfer Regulations are a welcome tool in combatting the risks of pension scams. However, it should be noted that the new regulations bring additional layers of complexity to the statutory right to transfer which brings a small degree of an additional administrative burden. Refusing a transfer out on the grounds of a red flag also brings a risk of challenge from a member. Nonetheless, the new changes are a step in the right direction and should help to further mitigate the risks of pension scams.

### **New Guidance**

27. Since the Fund's Transfer Out Procedure was last updated there have been changes in industry best practice and guidance. Two of the most notable developments are:
  - The Pension Scams Industry Group ("PSIG") updated the 'Combatting Pension Scams: A Code of Best Practice' in April 2021. The new Best Practice seeks to update and enhance safeguards against the risks of pension scams.
  - The Pensions Regulator has produced additional guidance relating to the Transfer Regulations.

### **The New Transfer Out Procedure**

28. It is important that the Fund's approach to assessing transfer out applications adapts to the latest changes in legislation and best practice. Given the recent changes, now seems an appropriate time to update the Transfer Out Procedure.

29. Officers have recently undertaken a full review of the Transfer Out Procedure. This included a review of the written Procedure itself, but also a comprehensive review of all underlying processes and templates.
30. The updated written Procedure document is contained in Appendix 1. The changes to this document, and the connected processes, include:
  - making the Procedure more reflective of the move to online member services;
  - updating the Procedure in order to reflect the Transfer Regulations;
  - ensuring the latest best practice and guidance is reflected in mitigating the risks of pension scams;
  - Reviewing and updating template documentation based on the Transfer Regulations and updated best practice and guidance.
31. The changes made to the Transfer Out Procedure are very much evolutionary. This is, however, appropriate as the Fund has robust and proportionate processes in place in respect of transfer out applications.
32. Pensions Committee has been informed of the need for the Procedure to be updated following the introduction of the Transfer Regulations and the updated best practice and guidance. The Board's views are sought on the updated Procedure and the underlying processes.
33. It is possible that further tweaks to the Procedure may be needed later this year as legislation may be introduced relating to "Stronger Nudge" (a requirement to arrange appointments with Pensions Wise when a member is transferring money purchase benefits – which includes AVCs) and PSIG has suggested that its best practice may also be updated. Should these developments come to pass then the Transfer Out Procedure shall be updated accordingly. Any such changes to the Procedure are expected to be minor in nature.

### **Recommendation**

34. The Board is asked to comment on the proposed new Transfer Out Procedure and the underlying processes.

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## Transfers Out Procedure

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**The following is a list of the background papers (excluding exempt papers) relied upon in the preparation of the above report:**

<b>Background Paper</b>	<b>File Ref:</b>	<b>File Location</b>
None		

# **Tyne and Wear Pension Fund**

**Administered by South Tyneside Council**

## **Transfer Out Procedure (Non-Club Transfers)**

**MARCH 2022**



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## Introduction

This Procedure Note sets out the process to be followed in dealing with a CETV quote request and a transfer out of the Fund request.

This document has been prepared having regard to:

- the overriding legislation
- ‘Combating Pension Scams: A Code of Good Practice’
- relevant court judgements and decisions of the Pensions Ombudsman;
- The Pensions Regulator Guidance to Help Administering authorities Understand their New Powers to Halt Suspicious Transfers

Members of a pension scheme are generally able to transfer their accrued pension benefits to another registered pension scheme where:

(a) it is permitted in the governing documents of the respective schemes

and / or

(b) a member has a “statutory right to transfer” as prescribed in the Pension Schemes Act 1993.

For many personal pension schemes, transfers out are often expressly permitted in the Trust Deed and Scheme Rules. However, the LGPS is not a trust based personal pension scheme, but rather a statutory scheme with its ‘governing provisions’ largely set out in legislation.

In respect of transfers out of the LGPS, Regulation 96 of the LGPS Regulations 2013 (as amended) effectively requires a member to have a “statutory right to transfer” under the Pension Schemes Act 1993. Consequently, (a) and (b) above are intrinsically linked when dealing with transfers out of the LGPS.

In dealing with a transfer out of Tyne and Wear Pension Fund (“the Fund”) it is necessary for officers to determine whether:

- (1) the transfer is a ‘recognised transfer’
- (2) the member has a statutory right to transfer out of the LGPS;
- (3) the Receiving Scheme is permitted to receive the transfer in;
- (4) the member received appropriate independent advice (if applicable); and
- (5) there is considered to be a material risk of a pension scam

## **Procedure Note**

A member of the Fund is generally only entitled to a Cash Equivalent Transfer Value (CETV) quote once in every 12-month period. The Head of Pensions, or the Principal Pensions Manager, may authorise a second quote to be provided within the 12-month period when there are compelling circumstances to justify the second quote. This authorisation may be delegated to Pension Team managers.

There are two key objectives that the Fund will generally have with regards to processing transfer requests:-

1. To make only a valid transfer; and
2. To help put the member in a position to make an informed decision on how to proceed.

### **Initial Request**

Members may make an initial request for a CETV Statement either in writing; or by calling the helpline; or by contacting the Fund on-line via the member's account with *MyPension*.

When using *MyPension*, the member will complete a form which will ask the member to provide a suitable date and time on which pensions may call them to carry out the Initial Telephone Contact.

In each case, once a member has requested a transfer of their accrued pension benefits, there are a number of steps in the process that must be followed. These steps are as follows:-:

#### **Stage 1: Initial Telephone Contact with Communications Team**

An early telephone call can help identify reasons for the transfer request and the source and circumstances of the request, which in turn should help to identify cases where further due diligence is needed and the lines of enquiry to take.

An officer from the communications team must speak with the member early in the transfer out process. Template questions are set out in **Appendix 1** although the actual questions asked may be updated periodically to reflect best practice.

If any areas of concern are identified by the responses, a drop-down information box will appear to help guide the operator and enable them to give the best possible assistance to the member at the earliest opportunity.

#### **Stage 2:**

Operations Team to send out to the member a generic letter advising the member to obtain appropriate advice and enclosing the following documentation:-

- CARE70 (**Appendix 2**)
- Freedom of Choice – Q&A leaflet for LGPS members (**Appendix 3**)
- Pension Scam Warning Leaflet (**Appendix 4**)

### **Stage 3:**

Once the Completed CARE70 is received it must be checked that it is from the member, and signed by them.

The CARE70 must not have been sent in via email or fax. However, the member can send the CARE70 sent via their MyPension account, provided they have signed it before uploading it. A digital signature is not acceptable.

Upon receipt of the completed CARE70, an acknowledgment letter is issued to the member to provide them with additional information, including confirmation that the transfer application will be assessed against the two conditions set out in the Conditions for Transfers Regulations 2021<sup>1</sup>. This letter must be sent within one month of the date of the application.

The CETV is then calculated.

Operations Team send out:

- Member's Transfer Request Form (**Appendix 5**);
- Advice Confirmation Form (**Appendix 6**)
- The Pension Scam Questionnaire. (**Appendix 7**).
- New Scheme Administrators/ Trustees Transfer Payment Request. (**Appendix 8**)

### **Stage 4:**

Once the forms referred to in Stage 3 are returned, the Operations Team will review the information provided. If any information is missing, the Operations Team will seek to obtain this information.

Once the Operations Team is satisfied that they have full information, a referral will be made to the Senior Solicitor via email and a process will be started on UPM for a full due diligence review.

A letter will also be sent out by the Operations Team to members within 10 working days confirming that paperwork has been received and is being reviewed as part of due diligence.

### **Stage 5:**

The Senior Solicitor – Pension Fund Team will insert initial details of the transfer out into a spreadsheet to monitor the legal deadlines. The case will then be allocated within the legal team.

Once allocated within the legal team, the appropriate person will pick up the case from the UPM work Tray. This will put a notification on the system to alert the Operations and Communications Teams.

The legal team will review the paperwork provided to assess:

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<sup>1</sup> Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021

- (i) Whether the transfer is a “recognised transfer”;
- (ii) Whether the member has a statutory right to transfer out of the LGPS and whether the Receiving Scheme is permitted to accept the transfer in;
- (iii) Whether the member has received appropriate independent advice (if applicable).
- (iv) The risks of a pension scam by considering and applying the latest guidance and best practice

For pension schemes that are well known to the Fund, and have been previously subjected to thorough due diligence, the legal team operates and maintains a “Clean List” (**Appendix 9**). Schemes contained in the Clean List may be subject to lighter touch due diligence, although this will still require the legal team to be satisfied as to the statutory right of transfer and all other legal requirements being met.

The legal team assess the risks of a pension scam against the latest best practice and any other relevant guidance and must also check the Receiving Scheme remains registered with HMRC (evidenced through an up-to-date HMRC website screenshot).

The legal team will also compare all signatures on the documentation to ensure there are no obvious discrepancies.

