



FINANCIAL MARKETS ARE IN TURMOIL AT THE MOMENT DUE TO THE GLOBAL CORONAVIRUS PANDEMIC

As a response to this The Pensions Regulator, Financial Conduct Authority and Money and Pensions Service have taken the unprecedented step of producing a letter warning pension scheme members about the dangers of transferring their defined benefit pension to a defined contribution arrangement.

The letter asks members to be very careful when considering transferring their pension as stock markets have fallen and are likely to go down for some time

They add that should anyone be approached and offered a transfer service it is most likely a scam and individuals should be extremely vigilant. Also they are unusually explicit in stating:

"transferring out of a DB pension scheme into a different type of pension arrangement is unlikely to be in your best long-term interests as you'll be giving up a valuable level of predictability in your retirement income. You will also give up the protection that is offered by the Pension Protection Fund (PPF), in case your employer becomes insolvent"

It is therefore really important that members get guidance or advice before making a decision.

Trustees have been asked to issue this letter to any members who ask to transfer their pension.

**The PPF has a duty to protect people with an eligible DB pension when an employer becomes insolvent and will compensate you in those circumstances.*

Please remember that you can't change your mind once you've transferred out of a DB pension.

**Nothing is more important than a decent pension in retirement –
Pensions, your pay when you retire!**

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