

Rothesay

Financial Adviser Information Sheet

'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.

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

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 run a complete transfer analysis.

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

Please see answers to commonly asked questions overleaf



Rothesay

Questions & 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 the policy.

Our transfer values are calculated using market conditions at the time of the calculation. Market conditions affect transfer values, for example they affect the pension increases we expect to pay, which in turn affects the value of the policy.

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 3 month guarantee period from the date of calculation. We cannot provide any protection against fluctuations (either up or down) beyond that 3-month period. Policyholders do not need to take the transfer value quoted and they can request further transfer value quotes but no more often than one every 12 months. Policyholders can also choose to receive their pension benefits directly from Rothesay.

2. What is the impact of the new pension transfer regulations on transfers?

The Government introduced new pension transfer regulations in November 2021 (The Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 (SI 2021/1237)), 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 are, however, following the spirit of the new transfer regulations. The pre-conditions for transfer that the new regulations set differ depending on the type of scheme to 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 new rules will be communicated to policyholders following a request to transfer.

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

The transfer values we quote have been adjusted to include an allowance for GMP equalisation, but only if applicable. Where it does apply, the transfer value reflects the value of the adjusted benefits following GMP equalisation. If the policyholder transfers the value of their benefits 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.

Rothestay

4. 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 7 for further details.

5. Please provide us with a copy of the Scheme Rules and/or booklet, and 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 by Rothestay or another insurer. 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.

6. Please provide us with Rothestay's PSTR Number.

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

7. 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. If you would like factors at a specific age (no more than two specific ages) please advise us accordingly.

8. 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.

9. Does Rothestay permit partial transfers?

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

10. Do you charge for calculating a transfer value?

We do not charge a fee for calculating one transfer value within any 12-month period.

11. What are the ongoing charges?

We do not charge any ongoing fees to policyholders remaining with Rothestay.

12. Can a policyholder take a transfer value after their Normal Retirement Age?

A transfer payment equal to the value of the pension benefits under the policy is paid at Rothestay'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. However, we will consider requests over that age on an exceptional basis.

13. 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, we will recalculate the transfer value. We will advise you of the recalculated figure before we make payment.

Rothesay

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

If we receive all the completed documentation within the three month guarantee period, the quoted transfer value will be paid. However, we may need to refer the request to HMRC. If this is the case, we will request confirmation from HMRC that the receiving pension arrangement is formally approved. We will need to wait until this confirmation is received from HMRC before making the transfer.

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

We have not applied any discretionary increases within the last five years.

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.