

The Benefits

Block Transfers

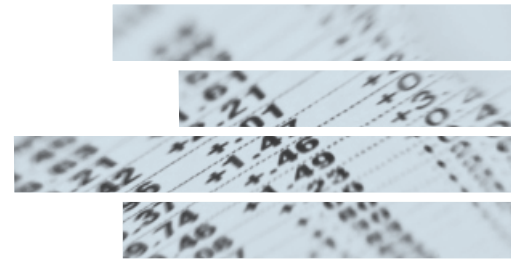
Non-protected rights monies

Features

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Where an individual transfers from a scheme, under which he/she has an entitlement to scheme specific lump sum protection or a protected pension age, such protection is lost unless the transfer is part of a Block Transfer.

Aside from the standard conditions that apply to Block Transfers, due to the nature of the James Hay scheme there are several considerations that must be given when using the Block Transfer rule to transfer into a James Hay SIPP.



Block Transfers

Conditions applying to Block Transfer

1. A Block Transfer is 'the transfer in a single transaction of all the sums and assets held for the purposes of (or representing accrued rights under) the arrangements under the pension scheme from which the transfer is made, which relate to the member in question and at least one other member of that pension scheme' (Definition of a Block Transfer as taken from the Registered Pension Schemes Manual (RPSM)).
2. Before the transfer, the member must not have been a member of the receiving scheme for more than 12 months. In this context a member includes any member who is already in receipt of pensions under the scheme.
3. All benefits under the scheme must be taken at the same time.

Considerations regarding the James Hay SIPP

Condition 2 above can create a problem that is specific to James Hay.

In the past some Life Offices "badged" the James Hay scheme and marketed it as though it were their own, whereas in reality they were just using our scheme (The James Hay Personal Pension Plan). This practice has changed since 6 April 2006; however, there are still existing SIPPs administered by James Hay that were set-up under these agreements. It is this situation that can create problems when the same member comes to open up a James Hay SIPP product and wants to make a block transfer.

For example an individual who is considering transferring benefits from his employer's occupational scheme to James Hay's SIPP could find that he/she is already a member of the James Hay Personal Pension Plan by virtue of membership of a Life Office plan that was opened prior to 6 April 2006, and therefore has already been a scheme member for more than 12 months. This means they cannot transfer to James Hay under the block transfer rules as it falls foul of the 2nd condition (as stated above).

Condition 3 also has a specific impact on how a member takes benefits i.e. in order to preserve protection a member cannot phase the taking of benefits under the Block Transfer SIPP or under any other James Hay SIPP.

Additional points

A Block Transfer is held under a separate James Hay SIPP, which cannot accept any further transfer values or any contributions.

All James Hay SIPPs are held under the same scheme, The James Hay Personal Pension Plan.

See the following Frequently Asked Questions for further information on Block Transfers.

Frequently Asked Questions

- Q1** I already have a SIPP with James Hay, of which I have been a member for more than 12 months; can I make an additional transfer to a new James Hay SIPP under the Block Transfer rules?
- A1** No. All James Hay SIPPs are set up under the same scheme and the legislation states you cannot transfer using the Block Transfer rules once you have already been a scheme member for more than 12 months.
- Q2** I already have a SIPP with James Hay, of which I have been a member for less than 12 months; can I make an additional transfer under the Block Transfer rules and add it to this existing SIPP?
- A2** Whilst it is possible to make the transfer to our scheme, our systems require a separate SIPP to be opened to accommodate these monies. If the existing SIPP already has scheme specific protection lump sum or a protected pension age further advice should be obtained before proceeding.
- Q3** If I've already joined the scheme, have been a member for less than 12 months, but I have already crystallised my existing plan, are there any problems in opening a new SIPP for the Block Transfer?
- A3** Whilst you can open a new SIPP to receive the Block Transfer monies, as you have already crystallised your existing SIPP the scheme specific protection afforded by the transfer will be lost.
- Q4** As the Block Transfer is held in a separate James Hay SIPP, can I take phased drawdown on any Non-Block Transfer monies after I've completed all the transfers?
- A4** If you choose to take phased drawdown on either SIPP this will invalidate the protection afforded by the Block Transfer.
- Q5** I have transferred under the Block Transfer rules and my transfer 'buddy' has subsequently cancelled their transfer within the cooling off period, does this affect the protection afforded to me?
- A5** No, as long as the initial transfer was compliant with the Block Transfer rules, subsequent actions by a transfer buddy do not affect the other members.
- Q6** My transfer 'buddy' has invalidated their protection; does this affect me in anyway?
- A6** No, please see information in the previous answer

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This fact sheet issued by the James Hay Technical Support Unit for use in connection with the James Hay SIPP. No responsibility to any third party is accepted if the information provided in this document is used for any other purpose. This fact sheet is based on our understanding of current UK legislation and HMRC practice.

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