



## Trustees should alert DB members of risk of doing transfers during COVID-19 outbreak

**The Pensions Regulator (TPR) has issued guidance advising trustees to send a communication to Defined Benefit (DB) members, who are looking to transfer retirement funds, to alert them to the risks of doing this during the current outbreak of Coronavirus (COVID-19), and to remind them to carefully consider the decision.**

The communication should warn members that a transfer from a DB to a Defined Contribution (DC) scheme is unlikely to be in their best long-term interests at the current time.

The Pension Regulator's Chief Executive, Charles Counsell, said:

*"We are determined to do all we can to protect savers' retirements from the unprecedented impact of COVID-19.*

*A decision to transfer a pension pot that's taken a lifetime to build is a very serious one and we'd urge members to be very, very careful making any transfer decisions at this time.*

*That's why for the foreseeable future, anyone who is looking to transfer their benefits out of their DB scheme should be sent a new warning letter to make them stop and think as well as point them towards free, impartial guidance available from The Pensions Advisory Service."*

Trustees should alert members to the risks and support members to make an informed decision in the following ways:

- Provide appropriate warnings of the risks and implications of their chosen option (this is required where members are seeking to access DC benefits).
- Read the guidance from the Financial Conduct Authority (FCA) which can help you to outline the types of risks members should keep in mind.
- Encourage members to take regulated independent financial advice to understand their options.
- Encourage members to ask questions of their financial adviser to identify any increased risks associated with how the member has decided to access their pension funds.
- Highlight the free and impartial pensions guidance offered by Pension Wise, including telephone appointments and online information.

*If you have any queries please contact your usual 44 Consultant or email [admin@44benefits.co.uk](mailto:admin@44benefits.co.uk)*

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