

TECHNICAL NOTE

RECOGNISED TRANSFERS

Scottish Widows Platform

For Professional Advisers only

Pension rights can be transferred to another pension scheme without unauthorised payments tax charges if the transfer is a recognised transfer.

Recognised transfers

A recognised pension transfer is a transfer from a UK registered pension scheme to another UK registered pension scheme, or to a qualifying recognised overseas pension scheme (QROPS).

Transfers in specie

An in specie transfer is where assets (e.g. insurance policies, shares, property) are transferred directly from one pension scheme to another. HMRC allow in specie transfers between registered pension schemes but it may not always be possible to undertake such a transfer to or from a particular scheme.

Reporting transfers

If there are any transfers from a registered pension scheme to a QROPS the scheme administrator must report these to HMRC in the annual event report form. Transfers between UK registered pension schemes do not need to be reported to HMRC in the annual event report form (but they would need to be reported in a registered pension scheme return if HMRC asked the scheme administrator to complete one).

HMRC limits

Transfers do not count towards the HMRC limits on payments into registered pension schemes, whether the member's tax relief limit or the annual allowance.

Lifetime allowance

A transfer to a QROPS is a Benefit Crystallisation Event which triggers a lifetime allowance test. This means that the amount transferred out to the QROPS has to be tested against the member's lifetime allowance when the transfer is made. Transfers between UK registered pension schemes do not trigger a lifetime allowance test unless benefits are immediately taken under the receiving scheme.

Partial transfers

A partial transfer is where only a portion of the fund is transferred to a new scheme and the rest of the fund remains in the existing scheme. Partial transfers can only be made if the scheme rules allow. If your fund includes funds designated to drawdown, that portion cannot be partially transferred.

Split transfers

A split transfer happens where all of the fund is transferred out and is subsequently split across a number of different schemes. Split transfers can be made if the scheme rules allow.

**For more information on the Scottish Widows Platform, please contact your consultant.
We may record or monitor calls to improve our service.**



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Every care has been taken to ensure this information is correct and in accordance with our understanding of the law and HM Revenue & Customs practice, which may change.

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