



# Rolls-Royce UK Pension Fund Transfer Guide

## Overview

If you're considering transferring some or all of your Rolls-Royce UK Pension Fund (RRUKPF) benefits to another pension scheme, this guide will help you understand the steps you'll need to take, the timescales and the information you'll need to send us.

It will also help you decide if transferring is right for you, because you will be giving up valuable, lifelong benefits that other pension schemes may be unable to match.

A transfer can't be reversed once the funds have left the RRUK Pension Fund. RRUKPF will have no more responsibility for those benefits that have been transferred and will not have to pay you, or your dependants or beneficiaries, anything in respect of those benefits.

Transferring also makes you vulnerable to pension scams. If you've been cold called by an 'adviser' through phone, email or text promising big investment returns, it is likely to be a scam. If it sounds too good to be true, it probably is.

We have highlighted how to protect yourself from scammers later in this guide in the section called 'Protect yourself against pension scams.'

We have also included in your transfer pack a number of pension scam awareness documents to help you to understand the type of risks to look out for - please do read through these documents carefully.

**From 30 November 2021, trustees and scheme managers must ensure specific checks are made before complying with a request to transfer a pension.**

The checks will determine whether the request meets the conditions to enable a statutory right to transfer.

There are certain circumstances, referred to as red and amber flags, which mean that a statutory transfer cannot proceed, or where you must obtain guidance from MoneyHelper before the transfer may proceed.

To assess whether there are any red or amber flags, you will be asked questions throughout the transfer process, and it is important that you answer these as failure to provide full and complete answers will result in your request to transfer being refused.

Please read this guide carefully and get financial advice before deciding whether to go ahead.

**Your benefits are always subject to the RRUKPF Rules and relevant legislation. If there's any difference between the description of benefits in this document and the RRUKPF Rules or legislation, the RRUKPF Rules and legislation will take precedence.**

## What you need to do

### Speak to an authorised financial adviser

Transferring out of RRUUKPF is a life changing decision. RRUUKPF is a defined benefit (DB) scheme which means the benefits you receive (other than any RRUUKPF Additional Voluntary Contributions (AVC) funds you may have) aren't affected by the ups and downs of the stock market. You'll be giving up a guaranteed income for life under the Fund and a pension under the Fund for your loved ones after you die.

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Before deciding whether to go ahead with a transfer and to help you decide which option is most suitable for you, you should get advice from an Independent Financial Adviser (IFA). They should be authorised by the Financial Conduct Authority (FCA) to advise on defined benefit pension transfers. Ideally, they should also have adopted the Pension Transfer Gold Standard – a voluntary code of good conduct for defined benefit pension transfers advice.

As well as making sure they're authorised by the Financial Conduct Authority (FCA), here are some of the things you may want to ask an adviser before you appoint them:

- Can you recommend any pension product, or only a restricted selection of choices?
- Are you going to recommend your company's own products or funds to me?
- What will I be charged for your advice? Are there any other fees?
- If you're not going to charge me unless you recommend a transfer, how can you prove this won't influence your advice?

Legally, you must get advice from an IFA if:

- The transfer value of your RRUUKPF benefits is more than £30,000 before any Additional Voluntary Contributions (AVCs) are added in, and
- You want to transfer into a defined contribution (sometimes called Money Purchase) scheme where you build up a pot of money that's then invested to give it a chance to grow.
- To protect your interests, we must have specific written confirmation from your IFA that you've had this advice before we can process your transfer. To do this your IFA will need to complete our Financial Advice Declaration Form. Please note: this form is not needed if you are transferring your benefits to another UK defined benefit (DB) scheme. You must confirm this is the case, otherwise the Trustee is required to assume that this form is required in relation to the transfer.

Even if you don't legally have to get financial advice, we strongly recommend that you do. You can find out more from The Pension Regulator, The Pensions Advisory Service and the FCA. Visit [www.fca.org.uk/consumers/pension-transfer-defined-benefits](http://www.fca.org.uk/consumers/pension-transfer-defined-benefits) for more information if you are

considering a transfer. You can also find an authorised adviser at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk). Just search for 'retirement adviser directory'.

