

Dear member

We are writing to you because you may be thinking about transferring your pension out of your current scheme into an entirely different pension arrangement. We would urge you to be very careful if you are considering this option.

In this letter we set out some of the key things you should be thinking about, and highlight where you can go to get more information to help you make the right choice for you.

In most cases, transferring out of a defined benefit (DB) pension scheme into a different type of pension arrangement is unlikely to be in your best interests. You can't change your mind once you've transferred out of the scheme, and if you are transferring your benefits to a defined contribution (DC) arrangement, then you will be giving up a valuable level of predictability in your retirement income.

Although a DC pension scheme may be more flexible, and therefore appear more appealing, your income will depend entirely on the investment performance of that fund, which may not deliver the returns you are hoping for.

Comparing the risks and benefits of DB and DC pensions is complex and needs to reflect your wider personal circumstances and attitude to risk. You should also understand the level of initial and ongoing fees which apply as these can significantly affect how much money you get. Your regulated Financial Adviser (FA) should set out any costs which may apply in writing to you.

It is important that you get guidance or advice before making a decision. The Pensions Advisory Service (TPAS) offers free guidance and will help answer any questions you may have.

If you're considering transferring your pension, you should also take regulated financial advice from someone who is authorised to advise on pension transfers by the Financial Conduct Authority (FCA). If your transfer value is £30,000 or more and you are seeking to transfer your benefits to a DC scheme, you are required by law to take this advice from a regulated financial adviser. The Government will be banning cold calling for pensions, so if anyone calls you out of the blue about yours, just hang up – it could be a scam.

If you decide to transfer your pension, please look into the scheme you're thinking of transferring to and don't be rushed into making a decision. Take your time to make all the checks you need and ask all the questions you need to ask. The FCA and TPAS have information on their websites on the questions you should ask your FA:

<https://fca.org.uk/consumers/what-ask-adviser>.

You can also visit the FCA's ScamSmart website at www.fca.org.uk/scamsmart to see whether what you're being offered is a known scam or has the signs of a scam.

If you have any questions about your pension, or the information you have received, or want to know how the Pension Protection Fund works, you can contact TPAS. Visit their website at: www.pensionsadvisoryservice.org.uk or call their free helpline on **0800 011 3797**.

It's your pension – so whatever choice you make, please make sure it's an informed one.

Yours sincerely



Nicola Parish
The Pensions Regulator



Megan Butler
Financial Conduct Authority



Michelle Cracknell
The Pensions Advisory Service