After undertaking the requisite due diligence, and taking into account the statutory deadlines, the legal team will prepare a written report for the Head of Pensions and Principal Pensions manager recommending one of the following outcomes:

- That the transfer out be approved;
- That the due diligence has identified red flags and the request to transfer should be refused; or
- that the transfer out has identified amber flags and further action is required by the member in order for the transfer out to progress.

#### **Stage 6:**

The Head of Pensions and/or the Principal Pensions Manager will consider the report from the legal team and make a decision on how to proceed.

#### **Stage 7:**

Once the decision has been made at Stage 6, the legal team will write out to the Member informing them of the decision.

If the transfer out has been approved, the member will be sent a Final Instruction Sheet/Form of Discharge (**Appendix 10**) confirming that they do wish to complete the transfer out of the Fund.

Where the transfer out has been refused, the reasons for the refusal will be clearly communicated to the member. The member will also need to be informed of the right to appeal

through IDRPs. Where amber flags have been identified, the member will be informed of the next steps necessary.

### **Stage 7A:**

where amber flags are identified in stages 5 - 7, the legal team will retain control of the process until such time as a resolution is reached. The legal team will then write to the Head of Pensions and the Principal Pensions Manager recommending that either:

- the transfer out can proceed as the issue(s) giving rise to the amber flag(s) have been resolved; or
- the transfer out should be refused as the amber flag is now classified as a red flag.

Once the Head of Pensions or Principal Pensions Manager has decided how to proceed, the legal team will write to the member in accordance with the process at Stage 7 above.

### **Stage 8:**

Upon receipt of the Final Instruction Sheet / Form of Discharge, the legal team will check that the member's signature matches the other documentation. They will then request that payment of the CETV is made to the Receiving Scheme. This will be communicated by way of email and through completion of the process on UPM. The appropriate person will update the legal spreadsheet. Involvement of the legal team will end at this stage.

### **Stage 9:**

The Operations Team will aim for payment of the CETV to the Receiving Scheme to be made within 10 working days of being requested. Notwithstanding the above timescale, the Operations Team will ensure that payment is made within the statutory six months' timescale.

Once payment has been made, the Operations Team will write to the member and the Receiving Scheme confirming payment. UPM will be updated to reflect that the member has transferred out their benefits.

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## **Appendix 1: Initial Discussion with member – Questions**

1. Is the CETV quote needed for divorce purposes?
2. Is the member currently receiving an LGPS pension from TWPF or any other Fund?
3. Does the member have any other LGPS benefits? If so, are they aware they will need to transfer out all of these?
4. Does the member want to start the CETV enquiry process?
5. Who is requesting the CETV (i.e. is it the member themselves, or an IFA)?
6. Did someone advise or recommend to the member that they consider a pension transfer?
7. What is the member hoping to achieve through the transfer, that they can't in the LGPS?
8. Does the member know they can now access their pension from age 55?
9. How did they become aware of the Receiving Scheme?
10. Was the member contacted by way of a cold call or unexpected letter / text message/ social media contact?
11. Has the member been encouraged to make a quick decision about transferring their pension?
12. Does the member have an Independent Financial Advisor (IFA)?
13. Is the member aware that they will be unable to transfer out their benefits if they are within 12 months of their Normal Pension Age?
14. Does the member feel they were put under any pressure to make a quick decision about the transfer?

## APPENDIX 2 – CARE 70



### **South Tyneside Council**

Providing pension services for  
**Tyne and Wear Pension Fund**

#### **Pensions Office**

PO Box 212, South Shields, NE33 9ER

) | 0191 424 4141

📞 | [www.twpf.info](http://www.twpf.info)

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#### **Membership**

**Ref:**

**Contact:**

Pensions Helpline

**Tel:**

(0191) 424 4141

**Date:**

Dear

### **The Local Government Pension Scheme (LGPS) Cash Equivalent Transfer Value (CETV) Request**

You recently contacted us requesting information about transferring your Local Government Pension Scheme (LGPS) benefits.

We must let you know about two requirements that could apply if you decide to go ahead with a transfer:

- if we decide there are any pension scam risks associated with your transfer, we may require that you attend an appointment about pension scams with MoneyHelper before the transfer can proceed. Depending on the level of risk we may, in some circumstances, refuse the transfer
- if the total value of your LGPS benefits is more than £30,000 and you want to transfer to a defined contribution pension scheme, such as a personal pension scheme, you must take appropriate independent advice at your own cost.

#### **What we will do to protect you from pension scams**

Unfortunately, pension scams are on the rise in the UK. In some cases, the scammer will try to persuade you to transfer your pension to a different scheme, often a scheme the scammer has set up themselves. Falling victim to a pension scam could mean that you lose some or all of your pension savings.

The Government has identified common pension scam risks which, if present, may suggest you are in danger of being scammed. The Government calls these red and amber flags.

If you elect to transfer, to help protect your pension from scammers, the Government requires us to decide whether any red or amber flags are present. We will not need to do this if you transfer to a different public service pension scheme, an authorised master trust scheme or an authorised collective defined contribution scheme.

#### **Red flags**

Examples of when a red flag is present are:

- you request a transfer to an occupational pension scheme and we do not have enough information to link you with an employer that participates in that scheme



- you request a transfer to an overseas scheme and, we either do not have enough information to link you with an employer that participates in that scheme, or prove that you are resident in the country the scheme is based in
- someone has provided, or agreed to provide, you with advice about your transfer and they do not have the necessary permissions from the Financial Conduct Authority to do this
- you request a transfer following direct marketing, such as cold calling, texts and emails about your pension, by a person or firm that you have previously had no contact with
- you have been offered an incentive to transfer such as, but not limited to, a bonus, a loan from your pension savings, access to your pension savings before age 55 or limited time investment offers
- you feel you have been pressured to transfer.

If we decide there are any red flags present, we must stop the transfer. If this happens, we will let you know in writing within seven working days of our decision.

### Amber flags

Examples of when an amber flag is present are:

- information about the receiving scheme indicates:
  - the scheme invests in high-risk or unregulated investments
  - the investment structure is unclear, complex or unorthodox
  - overseas investments are included
  - there are unclear or high scheme charges
- our records show that there is a sharp or unusual rise in transfers to the receiving scheme or involving the same adviser.

If we decide there are any amber flags present, we must pause the transfer until you provide us with evidence that you have attended an appointment about pension scams with MoneyHelper. MoneyHelper offers free, impartial guidance backed by Government on money and pension choices. The appointment will help you identify the common risks involved in transfers, highlight the dangers of pension scams and help you consider whether you still wish to transfer.

We will let you know in writing if you need to attend an appointment with MoneyHelper and provide us with evidence that you have done so. If you don't provide us with the required evidence, we must stop the transfer.

The following documents are enclosed with this letter; -

- **CARE70** - Request for a Cash Equivalent Transfer Value (CETV) Statement form - this must be completed and returned before we can calculate a CETV. You must read the accompanying notes pages before you sign the form.
- **Freedom and Choice - Questions and Answers for LGPS members** - to help you understand the Government's workplace pensions reforms.
- **Leaflet regarding scams** - gives information on the risks and warning signs of pension liberation fraud.

**A transfer to another pension provider is not always an easy decision to make. We would always recommend that you take appropriate advice before making a decision to transfer.**

If a full transfer is made it means that you would be giving up your index-linked LGPS benefits and also a death grant, survivor and dependant benefits, if applicable. More information about the scheme and the benefits it offers can be found on our website, [www.twpf.info](http://www.twpf.info), in the Scheme Booklets section under Publications.

**If you have read the enclosed information and you would still like us to provide a CETV please complete and return the enclosed CARE70 form. This form must be returned by you and not via a third party. You can upload the form to your mypension account. If you haven't already activated your account you can do so at: [www.twpf.info/my pension](http://www.twpf.info/my pension) . We will acknowledge receipt of your formal request.**

**Please note that you are only entitled to one CETV in any twelve month period.** If you have more than one membership with us, then you are entitled to one CETV per membership.

If you have any queries or require any further information please do not hesitate to contact the Pensions Helpline on (0191) 424 4141.

Yours sincerely

*Margaret Edwards*

Margaret Edwards  
Pensions Officer

## South Tyneside Council

Providing pension services for  
**Tyne and Wear Pension Fund**

## CARE70

(v13 17.12.20)

Local Government Pension Scheme (LGPS)

Page1

### Request for a Cash Equivalent Transfer Value (CETV) Statement

Surname:  Forename(s):

NI Number:  Date of Birth:

Address:

Postcode:

Contact telephone number:

#### The CETV Statement is to be sent to;

**Myself at the above address**

or

**Myself and to a third party**

If you also want the CETV to be sent to a third party then, in addition to signing the declaration at the bottom of this form, you must also complete and sign the box below. If you authorise us to do this we will correspond directly with this third party and also send you copies. Depending on the type of arrangement it may not always be possible to send details to a third party.

