

# BASF UK Group Pension Scheme

## Transferring Out – Frequently Asked Questions

Once you are no longer an active member of the Scheme, you may wish to transfer your pension benefit to another provider ahead of your retirement this is known as a Cash Equivalent Transfer Value.

### What is a Cash Equivalent Transfer Value (CETV)?

A CETV is the amount of money that can be transferred to another pension arrangement.

For members of the **DC Sections** of the Scheme, the value is equal to your fund value. The value fluctuates daily and cannot be guaranteed.

For members of the **DB Sections** of the Scheme, the value is calculated as the equivalent lifetime value of your benefits (and any death benefits) payable from the Scheme.

### How can I request a transfer value?

Most members can obtain an immediate indicative transfer value online via the **Pension Portal**. However, the calculation routines for some sections are not yet available and will need to be requested from the Scheme administrator. These indicative values are **not guaranteed** but can be used to hold initial discussions with a financial adviser (where required).

If you would like to proceed with a transfer, you will need to request a full transfer quotation from the Scheme administrator.

### Is the CETV guaranteed?

Only CETVs relating to the DB Sections can be guaranteed, DC benefits and Additional Voluntary Contributions (AVCs) rely on market movements and cannot be guaranteed and will depend on the value at the time funds are disinvested.

A DB CETV is usually guaranteed for three months. Applications to proceed with a transfer received outside of the guarantee period will be recalculated prior to payment.

### What factors are used when calculating a CETV? (DB sections only)

The Scheme makes assumptions based on regulations and on advice from the Scheme Actuary. The main assumptions relate to:

- Future inflation related increases
- Future pension increases
- How Scheme's assets will grow
- How long members (and their dependents) will live

These assumptions are applied on a scheme-wide basis rather than on an individual basis. The Trustee review these assumptions regularly throughout the year, and they represent the best estimate of what will happen in the future.

When the Trustee work out a CETV, they also consider current market conditions. Not all reviews will result in changes to the underlying basis, but we cannot predict in advance when changes will be required or implemented.

### Is my DB CETV likely to increase or decrease in the future?

Unfortunately, it is not possible to confirm what CETVs will be worth in the future.

As you approach your Normal Pension Age (NPA), the assumptions used will be replaced with known factors and market experience, which may increase or reduce your CETV.

### Are there any restrictions on when I can receive a CETV?

Members with a DB CETV only have a statutory right to transfer their DB benefits out of the Scheme if they are more than one year from their Normal Pension Age (NPA). NPA is the earliest age at which you first become entitled to take your pension without reduction.

You can request a non-statutory transfer if you are within 12 months of your NPA (or have passed NPA). The Trustee is not obliged to provide one but currently allows transfers up to age 75. This policy is subject to change.

It is not possible for a transfer value to be paid after your pension has been put into payment.

There is a requirement for members to take financial advice before transferring, where their DB transfer value is over £30,000, before a transfer payment can be made.

### Why do I need to use a registered financial adviser?

The requirement to receive appropriate advice, for DB transfers exceeding **£30,000**, has been set by the UK Government.

If you need to receive advice, the Trustee will need to see evidence that your advisor and their sponsoring firm are registered with the Financial Conduct Authority.

### Where can I find a registered financial adviser?

You can find a financial adviser by visiting [www.unbiased.co.uk](http://www.unbiased.co.uk).

The charges for financial advice can vary between different advisers. There is usually an initial fee, which can be a fixed figure or a percentage of the transfer value, although some advisers can charge per hour for their services.

### What about my DC Account and/or Additional Voluntary Contributions (AVCs)?

You can transfer your DC Account at any time (up to age 75) if you are no longer an active member. The final value will be the value at the date of divestment.

AVCs invested with external providers (e.g. Equitable Life, Prudential, etc.) may be different. Your latest AVC benefit statement should explain your transfer value option.

### If I decide not to transfer, can I transfer in the future?

Yes, although DB CETVs are limited to one free quotation in any 12-month period. DC CETVs can be requested at any time.

The Trustee may provide another quotation within a 12-month period but may apply an administration charge (depending on the circumstances). The Scheme administrator will confirm the cost, where applicable.

### Where can I transfer to?

You can currently transfer your pension to another HM Revenue & Customs (HMRC) registered scheme that will accept your transfer.

If you wish to transfer to a non-UK Scheme, the receiving scheme must be a Qualifying Recognised Overseas Pension Scheme (QROPS). If your chosen scheme is not on the QROPS list, the Trustee may not allow the transfer to proceed.

### Are there any charges for transferring?

When transferring to another UK registered scheme, normally there is no charge for transferring.

Transfers to a QROPS are classed as a 'crystallisation event' and may be subject to a tax charge.

### Is a transfer the best option for me?

There are many factors to consider and a registered financial adviser will help you determine whether it is the best option for you.

Whilst not exhaustive, the following list contains some basic considerations:

- Your attitude to investment risk and understanding that the value may go down as well as up
- The loss of potential increases to your pension once in payment
- The loss of any potential beneficiary benefits in the event of your death
- Your family history and your own personal outlook on living for longer
- The value of any other savings and pensions you may have

### Can I transfer just my AVCs or my DC Account if I also have a DB Pension?

Yes, it is possible to transfer your AVCs and DC Account only, you can choose to transfer these or your DB pension, or both.

You can't transfer part of your DB pension.

### How long will it take to pay the transfer value?

It can take several months to complete a transfer. Generally, the following actions are needed:

- Transferring Scheme CETV quotation
- Receiving Scheme CETV quotation (if applicable)
- Advice taken (where required)
- Discharge documentation issued, completed, and returned by all parties
- ID provided (where required)
- Invested assets divested

Once all actions have been completed, transfer payments are usually made within 5 working days. However, AVCs held with an external party may take longer and are sometimes paid separately.

### What happens if there is a delay in my transfer due to a referral to HMRC?

If the Scheme you wish to transfer to is not on the approved list, published by HMRC, we may have to ask additional questions or refer to HMRC for guidance.

For DC & AVC CETVs, the funds will remain invested until such time that the transfer can be completed.

For DB CETVs, if all documentation is received within the guarantee period, the value quoted will normally be honoured, unless advised otherwise.

### Where can I get help?

If you have any questions about Transferring Out, contact the Scheme Administrator.

✉: Buck (Bristol)  
PO Box 319  
Mitcheldean  
GL14 9BF

✉: [BASF@buck.com](mailto:BASF@buck.com)

☎: 0330 123 0647

You can download Scheme guides and forms from the pension website ([ukpensions.basf.co.uk](http://ukpensions.basf.co.uk)).

You can find out further information about transfers which may assist your decision at:

Money Advice Service

🌐: [www.moneyadvice.org.uk](http://www.moneyadvice.org.uk)

The Pensions Advisory Service

🌐: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)