



[Address line 1]  
[Address line 2]  
[Address line 3]  
[Address line 4]

[Date]

Dear name,

## Your [X] pension transfer value has expired – urgent action required

As you know, once your pension transfer value is issued, it is only valid for **three months**. Unfortunately, your X transfer value expired on [date].

Before we can proceed, [provider] needs to recalculate your transfer value. [Provider] has made us aware that they will not recalculate your transfer value upfront. This means that if you wish to go ahead with transferring from [X] to your new [X] pension, you probably will not know the value of your defined benefit pension and tax-free cash allowance until the transfer is complete and your money is in your account.

The expired transfer value is £[X]. Your recalculated transfer value and, therefore, your tax-free cash allowance is liable to increase or decrease. There is a chance that these recalculated values could be significantly less. For this reason, it is really important that you take the time to thoroughly consider if continuing with your pension transfer is right for you.

Please read this letter carefully and sign and return the declaration form attached to confirm that you wish to proceed.

### What you need to do now

Please take the time to seriously consider if continuing with the transfer of your defined benefit pension is right for you. It is a big decision to proceed without knowing your pension transfer value, especially as the recalculated value could be significantly lower.

If you are happy to go ahead, please complete the attached form and return it to us in the prepaid envelope provided. It confirms that you wish to proceed with your pension transfer from [X] to [X], despite not knowing your pension transfer value and tax-free cash entitlement beforehand.

**The pension experts**

## Before you go – some important information to consider

Due to the fact that your recalculated pension transfer value and tax-free cash entitlement are liable to change, and for the fact that some transfers can take a while to complete, we recommend not to make any financial commitments based on your previous transfer value.

Defined benefit pensions can be very complicated; please read the attached page which gives some further insight into pension transfer values.

As always, please do not hesitate to call on [contact number] if you have any questions, between [opening hours].

Yours sincerely,



**Michael Davis**

Pension Review Administrator

Pension Access

**The pension experts**

[Name]  
[Address]

[Date]

## Recalculation declaration form

I, [client name] of [address], confirm that I wish to transfer my pension from X to X, knowing that my transfer value will either decrease or increase without my or Pension Access' knowledge.

**Name:** .....

**Signature:** .....

**Date:** .....

**Please sign and return to us in the pre-paid envelope provided.**

**The pension experts**



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## Pension transfer value explained

### What do we mean by your pension transfer value?

With a defined benefit pension, you do not own a pot of money. Instead, you receive a guaranteed income for life from a set age.

When you ask to transfer out of a defined benefit scheme, your scheme administrator needs to run a lot of calculations to convert your guaranteed income for life into what is known as a pension transfer value. To put it simply, your pension transfer value is the amount of money that your scheme administrator determines your defined benefit pension is worth. This is the amount that will be transferred to your new defined contribution pension.

A pension transfer value is determined using complex calculations that take into account different factors such as: age, your salary, how many years you have worked, and the economic climate. Your pension transfer value can only be determined by your scheme administrator / pension provider.

### Why has your pension transfer value expired?

As you know, once your pension transfer value is issued, it is only valid for **three months**.

There is an expiry date on your transfer value because the factors that are involved in calculating it are liable to change. It needs to be recalculated after three months to make sure that the value of your defined benefit pension is as accurate as possible by time it is transferred to your new defined contribution pension.

Due to the complex nature of defined benefit pensions, there are a lot of rules around how financial advisers and providers need to look after these types of pensions, and rightly so. As a result, advising on these types of schemes requires a lot of investigation, paperwork and processing to make sure that everything is being taken care of properly. This means that getting everything done within this three-month window is a big challenge for all regulated financial advisers.

**The pension experts**