Third Party - Company / IFA Name:

Address:

Postcode:

Business Telephone Number:

I authorise you to provide a CETV statement in respect of my LGPS membership to the above named to investigate a possible transfer of my accrued LGPS benefits to another pension scheme/arrangement.

Signed:

Print Name:

Do you know where you may be transferring to? (Name of new scheme - if not known put N/K)

Date joined new scheme \_\_\_\_\_

Will the transfer be to a UK arrangement? Yes  No  N/K  (tick as appropriate - if Yes see note overleaf)

**I formally request a Cash Equivalent Transfer Value (CETV) Statement of my accrued LGPS benefits held with the [Tyne and Wear](#) Pension Fund. On the day I sign this form;**

I am actively paying in to the LGPS, either in this Fund or another LGPS Fund (in England or Wales)

I have deferred benefits after ceasing membership of this or another LGPS Fund (in Eng. or Wales)

I am receiving a LGPS pension from this Fund or another LGPS Fund (in England or Wales)

(if you have more than one membership of the LGPS please tick each box which applies to you)

**I acknowledge that under the Occupational Pension Schemes (Transfer Values) Regulations 1996 that I have no right to request a further CETV Statement within 12 months from the date of this request.**

**I have read the accompanying notes on page 2 and page 3 of this form.**

**I confirm that I will send this form to the Pensions Office myself.**

Signed:

Date:

**Please upload your CARE70 form to your mypension account at [www.twpf.info/mypension](http://www.twpf.info/mypension)**

Alternatively, you can send it to: Pensions Office, PO Box 212, South Shields, NE33 9ER

# Request for a Cash Equivalent Transfer Value (CETV) Statement CARE70

Please read the following notes below before signing the form.

Page2

## **Pension Flexibility**

From 6 April 2015 individuals, aged 55 and over, have greater flexibility ('Freedom and Choice') when accessing any Defined Contribution (DC) pension savings they may have.

It's important to note that as a member of the Local Government Pension Scheme (LGPS) you are a member of a public sector Defined Benefit (DB) scheme with safeguarded benefits. The new flexibilities with 'Freedom and Choice' do not apply.

However, if you cease membership of the LGPS, unless you are retiring with immediate payment of your benefits on the grounds of redundancy, business efficiency or ill-health, you normally have the right to transfer your benefits built up in the LGPS to another approved pension scheme. If you then choose to use the right to transfer your LGPS benefits to a DC Scheme which offers flexible benefits, you will be able to use the new 'Freedom and Choice' flexibilities under that scheme.

## **If you are currently paying in to the LGPS**

Any transfer value we quote will not be guaranteed as you have not left the LGPS and, therefore, should be used only for information purposes.

**Please note that you have no right to request a further CETV within 12 months from the date of this request whilst you are paying in to the Scheme with us.** If you decide to leave the LGPS then we will provide you with a statement of your accrued benefits. If you need another CETV after you leave the LGPS then you must complete a further CARE70 in order for us to provide you with a statement of entitlement including a guaranteed CETV amount.

## **If you have deferred benefits and have re-joined the LGPS**

If you have re-joined and have not combined your active membership with your deferred one, you cannot transfer your accrued pension rights in respect of your deferred benefits out of the LGPS whilst you are still actively paying in to the Scheme. Therefore any CETV quoted will not be guaranteed as you would need to cease active membership before any transfer value can be paid.

## **If you receive a pension from the LGPS**

**If you are in receipt of a pension from the LGPS (except a Survivor pension or a Pension Credit member pension), have re-joined the scheme and built up further rights, you are not entitled to a CETV under the Pension Schemes Act 1993. Therefore please do not complete the CARE70 form.**

**If you previously received a pension from the LGPS in respect of tier 3 ill health benefits**, which has now ceased, you are not entitled to a CETV for the remaining deferred pension benefits you have in the LGPS. Therefore please do not complete the CARE70 form.

## **Timescales to provide information:**

Within three months of receipt of your correctly completed CARE70 form we aim to provide a statement of entitlement including a transfer value quotation.

## **Beware of Pension Scams**

Pension scams and fraud are on the increase in the UK. Scammers will often offer a 'free pension review', 'one-off investment' or 'pension loans' and pressure you into making a decision quickly and try to convince you to transfer out of the LGPS.

You should note that if you're under age 55, you cannot normally release your pension unless you are in ill health. Also, unless in ill health, any release of benefits before age 55 will be unauthorised and subject to large tax penalties.

To help protect against pension scammers, the Pensions Regulator has produced leaflets to help members spot the warning signs. These can be found on the pensions regulator website at [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

## **Overseas Transfers**

If you are transferring to a pensions arrangement outside of the UK you consent to us transferring your personal data to your overseas pensions provider and accept that you may not have the same protections outside of the EU/UK as you do under the General Data Protection Regulation (GDPR).

**A transfer to another pension provider is not always an easy decision to make. We would always recommend that you take appropriate advice before making a decision to transfer.**

## Transfers Out - Normal Pension Age in the LGPS and Transfer Restrictions

Please note that you can only transfer your LGPS benefits if you elect to do so at least 12 months before your Normal Pension Age (NPA). Your NPA depends on when you were a member of the Scheme or when you left the Scheme.

- the NPA for a member who leaves after March 2014 in the LGPS in England and Wales is equal to the member's State Pension Age (with a minimum of age 65), apart from members who are subject to the underpin (for whom the NPA is, in effect, 65)
- the NPA for a 1st October 2006 to 31st March 2014 leaver in the LGPS in England and Wales is age 65
- the NPA for a pre 1st October 2006 leaver in the LGPS in England and Wales is:
  - (i) in the case of a member who by 60th birthday has a total period of membership of at least 25 years, that birthday; or
  - (ii) in the case of a member who first has such a total period of membership by a date after his 60th birthday but before his 65th birthday, the day after that date; or
  - (iii) in the case of a member who does not fall within paragraph (i) or (ii), his 65th birthday.

### **Additional Transfer Restrictions:** (due to historic links between the State Pension and LGPS)

- a female member of the Scheme who has membership prior to 5 April 1997 cannot make an election to transfer her pension benefits on or after her 59th birthday, or;
- a male member of the Scheme who has membership prior to 5 April 1997 cannot make an election to transfer his pension benefits on or after his 64th birthday.

**If you are unsure if you are affected by the above NPA or restrictions please contact the Pensions Office before completing the CARE70 form.**

**Further information** on the LGPS, Scheme booklets and links to other useful information can be found on our website, [www.twpf.info](http://www.twpf.info) or the National LGPS Members website, [www.lgpsmember.org](http://www.lgpsmember.org)



## **Q&A for LGPS Members**

### **Freedom and Choice - Transfers from the LGPS to Defined Contribution Schemes**

From 6 April 2015, the Government introduced greater flexibility ('Freedom and Choice') in the way individuals, aged 55 and over, can access any Defined Contribution (DC) pension savings they may have.

It's important that as a member of the Local Government Pension Scheme (LGPS) you understand that you are a member of a public sector Defined Benefit (DB) scheme and therefore the flexibilities introduced under 'Freedom and Choice' do not impact on how you can take your Defined Benefits from the LGPS.

There are, however, some indirect changes that do impact upon any members of the LGPS who are considering transferring the value of their accrued LGPS Defined Benefit pension rights from the LGPS to a DC arrangement offering 'flexible benefits'.

The following questions and answers aim to help you understand these changes.

#### [List of Questions](#)

[Q1. What is Freedom and Choice?](#)

[Q2. Does Freedom and Choice impact on LGPS members at all?](#)

[Q3. Are there any new rules around transfers from the LGPS to a defined contribution scheme?](#)

[Q4. Are there any exemptions to the rule on advice?](#)

[Q5. How will I know what the total value of my LGPS benefits is?](#)

[Q6. What happens to my LGPS benefits if I do transfer to a defined contribution scheme?](#)

[Q7. Who do I need to get authorised independent advice from?](#)

[Q8. Can the LGPS Pension Fund give me names of an authorised independent adviser or appointed representative?](#)

[Q9. How much will this advice cost and who pays for it?](#)

[Q10. Do I have to follow the advice that I receive from the authorised independent adviser or appointed representative?](#)

[Q11. If I follow the advice to transfer what protection do I have?](#)

[Q12. How will the LGPS Pension Fund know I have taken appropriate independent advice?](#)

[Q13. Are there any other new rules which could impact on the transfer value of my accrued LGPS pension benefits?](#)

- [General Points to note about transferring from the LGPS](#)

#### **Q1. What is Freedom and Choice?**

**A1.** From 6 April 2015 members of certain pension schemes have more freedom over how they take their money from their pension pot.