Your IFA should:

- Give you advice based on your personal circumstances, your attitude to risk and capacity for loss.
- Carry out a full transfer value analysis of the benefits you're giving up.
- Explain the advantages and disadvantages of the benefits you'll have in the scheme you're transferring into, including the risks should unexpected events occur.
- Explain how quickly your new pension fund will need to grow to match the value of the benefits you're giving up.
- Tell you in advance what the transfer will cost you, including all fees and charges you will incur

The advice process can take weeks and you should expect to have several meetings with your adviser, which should:

- 1) carry out the adviser's Know Your Client fact finding exercise
- 2) discuss your wants, needs and objectives, and
- 3) make their recommendation.

You should be given sufficient time to review and consider the recommendation, the ability to question and interrogate the recommendation, and be asked to explain in your own words your understanding of the recommendation and how this meets your objectives.

### **Rolls-Royce's retirement advice arrangement**

The Company and the Trustee appointed WPS Advisory as our preferred provider to provide our members with an independent financial advice service.

WPSA's standard advice service is funded by Rolls-Royce and the Trustee if:

- You were an active member of the UK Pension Fund on 31 December 2020
- You are aged 55 years or over
- You are leaving employment with Rolls-Royce

As with all non-cash benefits provided by an employer, you may be subject to a Benefit in Kind tax charge when taking the funded advice service. For more information about this, please log into your account at [www.rolls-roycepensions.com](http://www.rolls-roycepensions.com) and head to the Retirement Planning & Financial Advice page.

This standard service is generally sufficient for most members but for some who may want additional services, or who may have complicated financial circumstances, additional fees may apply.

If you don't meet eligibility criteria, the advice service is available at specially negotiated rates. For the full detail about fees and eligibility, please log into your account at [www.rolls-roycepensions.com](http://www.rolls-roycepensions.com) and head to the Retirement Planning & Financial Advice page.

You are, of course, free to choose your own financial advisor at your own cost, but please make sure that they are authorised and regulated by the Financial Conduct Authority. You can get help with choosing one by visiting [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) and searching 'find retirement adviser'.

Always make sure that you ask your advisor to detail what their full charges are – especially if the advisor initially offers you a free review.

Please take every precaution when transferring your benefits away from the Fund. To make sure you're getting the right advice, please use the services provided by WPS Advisory, as they are recommended by both the Trustee and the Company.

## Other sources of help

### MoneyHelper Service

MoneyHelper is part of the Government's Money and Pensions Service.

You can contact them for independent information or guidance concerning your pension at any time. They provide a free and impartial service for members and beneficiaries of pension schemes, using experienced pensions professionals. You can contact them by phone on 0800 011 3797 or visit their website at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk).

### Pension Wise

Part of the MoneyHelper service, this is a free and impartial government pension guidance service. It's for people over 50 who want to understand more about what they can do with Defined Contribution (DC) pensions.

The RRUKPF is a Defined Benefit (DB) pension, so Pension Wise will be unable to provide guidance about your core RRUKPF benefit. But it may still be useful if you have other Defined Contribution (DC) benefits.

With a defined contribution pension, you build up a pot of savings that you can use to give you a lump sum, take an income as and when you need it, or buy a regular income for life, known as an annuity.

If you're over 50, Pension Wise will give you:

- Free tailored and impartial guidance - over the phone, internet or in person, to explain your options and help you make the best use of your pension savings.
- Information about the tax you might have to pay depending on how you take money out of your pension pot.
- Tips on choosing the best option for you - including how to shop around.

Search for 'pension wise' at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk). You can book a free appointment online or by calling 0800 138 3944. Face to face appointments may be available too.

## Protect yourself against pension scams

Pension scams are on the increase. Scammers can be polite, professional, and highly articulate.

They might have glossy brochures and websites that look legitimate. They may tempt you with promises of one-off investments, pension loans and upfront cash. What's more, members of defined benefit schemes - like you - are prime targets. That's because your benefits are valuable, and scammers know you might be thinking of transferring the cash equivalent of your benefits into another scheme.

Here are some do's and don'ts that will help protect you against pension predators.

### DON'T

- Accept offers from anyone who contacts you about your pension out of the blue. These could include a 'free pension review', a home visit or hand-delivered paperwork.
- Believe anyone who says they're authorised by the FCA. Check for yourself that they're on the FCA's approved register. Visit [www.register.fca.org.uk](http://www.register.fca.org.uk)
- Be lured into overseas investment deals. Well-known scams include unregulated investments in things like hotels and vineyards, where your money is also more at risk because it's hard to access and in one place.
- Fall for promises of 'guaranteed' returns - there's no such thing.
- Be rushed into a decision because of a 'time-limited' offer.
- Be overwhelmed by the transfer value - remember that the funds have been saved throughout your working life to provide you with an income in retirement - they are not a lottery win.

