

GETTING

UK FCA ADVICE

WHAT YOU NEED TO KNOW



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WELLINGTON AUCKLAND MANCHESTER

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GUARANTEED PENSIONS OVER £30K NEED FCA ADVICE

If you have a UK pension that has guarantees associated with it and the transfer value of those guarantees is greater than £30,000 you'll need UK Financial Conduct Authority (FCA) advice before you can proceed with a transfer.

The types of UK pensions that have guarantees and will therefore require FCA advice before they can be transferred are:

- Defined Benefit (or Final Salary) pension plans, these are accrued during a period of employment with a UK company that offers these types of arrangements
- Guaranteed annuity rate (GAR's) pension plans, these were typically sold in the 70's, 80's and 90's and offer a guaranteed annual income on your pension funds at retirement
- Pension plans with Guaranteed Minimum Pensions included, these can be private or company pensions where the member agreed to contract out of the state pension and so the private or company pension has taken on an obligation that they must meet in the future

FCA ADVICE COMES WITH MANY DEMANDS

What's required from an FCA adviser is a sign-off that they've provided relevant regulated advice to you on your UK pension that has the guarantees. Once the FCA adviser has signed the form and sent it to your UK pension scheme the transfer can be completed. To give this advice the UK FCA adviser must have a specialist certificate in pension transfers, to get and keep this certificate requires the FCA adviser to meet the many demands of the FCA.

Essentially the FCA registered adviser must explore every option available with you as alternatives to transferring your UK pension out of the guaranteed arrangement.

The FCA adviser is required to ask a myriad of questions relating to your UK pension and ensure you don't treat the analysis and decision as a box ticking exercise. The one great irony is that the most often cited reason for wanting to transfer, which is tax, cannot be considered within the strict framework that FCA advisers must produce their reports.

Please be prepared to share your financial affairs before you can get the FCA adviser sign off, this will include detailed information on you, any spouse and dependents, including your wages/salary, expenses including assets and liabilities. Without providing all this information the FCA advisers will simply not produce the report and not sign-off on your advice.

STEPS IN THE PROCESS

There are many interdependencies involved in getting UK FCA advice, and these involve your New Zealand adviser and UK adviser working in tandem. Below is a high level guide of what to expect in the process, it is not always this linear.

1. Agree and sign-off on your New Zealand receiving scheme and fund investment choice. This must be done in conjunction with our New Zealand based authorised financial adviser
2. We introduce you to our 3rd party FCA regulated advisers in the UK that will enable your pension transfer to proceed
3. The FCA adviser will take you through the following steps without our hands on involvement:
 - Initial short interview by phone, Zoom or Skype about your UK pension and future intentions
 - Provide forms for you to complete and return, including; client questionnaire, fact find, risk profile and letter of authority
4. The FCA will use your information along with:
 - The UK pension report we you
 - The financial advice you signed off on in step 1 above
5. Once complete the FCA adviser will provide their reports and discuss them with you in another call
6. On completion of the process the FCA adviser will advise your UK scheme you have received appropriate advice to allow the transfer to continue
7. The FCA adviser sign off is then matched with the transfer forms that we've sent to your provider for checking and final sign off for the transfer to be made

This process is required by legislation, protracted and complex, so before you embark on your pension transfer journey, talk to us so we can help guide you down a well-travelled path by avoiding the many pitfalls that await the unfamiliar.

SIMPLE FACTS ABOUT US

over
5,000
transfers

worth
\$450m
transferred

from
800
UK pension
providers

Charter Square has been transferring UK pensions to New Zealand since 1999. As one of the first pension transfer providers in the world Charter Square has built an extensive and unrivalled knowledge of the QROPS market and the tax and legislative environment. Our staff present to NZ Government Select Committees, assist the IRD on foreign superannuation taxation legislation and are regularly consulted as experts by media and the Institute of Financial Advisors on QROPS and UK pension transfers.

Charter Square operate an office in the UK to liaise directly with your UK pension provider in the relevant time zones to ensure your transfer is executed on a timely basis and without problems. Our processes of thorough New Zealand scheme review and detailed understanding of your UK pension(s) allow you to receive a full and robust opinion on your UK pension and the implications of transferring it.

(NZ) 0800 102 599

(OZ) 1800 857410

info@chartersquare.co.nz

info@qropsnz.com