These changes affect pension scheme members who are:

- age 55 or over, and

- have a pension based on how much has been paid into their pot (a Defined Contribution pension).

There are now four main options for members who are in a Defined Contribution pension scheme which offers flexible benefits from their pension pot, including:

- purchasing an annuity (annual pension) or scheme pension if offered by the scheme
- flexi-access drawdown
- taking a number of cash sums at different stages
- taking the entire pot as cash in one go

These new flexibilities do not apply to any Defined Benefits you have in a Defined Benefit pension scheme, including the LGPS, and therefore they have no direct impact on your Defined Benefits from the LGPS.

## Q2. Does Freedom and Choice impact on LGPS members at all?

**A2.** Not directly. However, if you cease membership of the scheme with 3 or more months' membership then, unless you are retiring with immediate payment of your benefits on the grounds of redundancy, business efficiency or ill-health, you will be given information about your right to transfer your benefits built up in the LGPS. If you then choose to use the right to transfer the value of your LGPS Defined Benefits to a Defined Contribution pension scheme which offers flexible benefits, you will be able use the 'Freedom and Choice' flexibilities under that scheme.

## Q3. Are there any new rules around transfers from the LGPS to a defined contribution scheme?

**A3.** Yes, if you cease membership of the LGPS and wish to use the right to transfer the value of your LGPS Defined Benefits to a Defined Contribution pension scheme which offers flexible benefits you will be obliged by law to obtain appropriate independent advice, at your own cost, from an authorised independent adviser who is registered with the Financial Conduct Authority (FCA), or from an appointed representative (see Q7 for more information). You must prove that this advice has been taken before any payment of a transfer can be made from the LGPS Pension Fund(s) to a Defined Contribution pension scheme offering flexible benefits.

You are only entitled to request one transfer quotation in any 12 month period and, if you wish to proceed with a transfer, the election to proceed must be made at least 12 months before your Normal Pension Age in the LGPS or, if you are a Pension Credit member<sup>2</sup>, at least 12 months before your Normal Benefit Age.

In addition you can only transfer benefits from the LGPS if you have left the scheme and you have not already drawn benefits from the LGPS (either in your current employment or any earlier employment).

## Q4. Are there any exemptions to the rule on advice?

**A4.** Yes, if the total value of all your LGPS benefits<sup>3</sup> across all LGPS Pension Funds is £30,000<sup>4</sup> or less then you are not legally required to take advice. However, given the impact on your LGPS benefits, you are recommended to take such advice regardless of the legal requirement.

In addition, if you leave the LGPS with 3 or more months but less than 2 years membership (and you do not have an entitlement to a deferred benefit in the LGPS in respect of that membership) you would not legally be required to take advice. However, given the impact on your LGPS benefits, you would again be recommended to take such advice regardless of the legal requirement.

<sup>2</sup> A Pension Credit member is a person who, as part of a settlement following divorce or dissolution of a civil partnership, has been given a share of their ex-spouse's or ex-civil partner's pension benefits in the Scheme which the Pension Credit member now holds in the Scheme in their own right..

<sup>3</sup> LGPS benefits include active, deferred, deferred refund and pension credit benefits.

<sup>4</sup> This £30,000 limit is across the scheme so if you are a member in the LGPS in England and Wales it's the value of all benefits in that scheme, if you are a member in the LGPS in Scotland it's the value of all benefits in that scheme and if you are a member in the LGPS in Northern Ireland it's the value of all benefits in that scheme.



#### **Q5. How will I know what the total value of my LGPS benefits is?**

**A5.** You will need to request a transfer value quotation from all LGPS Pension Funds in which you have benefits in the scheme. The total value of your benefits is the sum of all these transfer values. If the total amount is more than £30,000 then you will be legally required to take advice.

#### **Q6. What happens to my LGPS benefits if I do transfer to a defined contribution scheme?**

**A6.** From the point of transfer all rights to any benefits of any description in any circumstance in the LGPS included in the transfer are extinguished.

If you hold more than one deferred benefit under the Scheme, in either the same or separate Funds, it is not possible to transfer out only one of the deferred benefits; if you wish to transfer out you must elect to transfer all or none of the deferred benefits you hold.

This restriction only applies to deferred benefits held under the same Scheme. As the LGPS in England & Wales, Scotland and Northern Ireland are all different schemes, a member holding a deferred benefit in both LGPS England & Wales and LGPS Scotland can decide to transfer out one and not the other.

#### **Q7. Who do I need to get authorised independent advice from?**

**A7.** You must by law receive appropriate independent advice from an independent adviser who is authorised by the Financial Conduct Authority (FCA), or from an appointed representative. You can check if an adviser is authorised by the FCA using the Financial Services Register on the [FCA website](#).

An independent adviser must not only be authorised but also must be qualified to give specific advice on transfers between pension schemes. From 6 July 2016 an appointed representative of an authorised financial adviser is also permitted to provide this advice, providing the authorised financial adviser has the permissions to advise on pension transfers. It is important that you ensure that this is the case before committing to the receipt of advice.

Please do not ask your LGPS Pension Fund to advise you as you cannot by law receive advice on this matter from them. They are not authorised by the FCA to provide such advice

#### **Q8. Can the LGPS Pension Fund give me names of an authorised independent adviser or appointed representative?**

**A8.** No. You can however locate details of an authorised independent adviser on the [Financial Services Register](#), the [Personal Finance Society website](#), the [Association of Professional Financial Advisers](#) website or contact the [Citizens Advice Bureau](#).

You should be aware that appointed representatives will not be shown on the Financial Services Register as they only act as agents for firms that are directly authorised by the FCA. However, the details of the authorised independent adviser who appointed the appointed representative should be available on the Financial Services Register instead.

#### **Q9. How much will this advice cost and who pays for it?**

**A8.** The cost will vary depending on the authorised independent adviser or appointed representative you decide to use. You, as the member choosing to transfer, will be expected to meet the cost of the advice. You should ensure that you get a clear and understandable quote of the cost from the authorised independent adviser or appointed representative before committing to receiving advice from them.

#### **Q10. Do I have to follow the advice that I receive from the authorised independent adviser or appointed representative?**

**A10.** No. However, if you choose to ignore the advice and proceed with the transfer to a registered Defined Contribution scheme offering flexible benefits (or to a qualifying recognised overseas pension scheme) you will have no redress from either the authorised independent adviser/appointed

representative or from the LGPS Pension Fund, should that decision prove to be financially disadvantageous to you.

#### **Q11. If I follow the advice to transfer what protection do I have?**

**A11.** If the advice you are given from an authorised independent adviser or appointed representative is to proceed with the transfer and it proves to be financially disadvantageous to you, you would need to seek redress from the authorised independent adviser or appointed representative who provided that advice. There will be no redress from, or reinstatement in, the LGPS Pension Fund from which the benefits have been transferred.

#### **Q12. How will the LGPS Pension Fund know I have taken appropriate independent advice?**

**A12.** If you are required to take appropriate independent advice you will have to prove to your LGPS Pension Fund(s) that this advice has been taken before the Fund can release the transfer value payment. As part of the transfer information provided by the LGPS Fund there will be an 'Advice Confirmation Form' which the adviser/representative must complete. The information on this form will include confirmation:

- that advice given to you was specific to the transfer
- that the adviser is authorised to provide such advice, or in the case of an appointed representative, that the principal financial adviser is authorised to provide such advice
- of the FCA reference number of the company for whom the adviser works or for whom the representative is an agent
- your name, and the name of the scheme from which the transfer is being sought and in respect of which the advice was given.

You must also sign that 'Advice Confirmation Form' and return it as part of any other application forms to transfer your LGPS benefits which your LGPS Pension Fund may send you.

On receipt of the above proof of advice the LGPS Pension Fund must check the authorisation status of the adviser's/representative's company. They will do this by checking the company's entry in the [Financial Services Register](#) using the FCA reference number provided by the adviser/representative on the 'Advice Confirmation Form'.

If you are not required to take appropriate independent advice (because the total value of your benefits in the LGPS is £30,000 or less or the scheme to which you are transferring benefits is not one that offers 'flexible benefits') you will be asked to confirm this in writing.

#### **Q13. Are there any other new rules which could impact on the transfer value of my accrued LGPS pension benefits?**

**A13.** Potentially, yes. In circumstances where the Government is convinced that the number of transfers to Defined Contribution schemes offering flexible benefits may result in a risk to the LGPS Pension Fund and, hence, to local taxpayers, the amount of the transfer value can be reduced. Your LGPS Pension Fund will confirm if this applies when you are considering your transfer.