### DO

- Check the FCA's list of known scammers at [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)
- Ask the Money and Pensions Service for help if you have doubts. Visit [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)
- Call Action Fraud on 0300 123 2040 if you think you've been scammed and be sure to let us know too. It may not be too late to stop a transfer if it hasn't gone through.
- Speak to an authorised independent financial adviser before making a decision that could affect the rest of your life. If you don't have a financial adviser, you can find one at by search 'find a retirement adviser at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)
- Follow the Pension Regulator's advice on [www.pension-scams.co.uk](http://www.pension-scams.co.uk)

### Financial Conduct Authority warning about international SIPP's

The FCA has warned about overseas advisory firms advising expatriates to transfer or switch their UK pensions into a self-invested personal pension (SIPP) - often marketed as an 'international SIPP'.

The FCA has expressed concern that consumers who invest in this way may be exposed to high and/or unnecessary charges.

The FCA recommends that if you are considering transferring out into an international SIPP, you should contact MoneyHelper for impartial guidance before taking any further action. Go to [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) and search 'overseas transfer' for more information and contact details.

December 2024



# PSAG

Pension Scams Action Group

United action against pension scams

## Steps to stay **scam safe**

**Scammers appear professional** and it's becoming increasingly harder to spot the difference between something that's credible and something that's fraudulent.

**The Pension Scams Action Group** has put together a checklist to go through if you're ever approached about your pension.

**Your pension is your future – keep it safe**



**STEP 1****Is the offer unexpected?**

Legitimate pension providers are highly unlikely to contact you out of the blue about your pension. Be wary of free pension review offers and/or promises of high/guaranteed returns.

**STEP 2****Have you checked who you're dealing with?**

The Financial Conduct Authority's (FCA) website has a Financial Services Register you can check to make sure that anyone offering you advice or services is authorised to do so.

A firm pretending to be an authorised firm is known as a 'clone firm' and may have a clone website that looks exactly like the real deal. **Tip:** double check their contact details against the register and see if they match. Always ensure a firm is FCA- authorised or you won't be protected by the Financial Ombudsman Service or Financial Services Compensation Scheme if something goes wrong.

Website: [register.fca.org.uk](https://register.fca.org.uk) Phone: 0800 111 67 68

**STEP 3****Stop and think – are you being rushed or pressured?**

Pressure to act quickly or you will miss out is often a warning sign. Take your time to make all the checks you need and remember, if it sounds too good to be true, it probably is.

**STEP 4****Should you seek impartial advice or guidance?****MoneyHelper**

Free and impartial information and guidance available online, over the phone and via webchat.

Website: [Moneyhelper.org.uk](https://Moneyhelper.org.uk) Phone: 0800 011 3797

**Financial advisers**

If you can, it's a good idea to invest in speaking to a financial adviser. Often large amounts of money are at stake and they will be able to help you make the right decision for you. **Tip:** check any adviser you choose to use is regulated by the FCA.

**Stop! Think Fraud**

Learn more about how to spot and avoid scams.

Website: [stopthinkfraud.campaign.gov.uk](https://stopthinkfraud.campaign.gov.uk)

**If you suspect a scam, report to Action Fraud**

Website: [Actionfraud.police.uk/contact-us](https://Actionfraud.police.uk/contact-us)  
Phone: 0300 123 2040. In Scotland, call 101.



## Decide if you want to go ahead, or not

Think through the different scenarios you could face during retirement and weigh up the security your RRUKEPF benefits give you compared to those offered by the scheme you're thinking of transferring into. If you take advice, your IFA will work out whether another scheme can give you benefits that are more appropriate to your circumstances, or ways of using your benefits that RRUKEPF doesn't offer.

Neither the RRUKEPF Trustee nor administrator can advise you on whether a transfer is right for you.

### If you don't want to go ahead

You can stop your transfer application at any point before we transfer the value of your benefits. Just tell us you no longer want to transfer by calling RRUKEPF Pensions Team on 01332 333335. You'll carry on being a member of RRUKEPF and we'll get in touch as you get close to your Normal Pension Age.

