

## Transferring out of the Scheme

The purpose of this Bulletin is to explain the options available to you if you would like to transfer your benefits out of the Company pension scheme (the 'Scheme') to a new pension arrangement.

Taking a transfer out means giving up your benefits in the Scheme in return for a payment which is then transferred to another pension arrangement of your choice. This new scheme could be your new employer's scheme, provided that it accepts transfer payments, a Personal Pension Plan or a Drawdown Policy.

The benefits that you secure with your transfer payment in the receiving scheme will depend very much on the scheme you transfer to, and the provider you choose.

References made in this document to the 'DC Plan' mean the Company's defined contribution plan, such as DMGT PensionSaver or the Friends Life AVC Policy. References to the 'DB Scheme' mean the Company's defined benefit scheme, such as the Harmsworth Pension Scheme or the DMGT AVC Plan.

This document aims to give you an overview of the options currently available to you, however, it is not a legal document. Each Scheme is governed by a set of rules which describe the benefits provided and the conditions attaching to them, in greater detail. In the event of any discrepancies, the Scheme Rules, applicable pensions law and HM Revenue and Customs (HMRC) restrictions will override this Bulletin.

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## Why transfer?

The reasons for taking a transfer will be personal to you. It may be that you wish to consolidate all your pension savings in one place, or if you have concerns about the Scheme you are currently in, or if you wish to take advantage of the new pension freedoms that were introduced from April 2015.

More information regarding these increased choices at retirement are contained in the Bulletin, called 'Your Retirement Options Explained'.

For members of a DC Scheme, from April 2015, people coming up to retirement are no longer obliged to take their retirement fund as a pension, but instead may take their entire pot as cash, as pension, as a series of cash lump sums or they can leave their retirement fund invested to draw on, as and when needed. Quite simply there are lots more options for DC members.

However, these range of options are not ordinarily available to DB members. If you have benefits in the DB Scheme, you may wish to consider transferring your benefits to a DC arrangement, in order to access those options. The reasons for doing so would depend on your own personal circumstances, for example:

- if you have no dependants and so want to focus your pension benefits on yourself, or if your partner has their own benefits and so you (both) want to focus your benefits individually.
- if you suffer from poor health.

In both of the above circumstances, you may be able to secure a higher benefit from an insurer in your own name.

- if you have substantial additional assets (another DB entitlement, for example, or a large house that you plan to sell) and don't need to rely on the guarantee provided by a DB pension, you might want to transfer your money into a DC scheme and then pass on the money to your children or grandchildren.
- if you have a small DB entitlement which would not provide you with significant income, it might make sense to convert it into DC and pay off debt instead.

DB Scheme members also have the option of transferring their benefits to the DMGT PensionSaver Plan, which is the Group Personal Pension provided by the Company for its employees. If you are interested in this option, please contact the DMGT Pensions & Benefits Team via the contact details on the back page.



## Your transfer options

You have two options with regards to taking a transfer of your benefits out of the Scheme.

You can choose to transfer the cash value of some or all of your Scheme benefits to another pension arrangement. If you choose to take a partial transfer, that part of your benefits not transferred would remain in the Scheme until you retire or subsequently decide to transfer them elsewhere.

### DB Scheme transfers

Partial transfers can be made in respect of one or more of the following tranches of benefits. You must transfer the full value of each tranche of benefits. So for example, if you choose to transfer your pre-April 2011 benefits, the whole of this must be transferred.

- Pre-April 2011 benefits—the 'Final Salary' element.
- Post-April 2011 benefits—the 'Credit Account' element.
- AVCs paid to the DMGT AVC Plan
- AVCs paid to an external policy, such as the Friends Life AVC Plan.

## Taking financial advice

We always recommend that you seek professional financial advice before taking a transfer to make sure it is the right thing for you to do.



If you are a member of the DB Scheme it is now compulsory for you to take professional financial advice before transferring benefits that are valued at £30,000 or more. Transfer values under that amount are not subject to this requirement. You must provide evidence to the Trustees of the DB Scheme that you have taken such advice and the Trustees must satisfy themselves that the adviser is suitably authorised before the transfer payment can be made, although they do not need to see the recommendation that your adviser has made.

You can find an adviser near you at [www.unbiased.co.uk](http://www.unbiased.co.uk).

## Pension Fraud - be aware!

Pension fraud has been steadily increasing and this typically takes the form of persuading a member to transfer the value of their benefits to a seemingly legal pension scheme. However, some schemes promise a great deal but could be dubious in nature. It is therefore another reason to take professional advice before transferring your retirement savings.



Such 'scams' involve taking a transfer to an unknowingly fraudulent pension scheme, which promises to provide you with a cash sum. The organisation will then transfer the rest of the pension pot to a new scheme, often overseas but when you want to access your pension, such schemes no longer exist and the pension transfers are lost, leaving you without a retirement income. In such circumstances, there might be very little you can do to recover your retirement savings.

These schemes are difficult to spot and they may appear to be legitimate. Many different tactics are used, such as presenting you with a unique investment opportunity offering guaranteed returns or telling you that the Government has requested that you be contacted. You may be encouraged to transfer your pension quickly. You may even be sent documents by courier in an attempt to pressurise you to sign. Remember, never be rushed or pressured into making a decision.

## Requesting a transfer value

You can request a transfer quotation at any time if you would like an indication of the transfer value available to you to transfer elsewhere. The transfer quotation will include the steps you need to take if you would like to proceed with taking a transfer out of the Scheme.

Alternatively, you may wish to instigate the process through your financial adviser, in which case they will manage the process on your behalf.

## Contact Us

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