#### **General Points to note about transferring from the LGPS:**

- You cannot transfer your benefits, other than Additional Voluntary Contributions (AVCs), if you leave the scheme when you are less than one year away from your Normal Pension Age.
- An option to transfer must (other than in respect of AVCs) be made at least 12 months before your Normal Pension Age or, if you are a Pension Credit member, at least 12 months before your Normal Benefit Age.
- If you wish to investigate a transfer of your pension rights, your Pension Fund has to (other than in respect of AVCs) provide you with a transfer value quotation within three months of receiving your request and the quotation will be guarantee for a period of three months from the date of calculation (known as the 'Guarantee Date').
- If you wish to proceed with the transfer, a written option to proceed must be received by the LGPS Pension Fund within three months of the 'Guarantee Date'.

- If you opt to proceed, the normal time limit for payment of the guaranteed transfer value will be six months from the 'Guarantee Date'.
- If payment is not made within this period your Pension Fund will need to recalculate the value as at the actual date of payment and pay the recalculated value or, if it is greater, the original value plus interest.
- If you are considering whether to transfer benefits, make sure you have full information about the two pension arrangements i.e. details of what your benefits are worth in the LGPS and details of what your benefits would be worth in the new pension scheme, if transferred.

V1.3 19/10/2016

# Don't let a scammer enjoy your retirement



Find out how pension scams work, how to avoid them and what to do if you suspect a scam.



Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

## Scam tactics include:



- contact out of the blue



- promises of high / guaranteed returns



- free pension reviews



- access to your pension before age 55



- pressure to act quickly

## If you suspect a scam, report it

- Report to the Financial Conduct Authority (FCA) by contacting their Consumer Helpline on 0800 111 6768 or using the reporting form at [www.fca.org.uk](http://www.fca.org.uk)
- Report to Action Fraud on 0300 123 2040 or at [www.actionfraud.police.uk](http://www.actionfraud.police.uk)
- If you're in the middle of a transfer, contact your provider immediately and then get in touch with MoneyHelper at: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

# Four simple steps to protect yourself from pension scams

## Reject unexpected offers

1

If you're contacted out of the blue about your pension, chances are it's high risk or a scam. Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Fortunately, research shows that 95% of unexpected pension offers are rejected.\*

## Check who you're dealing with

2

Check the [Financial Services Register \(https://register.fca.org.uk\)](https://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, you also won't have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. So you're unlikely to get your money back if things go wrong. If the firm is on the FCA Register, you should call the Consumer Helpline on 0800 111 6768 to check the firm is permitted to give pension advice. Beware of fraudsters pretending to be from a firm authorised by the FCA, as it could be what we call a 'clone firm'. Use the contact details provided on the FCA Register, not the details they give you.

## Don't be rushed or pressured

3

Take your time to make all the checks you need – even if this means turning down an 'amazing deal'. Be wary of promised returns that sound too good to be true and don't be rushed or pressured into making a decision.

## Get impartial information and advice

4

**MoneyHelper** ([www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)) – Provides free independent and impartial information and guidance.

**Pension Wise** – If you're over 50 and have a defined contribution (DC) pension, Pension Wise offers pre-booked appointments to talk through your retirement options at: [www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/pension-wise](http://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/pension-wise)

**Financial advisers** – It's important you make the best decision for your own personal circumstances, so you should seriously consider using the services of a financial adviser. If you do opt for an adviser, be sure to use one that is regulated by the FCA and never take investment advice from the company that contacted you or an adviser they suggest, as this may be part of the scam.

Be ScamSmart with your pension. Check who you are dealing with.

[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

\*FCA Financial Lives



## APPENDIX 5 – Member’s Transfer Request

### South Tyneside Council

Providing pension services for

**Tyne and Wear Pension Fund** (the term **Fund** hereafter refers to the pension fund)

#### Member's Transfer Request Form

#### Request for Payment of Cash Equivalent Transfer Value (CETV)

Please complete this form if you want the value of your Local Government Pension Scheme (LGPS) rights held in the Fund to be transferred to another UK pension provider (the 'New Scheme'). On the basis that the Fund will assume the purpose of the transfer is to provide *flexible benefits* under the Receiving Scheme unless you confirm otherwise, you must also provide confirmation that appropriate independent advice has been obtained from an authorised independent adviser.

Return the completed forms (Member’s Transfer Request Form and Advice Confirmation Form) to us at:

Pensions Office, PO Box 212, SOUTH SHIELDS, NE33 9ER

**You must return your Member’s Transfer Request Form and Advice Confirmation Form within three months of the Guarantee Date shown on your Statement of Entitlement or, if earlier, the date which falls 12 months before your Normal Pension Age under the LGPS if you wish the transfer to proceed. If we receive these forms after three months of the Guarantee Date (or earlier date if applicable) we will not progress your request further. Please also note that we cannot pay the transfer value until we receive and are satisfied with the New Scheme Administrators/Trustees Transfer Payment Request and Discharge Form.**

**You could ask the New Scheme to complete and return the Discharge Form to you so that you can attach it to this form, or, if you have given us authority to do so, we have asked your New Scheme to complete the Discharge Form and return that and your Member's Transfer Request Form and any required information to us.**

**The Fund has 6 months from the Guarantee Date to transfer the guarantee transfer value, assuming you have submitted your written application to do so within three months beginning on the Guarantee Date or, if earlier, the date which falls 12 months before your Normal Pension Age under the LGPS. This 6 month time limit applies only where the Fund has been able to check that you have obtained independent advice, if necessary, about the transfer.**

The Fund will conduct proper due diligence on the New Scheme(s) to ensure that it is a legitimate arrangement. Where the Fund has reason to believe that the New Scheme(s) is not a legitimate arrangement, it will carefully consider whether the transfer should be made. Please expect the Fund to make further enquiries, contact you and the New Scheme as part of its due diligence. Each individual case will be considered carefully before a final decision is made.

During its due diligence process, the Fund will focus on the statutory requirements for implementing a CETV. If the Fund rejects your request, it will provide a detailed explanation as to why the request did not meet these criteria.

#### About you and the registered pension scheme you are electing to transfer your LGPS benefits to

<b>1 Title</b>		<b>2 Surname</b>	
<b>3 Forename(s)</b>			
<b>4 National Insurance Number</b>		<b>5 Date of Birth</b>	
<b>6 Address</b> (this must not be a PO Box number or a c/o the Receiving Scheme)	Postcode		
<b>Contact telephone number</b> (+dialling code)			
<b>7 Name of former Employer to which this transfer relates</b>			
<b>8 Date of leaving LGPS active membership to which this transfer relates</b>			

**9 Present status** Please tick the appropriate box:

I am currently married in an opposite sex marriage

I am currently married in a same sex marriage

Date of marriage \_\_\_\_\_

I am currently in an opposite sex civil partnership

I am currently in a same sex civil partnership

Date of civil partnership \_\_\_\_\_

**I have a cohabiting partner;**

If you are cohabiting with a partner you must confirm that the following conditions have been met for at least 2 years from the date of completing this form, so that the Fund can verify that the cohabitation conditions have been met:

- You and your Partner are able to marry, or form a civil partnership;
- You and your Partner are living together as if you are husband and wife or as if civil partners;
- neither you or your Partner is living with a third person as if they were husband and wife or as if they were civil partners; and
- Either you are financially dependent on your Partner, or you and your Partner are financially interdependent.

**I confirm that the above conditions have been met for at least 2 years prior to the date of completing this form**

Or

**None of the above apply**

Please note that the calculation of the value of your LGPS rights held in the Fund is based upon the declaration you have made above with regards to your current status.  
 The Fund will not be held responsible for any loss, damage or inconvenience caused as a result of any inaccuracy or errors in the information provided above.

<p><b>10 Full <u>exact</u> name and address of the registered pension scheme and scheme administrator (if different) to which you want your LGPS rights in the Fund to be transferred (if more than one scheme please give second scheme details on a separate sheet and indicate in what proportions you would like the transfer payment to be split between schemes)</b></p>	<p style="text-align: right;">Postcode</p>
<p><b>You authorise South Tyneside Council to correspond directly with the New Scheme Administrator.</b></p>	<p>To confirm please tick this box <input type="checkbox"/></p>
<p><b>Please confirm whether the New Scheme(s) is a registered occupational pension scheme or a personal pension scheme.</b></p>	
<p><b>Please provide details as to how you became aware of the New Scheme(s).</b></p>	
<p><b>Please confirm whether or not you have received documentation from the New Scheme(s) and provide copies of any materials, letters etc.</b></p>	

