

Mrs Lisa Jones  
Marchants Barn  
Marchants Close  
Hurstpierpoint  
West Sussex  
BN6 9UZ

21<sup>st</sup> October 2016

## **Subject: Preserved Pension Benefits in the Amex Pension Scheme**

Dear Lisa,

David of Knight Parker has discussed the Initial Report with you. You have decided that you would like a full review of your pension benefits to assess the possibility of a transfer. David will have explained that they have referred this to us to consider the suitability of a transfer, as we are Pension Transfer Specialists. If a transfer is deemed appropriate, we will then arrange it for you.

### **Compliance Documentation**

In recent years a Task Force has been created to alert people about Pension Liberation Fraud - Pension Loans or Cash Incentives are being used to mislead/entice clients to transfer their pension funds and release cash from the funds early (before age 55), this activity is known as 'Pension Liberation Fraud'. The bodies who are monitoring this fraudulent activity are the Action Fraud, Financial Conduct Authority (FCA), Police, SOCA, HMRC, SFO and The Pensions Regulator.

We would like to reiterate that we are not connected with firms that are arranging loans or cash incentives or access to their pension funds before age 55.

Due to this new Task Force all Pension Administrators & Insurance Companies are being told to look out for possible candidates who are liberating their pensions. We have found over recent months that when we are requesting Scheme information, we are being told they will only send the information direct to the member. This will therefore mean that you may receive information about your policies that you didn't request. Please forward the information on to us, if any such documents arrive.

### **Defined Benefit Scheme**

As the Amex Pension Scheme is a Defined Benefit arrangement there are two other aspects to consider: -

1. The Guarantee Date by which time all documentation must be submitted. In this case the deadline date is 31<sup>st</sup> October 2016.

2. Age verification which requires submission of original documents to the Ceding Scheme Administrators.

### **Guarantee Date**

If the Guarantee Deadline Date is missed a new Transfer Value will need to be calculated by the scheme. The scheme is only required to produce a free Transfer Value calculation once every twelve months; otherwise, the fees charged can be anything between £250 and £650 plus VAT.

Once the Discharge Form is submitted to the Scheme, they will be obliged to provide a new Transfer Value. This is when they will get in contact with us, or possibly you directly, to request the fee for the calculation.

Once the new Transfer Value has been calculated, you will usually be asked to confirm that you have seen the new value and are still happy to proceed. On occasions, usually if the value is within 10% of the original figure, the scheme will still process the transfer request.

### **Age Verification**

When we submit the signed Discharge Form to the Amex Pension Scheme, they may require your original Birth & Marriage Certificates from you. The details in this respect will be confirmed in due course.

We just would like to make you aware that the scheme may require them when we are submitting the relevant transfer forms to the Amex Pension Scheme.

Finally, please note that it is against HMRC rules to take benefits from a pension plan before age 55. Under FCA rules, this also extends to cash incentives or loans made in conjunction with investments arranged within pension plans. We cannot therefore condone any such action, which may affect our authorisation and so our ability to trade. By signing this letter, you are confirming that you are not intending to take any such 'kick-back'.

### **Adviser Remuneration**

As you are aware from your discussions with David, we will all be remunerated by a payment from the new plan we arrange. HDIFA receives a payment from the provider, which is deducted from the plan once it has been established and the transfer completed.

We will then deduct our fee from this, from which we are obliged to make a payment to Financial Solutions Midhurst Limited (FSML), via which HDIFA is authorised. That arrangement is commercially agreed and fixed for all business undertaken by HDIFA and represents the cost of authorisation enabling HDIFA to undertake this business.

HDIFA will then make a payment to David of Knight Parker for their involvement in this process.

Our Adviser Remuneration is formatted in bands, as follows:

<b>Transfer Value</b>	<b>Fee</b>
On the first £150,000 (note minimum of £100,000)	2%
On the next £350,000 (i.e. £150,000 to £500,000)	1%
On the next £500,000 (i.e. £500,000 to £1m)	0.5%
On the remainder (i.e. £1m plus)	0.25%

Based on the total Transfer Value of £551,092.77, and the table above, our fee will be £6,755.46. The final amount will depend on the actual Transfer Value, but the basis is as outlined above.

As noted previously, that will be included in the total Adviser Remuneration and the following table confirms that and how it will be distributed:

<b>Total Adviser Remuneration</b>	<b>HDIFA Share (including FSML fee)</b>	<b>Knight Parker Share</b>
£9,510.92	£6,755.46	£2,755.46

Once the new plan is arranged the new provider will write to you. That paperwork, which is termed a cooling off notice, will confirm the Transfer Value received and provide an illustration of potential benefits together with details of the option to cancel the process. That document will include details of the gross payment due based on the actual Transfer Value received. We will not advise you of the final apportionment, but it will follow the same lines as set out above.

As David will be continuing to service the new plan after the transfer, they will agree arrangements with you regarding ongoing charges for that work.

## Process

We already hold substantial information about the Amex Pension Scheme. Once we have the other documentation which you will complete, sign and return to David during this meeting, we will prepare a formal report setting out our advice.

You will meet with David to discuss and review that report, which will confirm the recommendations with regard to transferring the benefits. If appropriate that report will also detail our recommended provider and why we feel they are most suitable for you. If you are in agreement with the recommendations, you will need to complete further documentation at that meeting to enable the transfer to actually proceed.

David will then return the completed documents to us at HDIFA. We will ensure we have all we need to proceed with the transfer. If any further paperwork or signatures are required, we will contact David to arrange for them to be completed at the earliest possible opportunity.

Once the documents are complete we will submit the application to the new provider. We will then liaise with the administrators of the Amex Pension Scheme and the new provider to arrange for the transfer of funds to be made as swiftly as possible. We will keep David informed of progress so that they can keep you updated at all times.

When the transfer monies have been received by the new provider, they will make payment of the Adviser Remuneration to HDIFA. We at HDIFA will then distribute that as described in detail above. At that stage our involvement in your retirement planning will cease.

David will then meet with you to arrange a change of agency, which is the paperwork enabling them to continue to review your new pension plan. They will also discuss and agree the appropriate investments and future monitoring and servicing arrangements. As noted previously those will be paid for at least in part by the ongoing Adviser Remuneration payments from the new provider.

Assuming that you are in agreement with everything set out in this letter regarding our requirements, the Adviser Remuneration and this process, can you please sign below, initial each page and return to us together with the requested documents.

As a reminder the documents we need are:

- This letter signed accepting your agreement to the arrangements outlined including our fees.
- Terms of Business signed accepting our standard terms and conditions.
- Pension Review Questionnaire completed and signed confirming your personal needs and wishes etc.
- Verification of your Identity i.e. Passport/driving licence & 1 utility bill.

If you have any queries or concerns, please do not hesitate to contact us.

Yours sincerely

A handwritten signature in green ink, appearing to read 'Heather Dunne'.

Heather Dunne ACII FPFS  
**Chartered Financial Planner**

Enclosures

*Terms of Business*

*Pension Review Questionnaire*

***Please sign, date, and return this letter as confirmation that you  
both understand and agree the content,  
most specifically that you accept and agree to the Adviser Remuneration as follows:***

<b>Total Adviser Remuneration</b>	<b>HDIFA Share (including FSML fee)</b>	<b>Knight Parker Share</b>
£9,510.92	£6,755.46	£2,755.46

**Sign**\_\_\_\_\_

Lisa Jones

**Date**\_\_\_\_\_