

## **Information about transferring out of the LGPS**

Dumfries and Galloway Council Pension Fund is only able to make cash equivalent transfer values payments when we are satisfied that a transfer has met the Pensions Regulators' Guidance.

Transfer details are provided direct to members. Members are only entitled to make one free request for a guaranteed transfer quotation from the LGPS administering authority in any 12-month period. Should you require additional calculations within a 12-month period a fee of £123\* plus VAT will be charged.

If a deferred member decides to proceed with a transfer, the election to proceed must be made at least 12 months before their Normal Pension Age in the LGPS or, if they are a Pension Credit member, at least 12 months before their Normal Pension Age (NPA is defined by the scheme regulations in force at the time a member leaves the scheme).

The member **must** complete and return a Public Sector Membership History form in addition to the completed transfer discharge forms.

If a member is already in receipt of a pension from another period of membership with the LGPS in Scotland, section 93 of the Pensions Schemes Act 1993 does not allow a CETV to be paid in respect of another period of membership. In addition, members can only transfer benefits from the LGPS Scotland if they have left the scheme and have not already drawn benefits from LGPS Scotland (either in their current employment or any earlier employment).

The Fund will only send a guaranteed transfer value when we receive a formal application for transfer from another pension scheme, or formal request from the member or their agent together with details of the receiving scheme and fully completed discharge forms.

To enable an IFA to advise a member, the Fund will firstly send the member an illustrative CETV which will not be guaranteed. The member will be able to provide the IFA with their latest benefit statement and annual allowance information (if requested) which is sent direct to the member in August each year. The Fund will not provide information about a member without current written authorisation from the member.

If the member chooses to transfer to a Defined Contribution pension scheme that offers flexible benefits under the Freedom and Choice reforms effective from 6 April 2015, the member is obliged by law to obtain appropriate independent advice. This advice must be obtained from an authorised independent adviser, who is registered with the Financial Conduct Authority (FCA) to provide advice on Defined Benefit transfers, at the member's own cost. The member must prove that this advice has been taken before any payment of a transfer can be made to a Defined Contribution pension scheme. An Advice Confirmation form is available online with the discharge forms.

The member is not legally required to take advice if:

- the total value of all the member's Scottish LGPS benefits is less than £30,000, or
- the member left the LGPS with 3 or more months but less than 2 years membership, without entitlement to deferred benefits in respect of that membership.

However, given the impact on LGPS benefits, **it is recommended that the member takes such advice** regardless of the legal requirement.

For further information, there is a Q&A document for LGPS members on transfers to Defined Contribution schemes available from:

<http://www.dumgal.gov.uk/article/17482/Pension-Transfers>

\*fee increases annually in line with the Consumer Price Index. Fee quoted is from 06/04/2021