## DECLARATION AND ELECTION FOR PAYMENT OF TRANSFER VALUE

### I declare that (please tick):

- I have read and understood the information South Tyneside Council has provided, including the information published by the Pensions Regulator about pension scams supplied with it and I confirm that I still wish to proceed with the transfer to the scheme(s) I have named on this form
- I have received details of the benefits (if any) I hold under the Local Government Pension Scheme (LGPS) in the Fund and details of the cash equivalent transfer value (CETV) of them
- I have received a statement from the scheme(s) to which I wish the CETV to be paid showing the benefits the transfer payment would buy for me in that scheme or schemes
- If I have not quoted a National Insurance number on this form this is because I do not qualify for one.
- I am / am not (*please delete as appropriate*) already in receipt of a pension from the LGPS in England and Wales (other than (i) a survivor's pension or (ii) a pension derived from a Pension Credit granted to me following a divorce or dissolution of a civil partnership)
- In addition to the rights I am electing to transfer to the registered / occupational / personal pension scheme named on this form, I hold / do not hold (*please delete as appropriate*) any other pension rights that are not in payment (other than a pension derived from a Pension Credit granted to me following a divorce or dissolution of a civil partnership)
- I am / am not (*please delete as appropriate*) still an active member of the Fund or any other LGPS fund in England and Wales (i.e still paying pension contributions into the LGPS)
- I have been advised by South Tyneside Council to seek and obtain independent financial advice from a financial adviser authorised by the Financial Conduct Authority
- If the scheme(s) to which I elect the cash equivalent transfer value to be paid offers flexible benefits:<sup>(a)</sup>  
- other than the pension rights to which the transfer relates, I do / do not (*please delete as appropriate*) have other rights (other than in respect of (i) money purchase Additional Voluntary Contribution benefits or (ii) a widow's, widower's, civil partner's or surviving cohabiting partner's pension in the LGPS and if I do, I attach details of those benefits, *and*  
- if the transfer value of my total LGPS rights (other than in respect of (i) money purchase Additional Voluntary Contribution benefits or (ii) a widow's, widower's, civil partner's or surviving cohabiting partner's pension including pension credit rights is more than £30,000, I have taken appropriate independent advice from an authorised adviser and attach a copy of the advice confirmation signed by that adviser.
- I am a member of the occupational scheme I am electing to transfer to Yes / No / n/a (choose n/a if transfer is to a personal pension) (*please delete as appropriate*)
- I am employed by and receiving earnings from an employer that participates in the occupational scheme I am electing to transfer to Yes / No / n/a (choose n/a if transfer is to a personal pension) (*please delete as appropriate*)
- I am receiving earnings from any employment (including self-employment) in the United Kingdom Yes / No / n/a (choose n/a if transfer is to a personal pension) (*please delete as appropriate*)

### Either

- I am required to obtain appropriate financial advice and I enclose a copy of the completed Advice Confirmation Form which has been signed by both me and an authorised independent adviser

### Or

- I am not required to obtain financial advice.

(a) In this circumstance 'flexible benefit' means a transfer to any pension arrangement that offers a:

- money purchase benefit,
- cash balance benefit, or
- benefit, other than a money purchase benefit or cash balance benefit, calculated by reference to an amount available for the provision of benefits to or in respect of the member (whether the amount so available is calculated by reference to payments made by the member or any other person in respect of the member or any other factor).



**Formal election to transfer my pension rights under the LGPS to the registered pension scheme named on this form**

- Having considered the choices available to me I elect for the Fund to pay the CETV to the scheme(s) I have named on this form (and in the proportions shown by me if I have indicated that I wish the transfer value to be split between more than one scheme,  
but I accept and acknowledge that if the transfer includes rights in respect of a Guaranteed Minimum Pension (GMP), the transfer payment in respect of the GMP cannot be split across more than one scheme).

**If this is not your intention please contact the Fund immediately.**

**I confirm that I understand and I accept that:**

- The benefits the transfer value buys in the new scheme(s) may be in a different form and of a different amount to those which would have been payable under the LGPS from the Fund (and where my LGPS benefits include a guaranteed minimum pension and / or section 9(2B) rights these will be treated in accordance with the receiving scheme's contracted-out rules)
- It is my responsibility to ensure that the benefits the transfer value buys in the new scheme(s) are suitable for me and my family and that no responsibility for this rests with South Tyneside Council and / or my former employer
- On payment of the transfer value I will have no further benefits from the Fund in respect of the rights to which the transfer value relates. Neither I nor my dependents will have any further claim in any circumstances or in any form on South Tyneside Council and / or my former employer for or in relation to any rights to which the transfer value relates
- If the Receiving Scheme was not previously contracted-out, that there is no statutory requirement on the Receiving Scheme(s) to provide for survivor's benefits out of the transfer payment
- If I access any of the funds that are transferred to the new scheme(s) before age 55 (except in limited circumstances of ill-health) this will result in an unauthorised payment under tax legislation and I will be required to declare this to HMRC and will be personally liable to pay tax and other charges, normally totaling 55% of any such unauthorised payment, and I agree to settle such charges from my personal assets. If I fail to declare an unauthorised payment to HMRC, I may be charged further penalties
- I understand that when accessing any of the funds that are transferred to the new scheme(s) the maximum that can normally be paid tax free is 25% of my pension fund
- The Fund has a statutory obligation to report certain transfers to HM Revenue and Customs (HMRC) and will carry out this obligation, if required.

**I hereby:**

- Indemnify South Tyneside Council in respect of any additional tax and/or sanction charges that may be levied upon them in relation to this transfer
- Fully discharge South Tyneside Council from their obligations to provide any benefits to me or my beneficiaries if the transfer is paid
- Hold South Tyneside Council harmless from and against all actions, claims, demands, liabilities, damages, costs, losses or expenses (including without limitation, consequential losses, loss of profit, loss of reputation and all interest, penalties, legal and other professional costs and expenses) resulting from my decision to proceed with my transfer request
- Confirm that any information provided by me or about me by the new scheme(s) has been verified by me as factual and correct and that South Tyneside Council is in no way responsible for any quotation or any literature issued by the new scheme(s)
- Confirm that I have not rejoined the LGPS (England and Wales) within one month and one day of leaving
- I hereby authorise payment of the transfer value of £\*\*\*\*\*.\*\*

***\*delete as appropriate***

To the best of my knowledge and belief, I declare the information given on all five pages of this form is correct and complete.

**Signed**

**Print Name**

**Date**

The following page titled 'Useful Definitions' is for your information and does not need to be returned.

## **Useful Definitions** - this page is for your information

### ***Appropriate independent advice:***

Advice given by an adviser who has permission from the Financial Conduct Authority to advise on the conversion or transfer of pension benefits under *article 53E of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001*;

Required before any of *safeguarded benefits* can be made, unless the total value of the member's *safeguarded benefits* under the scheme is £30,000 or less.

Please note that a charge is likely to be applicable when obtaining financial advice from a Financial Adviser. A fixed fee or an agreed percentage of your transfer value could be charged for example.

### ***Flexible benefit:***

- A money purchase benefit;
- A cash balance benefit;
- A benefit, other than a money purchase benefit or cash benefit, calculated by reference to an amount available for the provision of benefits to or in respect of the member (whether the amount so available is calculated by reference to payments made by the member or any other person in respect of the member or any other factor).

### ***Safeguarded benefits:***

Benefits other than money purchase or cash balance (including DC (defined contribution) benefits with a guaranteed annuity rate). The LGPS is a scheme which offers safeguarded benefits.

### ***Statement of entitlement:***

A Statement of the cash equivalent value (CETV) of a member's benefits which the Fund is required to provide in accordance with *section 93A of the Pension Schemes Act 1993*. *Statements of Entitlement* are not issued for transfers made outside the statutory procedure (for example where the member is within 12 months of normal pension age or where only part of the value of the DB (defined benefit) benefit is being transferred).

(v7 12.2.20)

## APPENDIX 6 – Advice Confirmation Form

### South Tyneside Council

Providing pension services for  
Tyne and Wear Pension Fund

### Advice Confirmation Form

#### Confirmation that appropriate independent advice has been obtained from an authorised independent adviser or an appointed representative

**Information:** Before a transfer of safeguarded benefits from the Local Government Pension Scheme (LGPS) can take place, a scheme member must provide proof that they have taken appropriate independent advice.

**Instructions for completion:** This form must be completed by the authorised independent adviser or an appointed representative from whom advice has been sought regarding a transfer to an arrangement offering flexible benefits<sup>1</sup>. Once completed, the form should be given to the scheme member who, if they wish to proceed with the transfer<sup>2</sup>, must also sign the form and return the completed form to the **Pensions Office, PO Box 212, SOUTH SHIELDS, NE33 9ER**

- 1 I \_\_\_\_\_ have provided advice which is specific to a transfer of safeguarded benefits from the LGPS to an arrangement offering flexible benefits<sup>1</sup> to the scheme member noted in section 5 below and the advice is specific to the type of transaction proposed by the scheme member.
- 2 I have authorisation from the Financial Conduct Authority (FCA) and can act as an authorised independent adviser as permitted under Part 4A of the Financial Service and Markets Act 2000, or resulting from any other provisions of that Act, to carry on the regulated activity in Article 53E of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 or I am acting as an appointed representative (within the meaning given by section 39(2) of that Act) in relation to a regulated activity so specified.
- 3 I am a pension transfer specialist or, if I am not, the advice I have provided has been checked by a pension transfer specialist<sup>3</sup>
- 4 The FCA reference number of the company or business in which I work for the purposes of authorisation from the FCA to carry out the regulated activity in the aforementioned article 53E is \_\_\_\_\_.<sup>4</sup>
- 5 This advice has been provided to \_\_\_\_\_ NINo: \_\_\_\_\_ who is a member of the Local Government Pension Scheme in England and Wales.

<b>Signed by the Adviser / Appointed Representative:</b>	
--	--

<b>Firm/Company:</b>	
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<b>Print Name:</b>	
--------------------	--

<b>Date signed:</b>	
---------------------	--

- 6 I, the scheme member named in section 5, certify that I have received the advice as set out in section 1.

<b>Signed by the Member:</b>	
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<b>Date signed:</b>	
---------------------	--

<sup>1</sup> In this circumstance 'flexible benefit' means a transfer to any pension arrangement that offers a:

- money purchase benefit,
- cash balance benefit, or
- benefit, other than a money purchase benefit or cash balance benefit, calculated by reference to an amount available for the provision of benefits to or in respect of the member (whether the amount so available is calculated by reference to payments made by the member or any other person in respect of the member or any other factor).

<sup>2</sup> The scheme member and the receiving scheme will also be required to sign transfer discharge forms which the Tyne and Wear Pension Fund will issue.

<sup>3</sup> A pension transfer specialist is an individual appointed by a firm to check the suitability of a pension transfer who has passed the required examinations as specified in the FCA's Training and Competence sourcebook.

<sup>4</sup> The Tyne and Wear Pension Fund will check the Financial Services Register maintained by the FCA to check whether the Firm's Reference Number includes permissions to advise on pension transfers and that there is no limitation excluding activity under article 53E.

**APPENDIX 7 – Pension Scams Questionnaire****South Tyneside Council**

Providing pension services for

**Tyne and Wear Pension Fund** (the term **Fund** hereafter refers to the pension fund)**Local Government Pension Scheme (LGPS) - Scheme Information****Member's Pension Scam Questionnaire**

As you may be aware, 'pension fraud' is on the increase in the UK, and the Fund takes this matter very seriously. Pension fraud can result in some people losing some, or all of their accrued pension benefits which have often been accrued through many years of hard work. Pension fraud may also result in significant tax implications for victims.

In order to assist the Fund in its investigation into whether or not your transfer request is at risk of a pension scam, the Fund must carry out due diligence. Due diligence involves taking reasonable steps to consider information from you and the receiving scheme and exercising caution reviewing this information in order to check your transfer is not at risk of pension fraud.

The Fund is unable to provide you with full assurance that you will not be the victim of pension fraud; however, completion of this questionnaire will assist the Fund in its due diligence process which may help to mitigate the risks.

To progress our due diligence, please can you answer the following questions;

1	Will you be receiving any cash payment, bonus, commission or load from the receiving scheme or its administrators, as a result of transferring your benefits?	
2	Did the receiving scheme/advisor or sales agents/representatives for the receiving scheme make the first contact (e.g. a cold call)?	
3	Have you been told that you can access any part of your pension fund under the receiving scheme before age 55, other than on the grounds of ill health?	
4	Have you been told that you will be able to draw a higher tax-free cash sum as a result of transferring?	
5	Have you been informed by the new Scheme about the potential tax consequences that could be incurred by this transfer?	
6	Have you been promised a specific/guaranteed rate of return?	
7	Have you been informed of any investment opportunity, particularly an overseas one?	
8	Do you understand the nature of the underlying investments that you are planning to transfer into and do you know the risks they involve?	

## Member's Pension Scam Questionnaire cont'd

9	Can you tell us how the transfer payment will be invested? (i.e. through high or low risk investments)	
10	Are you transferring to a newly established scheme?	
11	Do you know what fees will be charged and how these will affect the value of your investments over time?	
12	What can your new scheme provide you with that your current LGPS pension can't?	
13	Are you aware that you can now access your LGPS benefits from age 55?	
14	Are you receiving Independent Financial Advice in relation to your transfer? If so, have you been informed of the costs involved?	

<b>Signed</b>		<b>Date</b>	
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## **South Tyneside Council**

Providing pension services for

**Tyne and Wear Pension Fund** (the term **Fund** hereafter refers to the pension fund)

### **New Scheme Administrators / Trustees Transfer Payment Request and Discharge Form**

#### **Instructions to administrators / trustees of the New UK Pension Scheme**

Please complete **Parts A and B** and the relevant section in **Part C**.

Then return the completed form to: Pensions Office, PO Box 212, SOUTH SHIELDS, NE33 9ER

**Note: The Fund has 6 months from the Guarantee Date to transfer the guaranteed transfer value, assuming the Member has submitted their written application to do so within three months beginning on the Guarantee Date (or at the latest 12 months before the Member's normal pension age if this is sooner) and where the Fund has been able to check that the Member has obtained independent advice about the transfer (if required). The Fund will conduct proper due diligence on the New Pension Scheme to ensure that it is a legitimate arrangement. Where the Fund has reason to believe that the New Pension Scheme is not a legitimate arrangement, it will carefully consider whether the transfer should be made. As each individual case will be considered carefully before a final decision is made, please expect the Fund to make further enquiries with you and the Member as part of its due diligence.**

#### **Part A: Please complete this part in all cases:**

<b>Member's Full Name</b>			
<b>Member's NI Number</b>		<b>Member's date of birth</b>	
<b>Exact Name of the New Scheme ('the Scheme')</b>			
<b>Address of New Pension Scheme which is to receive the transfer value:</b>			
	Postcode		
<b>Please confirm whether the New Pension Scheme is a registered occupational pension scheme or a personal pension scheme.</b>			
<b>If it is a personal pension scheme please confirm regulation by the Financial Conduct Authority (FCA) and provide registration number</b>			
<b>If it is an occupational scheme are the trustees of the scheme listed with the Information Governor's Office as Data Controllers? (if NOT, please provide an explanation of why they are not listed)</b>			

<p><b>Please confirm whether the New Pension Scheme is accepting the transfer under the Public Sector Transfer 'Club' arrangement</b></p>	<p>Yes <input type="checkbox"/>      No <input type="checkbox"/>      Not applicable <input type="checkbox"/></p>
<p><b>Please confirm whether the CETV will be used for acquiring 'transfer credits' in an occupational pension scheme or 'rights' under a personal pension scheme.</b></p>	
<p><b>Please provide copies of the Trust Deed, Scheme Rules and any other documentation in respect of the New Pension Scheme, or if the New Pension Scheme is a statutory scheme, please provide a link to the relevant provisions or regulations.</b></p>	
<p><b>Please confirm that the New Pension Scheme rules do not entitle the member to 'unauthorised payments'</b></p>	
<p><b>Please confirm and provide details/evidence as to how the New Pension Scheme is satisfied that the member has a right to transfer i.e. are specific conditions in the Scheme Rules satisfied etc.</b></p>	
<p><b>Please provide documentary evidence that the New Pension Scheme is a registered pension scheme with HM Revenue and Customs (HMRC) for tax purposes - e.g. a screenprint showing HMRC registration. This is not relevant if the New Pension Scheme is a statutory scheme.</b></p>	
<p><b>If applicable, please provide details of the sponsoring employer, including Companies House registration number and the relationship of the member to it.</b></p>	
<p><b>Please confirm whether or not the New Pension Scheme is connected to an unregulated investment company.</b></p>	



**Part B: Please read this certificate carefully and complete it fully. The Fund will not accept incomplete or unsatisfactory forms**

**I certify that:**

'The Scheme' is a registered pension scheme with HM Revenue and Customs (HMRC), Pension Scheme Tax Reference (PSTR): \_\_\_\_\_

I enclose a copy of 'the Scheme's' registration certificate (not required if 'the Scheme' is a Statutory Scheme) and a print screen confirming the up-to date position with HMRC

- I authorise HMRC to provide South Tyneside Council with independent confirmation or otherwise that 'the Scheme' is registered with them

The member has been given a statement showing details of the benefits the transfer will buy in 'the Scheme' and has authorised 'the Scheme' to accept the transfer value from the Fund

The Scheme' meets the requirements of Regulation 12 of the Occupational Pension Schemes (Transfer Values) regulations 1996 (SI 1996/1847)

'The Scheme' is both able and willing to accept the transfer value offered

'The Scheme' was a Contracted-Out Salary Related Occupational Pension Scheme (or was the active COSR part of a formerly Contracted-Out Mixed Benefit Scheme) that was contracted-out on 5 April 2016

**or**

'The Scheme' is an occupational pension scheme,

**or**

'The Scheme' is not an occupational pension scheme and is established by a person within section 154(1) of the Finance Act 2004