If you want to retire sooner, check out what your options might be at [www.rolls-roycepensions.com](http://www.rolls-roycepensions.com)

### If you do want to go ahead and transfer out

You, your financial adviser and the receiving arrangement will need to fully complete our transfer discharge paperwork and supply all of the information we've requested. This all needs to be done before the expiry date on your transfer quote.

If we don't receive everything back by expiry date, your transfer application will lapse and there will be a charge to produce another guaranteed quote if the request is made within 12 months of the last quote.

### What we'll do if you decide to go ahead

When we get your completed forms, we will:

- Check your forms are filled in properly. If anything looks wrong or missing, we'll get in touch with you. Incomplete forms could mean you miss the transfer expiry date as the transfer value would no longer be valid, so please fill in the forms carefully. Missing the expiry date will mean you'll have to start the process again and you'll be charged a fee for a replacement quote.
- Check your IFA is listed on the FCA's approved register and is authorised to advise on defined benefit (DB) pension transfers and is certified as a Pension Transfer Specialist.
- Carry out due diligence checks to reduce the risk of transferring your benefits to a scheme which is involved in a pension scam.
- Carry out due diligence checks on your new employer and your employment with them in line with regulatory requirements.
- Pay the transfer value of your RRUKEPF benefits to your receiving scheme if we get all your documents in time and the receiving scheme passes the checks that we must perform.

## Making a partial transfer

If you are eligible for a partial transfer, your Transfer Out Quote will show you a partial transfer value. There will also be a box for you to tick on your Transfer Acceptance form to indicate whether you wish to make a partial transfer.

You still need to be sure that any new scheme is able to meet your needs as effectively as the valuable, lifelong benefits you've built up with RRUUKPF. If your partial transfer value is more than £30,000 you must speak to a financial adviser and make sure that the required forms are completed.

## Transferring your RRUUKPF Additional Voluntary Contributions (AVCs)

If you paid into the in-house additional voluntary contribution (AVC) fund within RRUUKPF, this will be given as a separate estimated value on your Transfer Out Quote. This arrangement was not a defined contribution AVC scheme and forms part of your defined benefit pension in the RRUUKPF. The in-house AVC scheme closed on 31 December 2003.

Any AVCs paid after that date are made on a defined contribution basis and are held in the Rolls-Royce Retirement Savings Trust. This separate scheme is administered for us by Aviva, so if you want to transfer or access these benefits, please contact Aviva directly. You can find out how to do this at [www.rolls-roycepensions.com/savingtrust](http://www.rolls-roycepensions.com/savingtrust)

## Frequently Asked Questions

### 1. What is a pension transfer?

It is where we transfer into another pension scheme a cash amount that broadly reflects the total value of the part of your RRUUKPF benefits you wish to transfer. The cash amount represents what we'd expect your benefits to cost over your lifetime. It includes any benefits we might pay to your loved ones when you die.

Once we've transferred this cash amount, you and your loved ones will not be entitled to any benefits from RRUUKPF, so you won't receive any payments from RRUUKPF in future.

### 2. How do you work out the transfer value?

For your main RRUUKPF benefits, we use a method set by our Fund Actuary (a highly qualified pension expert appointed by the RRUUKPF Trustee). It takes into account factors like your age and how long you're likely to live, as well as current financial conditions. Because these factors change over time, your transfer value is likely to be different if we calculate it again at a later date.

### 3. Is the transfer value guaranteed?

A guaranteed transfer value of your RRUUKPF benefits can be guaranteed for three months. It will be valid for three months from the date we work out the transfer value. You'll see the expiry date on your Transfer Out Quote.

Your independent financial adviser may refer to it as a Cash Equivalent Transfer Value, or CETV for short. We can only provide one guaranteed transfer value within a three-month period. And we can only provide one free guaranteed transfer value in a year. So, if your most recent transfer value has expired, you'll may need to pay if you request another within 12 months.

#### 4. How many transfer quotes am I allowed?

You are entitled to one free transfer quote within a 12-month period. Each quote is guaranteed for three months so will have a guarantee expiry date. During that three months you will not be able to get another guaranteed quote - nor will you be able to view an illustrative (non-guaranteed) transfer value on the member portal at [www.rolls-roycepensions.com](http://www.rolls-roycepensions.com)

If your guarantee expiry date has passed and you have not transferred out, you can request an additional guaranteed quote but if it's within 12 months of the previous one there will be a charge of £250. This charge is waived if you generate your own guaranteed quote on the member portal.

