

## Information for financial advisers

This document is intended to answer the questions we commonly receive from financial advisers in relation to potential transfers to another pension arrangement.

'Rothesay' is the trading name of Rothesay Life Plc, a UK insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulatory Authority. Our Firm Reference Number is 466067.

Please note, we do not complete questionnaires or answer specific questions as we feel this document, together with the transfer pack provided with the quotation, provides sufficient information for an adviser to advise one of our policyholders about a transfer.

### Background

The policyholder has an individual pension annuity policy with Rothesay as a result of one of the following:

- **A buy-out** – The trustees of a pension scheme transferred the obligation to pay some or all of their scheme members' benefits to Rothesay. We then issued each former scheme member with a Rothesay individual pension annuity policy and they became direct policyholders of Rothesay
- **A transfer** – Another insurance company transferred part or all of their annuity business to Rothesay following a legal process known as a 'Part VII Transfer'. Following this process, which includes obtaining regulatory and High Court approval, the individuals who were policyholders of the other insurance company become direct policyholders of Rothesay. We acquired individual pension policies as a result of Part VII transfers from both Zurich and Aegon (Scottish Equitable) in 2017 and from Prudential in 2021
- **An acquisition** – Rothesay acquired Paternoster in January 2011 and MetLife Assurance Limited in May 2014

For more background information, please visit our website: [www.rothesay.com](http://www.rothesay.com)

Please see answers to commonly asked questions overleaf



## Questions and answers

### 1. What is Rothesay's approach to offering and calculating transfer values?

A policyholder's transfer value is the current value of the pension benefits payable under their policy. Rothesay offers transfer values on request to policyholders who are under the age of 65 and who have not yet started to receive their benefits from their policy.

Our transfer values take into account our assumptions for a range of relevant economic factors, such as expected returns on assets and expected inflation. These assumptions are, in turn, based on market conditions at the time of the calculation. We also allow for the fact that we are guaranteeing the value regardless of changes in market conditions after we provide the quotation.

Our transfer values are also calculated based on our assumptions for life expectancy. We usually review our life expectancy assumptions annually at the end of each calendar year but may do more regularly if deemed appropriate. These assumptions are used for our financial reporting and are subject to external scrutiny.

As the underlying assumptions for the calculation can change so too can the transfer value associated with a policy. All transfer values have a 6-month guarantee period from the date of calculation. Policyholders do not need to take the transfer value quoted and they can request further transfer value quotes but no more than one in any 12-month period. Policyholders can also choose to receive their pension benefits directly from Rothesay.

### 2. What is the impact of the pension transfer regulations introduced in 2021?

The government introduced The Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 (SI 2021/1237) in November 2021, to try and better protect pension savers from scams, by giving trustees and scheme managers the ability to prevent transfers to suspected scammers in circumstances where savers were insistent that the transfer go ahead. The regulations create extremely wide scope for trustees or scheme managers to either decline a transfer or refer the member for independent guidance from MoneyHelper.

Unlike transfers from most personal pension and occupational pension schemes, a transfer of the value of a policy has always been at Rothesay's discretion. We do, however, follow the spirit of these transfer regulations. The checks that are undertaken differ depending on the type of pension arrangement which money is to be transferred to. Where there are tell-tale signs of fraud or methods frequently used by scammers, Rothesay will decline the transfer request – giving it a 'red flag'. In other circumstances where fraud is suspected, an 'amber flag' will pause a transfer until the policyholder can prove they have taken scam specific guidance from MoneyHelper. More information on these rules will be communicated to policyholders following a request to transfer.

### 3. Please provide us with Rothesay's PSTR Number

We do not have a PSTR number as the benefits are held under an individual pension annuity policy.

### 4. Can the transfer be completed under a buddy arrangement or are you a member of the Transfer Club?

We cannot complete the transfer under a buddy arrangement and are not a member of the Transfer Club.

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**5. I am unable to complete the transfer within the guarantee period – please can I have an extension?**

We do not offer extensions on guarantee periods. If we receive the completed and signed transfer agreement documentation after the guarantee period, the transfer cannot proceed and it will not be possible to request a further transfer value until 12 months after the previous transfer calculation date. We strongly recommend that you provide the completed and signed transfer agreement documentation as soon as possible.

**6. What happens if there is a delay in the transfer due to a referral to HMRC?**

On receipt of the settlement paperwork, we may need to refer the request to HMRC. If this is the case, we will request confirmation from HMRC that the receiving scheme is formally approved. We will need to wait until this confirmation is received from HMRC before making the transfer. As this process can take some time, we strongly recommend that the completed paperwork is returned as soon as possible to allow sufficient time for this check if required.

**7. Does the transfer value quoted include an allowance for GMP equalisation?**

Where applicable, the transfer value we quote reflects the value of the adjusted benefits following GMP equalisation. If the policyholder transfers they will not receive a further top-up payment in respect of GMP equalisation in the future, as this will have already been included in the calculation of the transfer value.

**8. Will you provide benefit projections?**

We believe that our transfer pack, in combination with the policyholder's policy documentation (either issued by us or the previous insurer) provides a financial adviser with all the information needed to perform the transfer analysis. However, we are able to provide factors on request – see question 9 for further details.

**9. What are the current cash commutation, and early and late retirement factors?**

These depend on various factors including age and are updated on a regular basis. We will provide factors at a specific age for no more than two specific ages on request.

**10. Is consent required to retire early or late?**

Consent is not usually required to retire early or late.

**11. What are the ongoing charges?**

We do not charge any ongoing fees to policyholders.

**12. Does Rothesay permit partial transfers?**

We do not generally permit partial transfers. However, if the policyholder has a defined contribution fund as part of their policy, they may be able to transfer this and retain a Rothesay policy covering their defined benefits.

**13. Do you charge for calculating a transfer value?**

We do not charge a fee unless the transfer value is being requested as part of divorce proceedings.

**14. Can a policyholder take a transfer value after their normal retirement date (NRD)?**

A transfer payment equal to the value of the pension benefits under the policy is paid at Rothesay's discretion. Our current policy is to offer a transfer value to policyholders who are not already receiving payment of their benefits and are under age 65.

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**15. Have discretionary increases been applied in the last 5 years?**

We have never applied any discretionary increases.

**16. Do you offer a drawdown option?**

As the benefits under the policy are defined benefits, we do not offer a drawdown option.

**17. How do the benefits under the policy increase while deferred and in payment?**

The increases applied while deferred and in payment are shown on the transfer value statement and in the policy documentation the policyholder would have received from Rothesay or another insurer when their benefits were first insured under an individual annuity policy.

**18. Please provide a copy of the Scheme Rules and/or booklet, and information on the current funding of the Scheme.**

Any scheme booklet or other documentation from a previous pension ceased to be relevant when the benefits were first insured. The policyholder would have received policy documentation detailing their benefits under their policy with the original policy.

The funding of any pension scheme that the policyholder was previously a member of is no longer relevant to the security of their benefits.

**19. What pensionable salary was used to calculate the benefits at date of leaving?**

When the benefits were first insured by Rothesay or another insurer, the policyholder would have received policy documentation detailing their benefits under their policy with the original policy. The pensionable salary used to calculate the benefits at leaving may not have been retained as this information was no longer required for the administration of the benefits.