**and is:**

a self-administered scheme,

**or**

an insured scheme i.e. a pension scheme where all of the income and other assets are invested in policies of insurance (*delete as appropriate*)

The company is a financial institution (*delete as appropriate*)

The member named in Part A is an employee of an employer that contributes to 'the Scheme' and the employee became a member of 'the Scheme' on \_\_\_\_\_ or was previously a member of

the receiving scheme and joined on \_\_\_\_\_ and left on \_\_\_\_\_

***(Delete as appropriate. If the transfer includes a GMP and / or section 9(2B) rights, this cannot be deleted if the transfer is to a salary related formerly contracted-out occupational pension scheme)***

The person named in Part A is a member of 'the Scheme' and has agreed to be bound by its rules (*delete as appropriate*)

The ECON and SCON are (*delete as appropriate*)      **E** \_\_\_\_\_ **S** \_\_\_\_\_

'The Scheme' will accept any transferred EPB and / or GMP and/or section 9(2B) rights (*delete as appropriate*)

The rate of revaluation 'the Scheme' applies to transferred in GMPs is Limited Rate / Fixed Rate / Section 148 Orders. (*Delete as appropriate. Limited Rate revaluation can only apply where the member left the LGPS before 6.4.97*)

The member is employed by and is in receipt of earnings from an employer that participates in the Occupational Pension Scheme(s) named on this form. Yes / No / n/a (choose n/a for a transfer to a personal pension) (*delete as appropriate*)

**If the answer to the above is No**

The member is not employed by an employer who is a contributor to the Occupational Pension Scheme(s) named on this form, but is employed by an employer elsewhere in the United Kingdom  
Yes / No (*delete as appropriate*)

**Part B continued: Please read this certificate carefully and complete it fully. The Fund will not accept incomplete or unsatisfactory forms**

The member's transfer value accepted by 'the Scheme' will be used to provide salary related benefits / transfer credits in an occupational pension scheme / rights in a personal pension for the member. I understand that the Fund will not pay the transfer value if they are dissatisfied with the completion of this form or the information provided above if they do not receive evidence of 'the Scheme's' HMRC registered status *(delete as appropriate)*

Please also delete one of the following statements:

- The member will be able to access benefits from this scheme before age 55 (even if the scheme administrator has not received evidence from a registered medical practitioner that the member is, and will continue to be, incapable of carrying on the member's occupation because of physical or mental impairment, or the scheme administrator has received such evidence but the member has not in fact ceased to carry on the member's occupation)

**OR**

- The member will only be able to access benefits from this scheme on or after age 55 (or earlier if the scheme administrator has received evidence from a registered medical practitioner that the member is, and will continue to be, incapable of carrying on the member's occupation because of physical or mental impairment, and the member has in fact ceased to carry on the member's occupation)

The scheme is / is not a money purchase scheme, cash balance scheme, or a scheme, other than a money purchase scheme or a cash balance scheme, whose benefits are calculated by reference to an amount available for the provision of benefits to or in respect of the member (whether the amount so available is calculated by reference to payments made by the member or any other person in respect of the member or any other factor) *(delete as appropriate)*.

<b>Signature of an authorised person:</b>		<b>Receiving Scheme Stamp</b>
<b>Full name and position:</b>		
<b>Date:</b>		

**Part C: Payment Details - please complete the section that applies to your scheme - you must complete one of the three sections.**

**SELF ADMINISTERED SCHEME - PAYMENT CERTIFICATE**

I understand the Fund will not pay the CETV if they are dissatisfied with the completion of this form or do not receive evidence of 'the Scheme's' HMRC registered pension scheme status (other than a Statutory Scheme).

**Payment instructions:**

If the transfer value becomes payable, the payment should be made to:

**Account Name:** \_\_\_\_\_  
**Account Number:** \_\_\_\_\_ **Sort Code:** \_\_\_\_\_  
**Name and Address of Bank:** \_\_\_\_\_  
 \_\_\_\_\_

<b>Signature of authorised person</b>		<b>Date</b>	
<b>Full name and position</b>			

**INSURED SCHEME - PAYMENT CERTIFICATE**

I understand the Fund will not pay the CETV if they are dissatisfied with the completion of this form or do not receive evidence of the Receiving Scheme's HMRC registered pension scheme status (other than a Statutory Scheme).

If the transfer value becomes payable I understand that, in accordance with section 266 of the Finance Act 2004, the payment must be made to the Scheme Administrator (as defined in sections 270 and 274 of that Act) or to an Insurance Company that issued any of the policies insuring the benefits in 'the Scheme'.

**Payment instructions:**

If the transfer value becomes payable, the payment to the Scheme Administrator or insurance Company should be made to:

**Account Name:** \_\_\_\_\_  
**Account Number:** \_\_\_\_\_ **Sort Code:** \_\_\_\_\_  
**Name and Address of Bank:** \_\_\_\_\_  
 \_\_\_\_\_

<b>Signature of authorised person</b>		<b>Date</b>	
<b>Full name and position</b>			

**SCHEME THAT IS NOT AN INSURED SCHEME - PAYMENT CERTIFICATE**

I certify that the Receiving Scheme is **not** an 'insured scheme' i.e. it is **not** a pension scheme where **all** the income and other assets of the scheme are invested in policies of insurance.

I understand the Fund will not pay the transfer value if they are dissatisfied with the completion of this form or do not receive evidence of the HMRC registered status of the Receiving Scheme.

**Payment instructions:**

If the transfer value becomes payable, the payment should be made to:

**Account Name:****Account Number:****Sort Code:****Name and Address of Bank:****Signature of authorised person****Date****Full name and position**

## APPENDIX 9 – Clean List

The Head of Pensions has authorised the introduction of a Clean List for transfers to certain pension schemes.

A registered pension scheme may be added to the Clean List, at the discretion of the Senior Solicitor – Pension Fund Team, when it has been thoroughly investigated on several occasions and is considered to meet the requisite legal criteria for a member to have a statutory right to transfer and is considered to be low risk for pension scam liberation purposes.

When transferring to a pension scheme on the Clean List, it will not be necessary to undertake full due diligence and a 'light touch' approach may be taken. This is subject to there being no changes to the governing documents of the Receiving Scheme since the scheme was added to the Clean List and the Receiving Scheme continuing to be registered with HMRC<sup>5</sup>.

If changes have been made to the governing documents of a Clean List scheme then it is to be removed from the Clean List until it has been subject to full due diligence and the insertion of the scheme to the Clean List has been approved by the Senior Solicitor – Pension Fund Team.

The Clean List will be reviewed by the legal team on a quarterly basis.

A copy of the Clean List can be requested from the Legal Team.

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<sup>5</sup> The legal team must confirm whether any changes have been made to the governing documents of the Receiving Scheme and check the HMRC registration in all cases.

## APPENDIX 10 – Form of Discharge

### South Tyneside Council

Providing pension services for the **Tyne and Wear Pension Fund** (the “Fund”)

### FORM OF DISCHARGE

I, \_\_\_\_\_

Confirm that I have considered the information provided by South Tyneside Council on behalf of the Fund and hereby confirm that I wish to proceed with the transfer of my CETV from the Fund to \_\_\_\_\_ (“My Transfer Request”).

I confirm the following in respect of My Transfer Request:-

- I have been advised by the Fund to seek and obtain independent financial advice from a financial advisor authorised by the FCA.
- I confirm I was asked to contact The Pensions Advisory Service for free, impartial guidance on the risks of pension scams.
- I understand the risk that following payment of My Transfer Request my funds may be invested in alternative higher risk assets and this is my responsibility.
- I understand that if I access any of the funds before the age of 55 (except in ill-health) this will result in an unauthorised payment under tax legislation and I will be required to declare this to HMRC and will be personally liable to pay tax and other charges, normally totalling 55% of any such unauthorised payment and I agree to settle such charges from my personal assets. If I fail to declare an unauthorised payment to HMRC, I may be charged further penalties.
- I understand that when accessing any of the funds the maximum that can normally be paid tax free is 25%.

I hereby;

- Indemnify South Tyneside Council in respect of any additional tax and/or sanction charges that may be levied upon them in relation to My Transfer Request.
- Fully discharge South Tyneside Council from their obligations to provide benefits to me or my beneficiaries if My Transfer Request is paid.
- Hold South Tyneside Council harmless from and against all actions, claims, demands, liabilities, damages, costs, losses or expenses (including without limitation, consequential losses, loss of profit, loss of reputation and all interest, penalties, legal and other professional costs and expenses) resulting from my decision to proceed with My Transfer Request.
- Confirm that any information provided by me or about me by the Receiving Scheme has been verified by me as factual and correct and that South Tyneside Council are not in any way responsible for any quotation or any literature issued by the Receiving Scheme.

**Signed**

**Print Name**

**Date**