#### 5. Will my new pension scheme pay me the same benefits as RRUKPF?

It's highly unlikely. This is because most pension schemes differ from one another. It's vital to compare your RRUKPF benefits with what you might get if you move them elsewhere, and to understand the costs you might have to pay. An IFA can help you do this.

#### 6. What happens if I miss the guarantee expiry date?

You will have to start the process again. You can request a new Transfer Out quote but we will charge you for this if this request is made within 12 months of the last quote (see FAQ 4 above). Any new quote is likely to be different to your earlier quote and will replace it. This means you'll need to ask your IFA to review the new quote and fill in the transfer forms we need again. This could lead to extra IFA charges too.

#### 7. What might stop my transfer payment being made?

Here are just some of the reasons:

- Your new pension scheme isn't properly registered or doesn't meet the legal conditions set down by HM Revenue & Customs (HMRC).
- Your new pension scheme isn't able to accept an element of your RRUKPF benefits. To pre-empt this, check they can accept all the benefits you've built up.
- You haven't sent us all the forms we need by the deadlines.
- You don't provide us with evidence of employment or residency.
- Your forms haven't been filled in properly.
- You haven't had independent financial advice when your transfer value (not counting AVCs) is more than £30,000 and you're transferring to a defined contribution scheme. Make sure you speak to an IFA who's authorised by the FCA to advise on pension transfers, and that the Financial Advice Declaration Form has been properly filled in and sent back.
- You fail to answer any questions relating to the transfer or your answers are incomplete.

If we can't pay your transfer, we'll let you know why and tell you what you can do to get things moving again.

#### 8. Can I change my mind once the transfer has been paid?

**No - once we've paid the value of your RRUKPF benefits to another pension scheme, we can't reverse the payment.**

**That's why it's so important to make sure you think through all the pros and cons of transferring before deciding to go ahead. Your decision is irreversible.**

## 9. What happens once you've paid the transfer?

- We'll send you a Transfer Confirmation to tell you that we've paid the transfer. You should keep this for your records.
- We'll send a Transfer Confirmation to your new pension scheme. They'll probably get in touch with you as well to tell you the transfer is complete. If you don't hear from them after you've had the Transfer Confirmation from us, you should get in touch with them.
- If you transfer out all of your RRUKPF benefits, we wouldn't expect to contact you again as you'll no longer have any benefits in the Fund.

## 10. Can a transfer out attract an inheritance tax charge?

If you are in ill-health or if you die within two years of transferring out there may be inheritance tax implications.

If you transfer out of RRUKPF and are in ill-health at the date of the transfer, HMRC may decide a *transfer of value* has taken place and an inheritance tax charge may be applied, irrespective of how long ago the transfer was made.

Also, if you were to die within two years of the transfer date, inheritance tax may also be payable, even if you were in good health at the date of transfer. HMRC requires that any transfers made in the two years prior to a person's death must be reported using Inheritance tax form IHT 409.

## 11. Can I transfer to an overseas pension scheme?

Yes – but only if the scheme meets the legal conditions to allow the transfer, including those required for a Qualifying Recognised Overseas Pension Scheme (QROPS). You have to live in the country where the QROPS is based.

## 12. What's a Qualifying Recognised Overseas Pension Scheme (QROPS)?

It's a scheme that meets rigorous HMRC checks and legal conditions. We'll carry out due diligence tests to check that, as far as possible, the overseas pension scheme you want to transfer into meets these conditions. However, it's your responsibility – not ours – to make sure it does. If it doesn't, both you and the overseas scheme may have to pay extra tax charges.

For the full list of HMRC conditions for a QROPS, check [www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm101999](http://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm101999)

## 13. Would I pay tax on an overseas transfer?

This area is extremely complex and you are advised to speak to HM Revenue and Customs to confirm the current position. You can find the latest information about overseas transfers at [www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/moving-your-uk-pension-overseas](http://www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/moving-your-uk-pension-overseas)

## 15. Can I transfer if I have an HMRC Protection Certificate?

If you hold an HMRC Protection Certificate for Enhanced Protection, Primary Protection, Fixed Protection or Individual Protection, you should get financial advice to understand if transferring your benefits would invalidate your protection.