

# PERSONALISED CHARGING DOCUMENT

## *Your personalised letter of engagement for advice on Defined Benefit Pensions*

**Dear**

You have engaged us to investigate your Defined Benefit Pension (Final Salary Scheme) and our charges are laid out below. Please study this document carefully and sign and return this document to confirm your agreement before we proceed.

In order to assist your understanding, we have provided comprehensive information on our dedicated webpage at Your Defined Benefit Pension: Caution and you have agreed to spend some time studying its contents.

### **Abridged Advice - The 1<sup>st</sup> Stage**

In this stage we assess your situation and advise whether you might be suitable for a pension transfer.

- We ask you to complete all of your personal and financial details using your secure online account.
- We ask you to complete a risk profile and other questionnaires in order to fully understand your attitudes and circumstances.
- We examine the details of your Defined Benefit pension and we consider the risks of staying in the scheme and the risk of transferring and losing benefits.

The Abridged Advice stage enables us to advise you either not to transfer **OR** that it is unclear whether you would benefit from a transfer. If the result of abridged advice is unclear you may take up the option of moving to the Full Advice stage.

**Our Abridged Advice fee for investigating and advising you either not transfer or reporting that it is unclear whether you would benefit from a transfer will be £1500. You are aware that this fee will be payable whether you subsequently decide to transfer your pension or not.**

If during our investigation you are found to have more than one Defined Benefit Pension these additional pensions will be reviewed for the reduced fee of £750 each.

If you decide to ask us to move to the next stage and conduct Full Advice the Abridged Advice fees will be deducted from the Full Advice fees so that you will not be charged separately for both stages.

For further detail please read carefully the detailed information on our dedicated webpage Defined Benefit Transfer Advice Process

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### Full Advice - The 2<sup>nd</sup> Stage

In the Full Advice stage, we consider the possibility of you transferring to a defined contribution scheme (personal pension) that may be suitable for your needs. We also consider the possibility of you transferring to your existing workplace pension (if you have one) where your workplace pension could be a defined benefit or a defined contribution scheme.

At this stage we obtain a transfer comparator report from an independent organisation and **you have agreed to pay their fee which is currently £426 including Vat.** You pay that fee to us and we transfer the full £426 to them on your behalf. This fee is separate and independent of the fee that you pay to us.

**Our fee is based on a percentage of the cash equivalent transfer value and this fee is payable whether the transfer goes ahead or not.**

The FCA has abolished 'contingent charging' where the fee was only paid if the transfer goes ahead because they wanted to remove any bias in favour of the transfer. In addition, the FCA and the PI insurers recognise that recommending that you stay in your DB scheme constitutes advice and risk in the same way as recommending a transfer.

For example, if the cash equivalent transfer value of your pension fund is £250,000, our fee is 3% of that amount, so that our fee will be £7,500.

You can pay this fee direct from your bank account or if the transfer goes ahead you can choose to pay that fee by deduction from your transfer value. Please let us know which option you would prefer.

Our fees are percentage fees based on a sliding scale as follows;

- The first £250,000 = 3%
- £250,001 to £500,000 = 2%
- £501,000 to £1,000,000 = 1%
- £1,000,000 and above = 0.5%

The fee that will be chargeable for Full advice is based on the value of your pension as currently known. If this value is found to vary from this amount our fee will change based on the percentage of the revised value. If the change is an increase of more than 10% the new fee will be stated in writing and agreed with you. If the change is a reduction, we will proceed without notification. accept the reduced fee and notify you in due course.

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## Declaration

At this time the cash equivalent transfer value of your pension transfer value is known to be

and our fee for providing you with full advice will be

The fee received for Abridged Advice will be deducted from the fee for Full Advice

Client's Signature:

Client's Full Name:

Agreed & Signed on: