

SI 2013/2734 The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013

Regulation	The regulation applies where:	Info to be provided	When and how the information should be provided
<p><b>Regulation 18A –</b> Info to be given upon request and when the member provides certain information</p>	<p>a) the member has the <a href="#">opportunity to transfer flexible benefits</a>; and                      b) (i) the member requests information about what they can do with the <a href="#">flexible benefits</a>, or                      (ii) the member informs the managers of the scheme they are considering, or have decided, what to do with <a href="#">flexible benefits</a>; and                      c) (i) the member will reach normal Minimum Pension Age (MPA) within 4 months of making the request, or informing the managers of the scheme they are considering, or have decided, what to do with <a href="#">flexible benefits</a>; or                      (ii) the member has reached normal MPA; or                      (iii) the member meets the <a href="#">ill health condition</a>; and                      d) The member has not been given the information under this regulation or under reg 19 (first information on accessing benefits) in the previous 12 months.</p>	<p>- Statement of the options available to the member under the scheme rules; and                      - Information listed in <a href="#">Part 3 of Sch 7</a> and <a href="#">Sch 10</a></p>	<p>The information must be provided within two months of the member making the request, or informing the scheme manager that they are considering, or have decided, what to do with <a href="#">flexible benefits</a></p>

Regulation	The regulation applies where:	Info to be provided	When and how the information should be provided
<p><b>Regulation 18B –</b> Info to be given on communicating with a</p>	<p>a) the member has the <a href="#">opportunity to transfer flexible benefits</a>; and                      b) (i) the managers of the scheme contact the member, or</p>	<p>a) the info listed in paragraphs <a href="#">1.4 and 5 of Sch 10</a>                      b) the info listed in paragraphs <a href="#">2 and 3 of Sch 10</a> (unless the</p>	<p>- The info may be provided verbally unless the member requests it in writing</p>

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<p>member about what the member may do with flexible benefits</p>	<p>(ii) the member contacts the managers of the scheme in connection with what the member may want to do with the <a href="#">flexible benefits</a>; and</p> <p>c) (i) the member will reach normal Minimum Pension Age (MPA) within 4 months of the contact being made; or (ii) the member has reached normal MPA; or (iii) the member meets the <a href="#">ill health condition</a></p>	<p>managers of the scheme (i) give the information under this regulation verbally, and (ii) offer information about how to access <a href="#">pensions guidance</a> but the member declines</p> <p>c) Where info under Reg 18A hasn't been provided in the previous 12 months, a statement must be provided confirming that – (a) the member may request info about (i) the <a href="#">flexible benefits</a> that may be provided (ii) the member's opportunity to transfer those benefits, and (iii) the options available under the scheme rules, and (b) the information may help the member decide what to do with <a href="#">flexible benefits</a>.</p>	<ul style="list-style-type: none"> <li>- The Info must be provided within 20 days of the scheme manager contacting the member or the member contacting the managers of the scheme about what to do with <a href="#">flexible benefits</a> or within 20 days of the request for the information to be provided in writing, whichever is later</li> <li>- No info is required where –             <ul style="list-style-type: none"> <li>(i) the member informs the managers of the scheme that they have accessed <a href="#">pensions guidance</a> in the last 12 months</li> <li>(ii) the member informs the manager of the scheme that they have received independent financial advice in the last 12 months about what to do with <a href="#">flexible benefits</a></li> <li>(iii) the managers of the scheme have given, or are required to give, the info under 18A in the 2 months prior to the contact mentioned above</li> </ul> </li> </ul>
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Regulation	The regulation applies where:	Info to be provided	When and how the information should be provided
<p><b>Regulation 19 –</b> First information on accessing benefits</p>	<p>Where the member has a right or entitlement to <a href="#">flexible benefits</a></p>	<ul style="list-style-type: none"> <li>- Where the member has been given information under reg 18A in the 12 months before the date the managers of the scheme give info under this regulation:                             <ul style="list-style-type: none"> <li>a) a statement that the member has been given info about (i) the <a href="#">flexible benefits</a> that may be provided to the member (ii) the member's opportunity to transfer those benefits; and (iii) the options available to the member under the scheme rules; and</li> <li>b) the info listed in paragraph <a href="#">1 to 9 of Sch 10</a></li> </ul> </li> <li>- In any other case (i) a statement of the options available under the scheme rules; and (ii) where the member has the opportunity to transfer those <a href="#">flexible benefits</a> – the information listed in <a href="#">Part 3 of Sch 7</a> and <a href="#">Sch 10</a></li> </ul>	<p>At least 4 months before –</p> <ul style="list-style-type: none"> <li>- Where there is a <a href="#">retirement date</a>, that date, or</li> <li>- Where there is no <a href="#">retirement date</a>, the date the member attains normal pension age</li> </ul> <p>Where the interval between the date on which the <a href="#">retirement date</a> is specified and the date the benefits will become payable is less than 4 months, the info must be given within 20 days of the date on which the <a href="#">retirement date</a> is specified.</p>

Regulation	The regulation applies where:	Info to be provided	When and how the information should be provided
<p><b>Regulation 19A –</b> Retirement risk warnings</p>	<p>Subject to the circumstances listed in the final column a retirement risk warning must be given where the member is given –</p> <ul style="list-style-type: none"> <li>a) information in accordance with reg 18A, 18B or 19 or the member has been given such info previously; and</li> </ul>	<p><u>The retirement risk warning</u></p> <ul style="list-style-type: none"> <li>a) a statement that sets out the characteristic attributes and features of an annuity, lump sum and <a href="#">drawdown pension</a> and the factors listed in e) below.</li> </ul>	<p>At the same time as the member is provided with the method of access (application form, online access etc) and before any the actions are concluded (e.g. purchase of</p>

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	<p>b) an application form, online access, info about access or any other method of access that enables the member to take any of the actions below:</p> <p>(i) application of assets or sums held for the purpose of providing <a href="#">flexible benefits</a> to buy an annuity</p> <p>(ii) payment of a lump sum in respect of <a href="#">flexible benefits</a></p> <p>(iii) designation of sums or assets held for the purpose of providing <a href="#">flexible benefits</a> as available for the payment of <a href="#">drawdown pension</a></p>	<p>b) the statement must be generic in nature and not tailored to or based on the personal circumstances of any individual member;</p> <p>c) the statement may be limited to the characteristic attributes and features of an annuity, lump sum or <a href="#">drawdown pension</a> in respect of which the scheme managers are giving the member a method of access</p> <p>d) characteristic attributes and features are those that have the potential to adversely affect the retirement income of any member or their widow, widower, surviving civil partner, nominee, successor or other dependant; and;</p> <p>e) the factors are those that have the potential to affect the appropriateness of an annuity, lump sum and <a href="#">drawdown pension</a> for a member such as: the impact of health status and lifestyle choices; whether a member has dependants, is in debt or in receipt of means tested benefits; and any other relevant factors.</p> <p>When giving a retirement risk warning to a member, the managers of the scheme must also give the</p>	<p>annuity, payment of lump sum or <a href="#">drawdown pension</a>)</p> <p>A retirement risk warning need not be given:</p> <p>(i) for any specific action (annuity, lump sum, <a href="#">drawdown pension</a>) if a risk warning has been provided for that action in the previous 12 months</p> <p>(ii) where an <a href="#">appropriate risk warning</a> has been provided before any of the actions described above are concluded; an <a href="#">appropriate risk warning</a> must be given either verbally or in writing.</p> <p>The provision of an <a href="#">appropriate risk warning</a> only applies where the managers of a scheme have –</p> <ul style="list-style-type: none"> <li>- asked the member whether they have received <a href="#">pensions guidance</a> or independent advice; and</li> <li>- if the member has not received such guidance or advice, or is unsure, encouraged the member to use <a href="#">pensions guidance</a> or to take independent advice to understand the options</li> </ul>
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		member a statement that asks the member to note the importance of— (a) reading the retirement risk warning ; and (b) accessing <a href="#">pensions guidance</a> or independent advice.	available to that member at retirement.
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Regulation	The regulation applies where:	Info to be provided	When and how the information should be provided
<b>Regulation 20 –</b> Second information on accessing benefits	Where a benefit under the scheme has, or is about to, become payable to the person	The information listed in - <a href="#">Paras 6 to 9 of Sch 7</a>	- where benefit becomes payable on or after normal pension age before benefit becomes payable, if practicable and in any event within one month after benefit becomes payable, or - where benefit becomes payable on a date before normal pension age, within two months of that date.

Regulation	The regulation applies where:	Info to be provided	When and how the information should be provided
<b>Regulation 21 –</b> Accessing benefits on the death of the member or beneficiary	Where the managers of the scheme are aware that— (a) a member or beneficiary of the scheme has died, and (b) a person may be entitled to exercise rights or options under the scheme as a result of that death.	<a href="#">Part 1</a> and <a href="#">paragraphs 8 to 10</a> of Schedule 7 where the person named in (b) to the left has an opportunity to select an annuity,  <a href="#">Part 2 of Schedule 7</a> in any other case, and	The info must be given to the person entitled to exercise rights or options under the scheme, if that person is at least 18 years old and the trustees or managers of the scheme know their postal or electronic address, and

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	<p>This regulation applies where a member has taken out an AVC to provide life cover for a survivor's pension and that member dies in service.</p>	<p><a href="#">Part 1 to Schedule 10</a></p>	<p>subject to the paragraph below, a person who is—</p> <ul style="list-style-type: none"> <li>(i) a personal representative of the member or beneficiary of the scheme, or</li> <li>(ii) authorised to act on behalf of the person referred to in paragraph entitled to exercise rights or option under the scheme.</li> </ul> <p>For the purposes of the above paragraph, the information—</p> <ul style="list-style-type: none"> <li>(a) must be given only where the personal representative or the person authorised to act requests it, and</li> <li>(b) need not be given where a request is made within three years of the same information being given under this regulation to the same person in the same capacity.</li> </ul> <p>The information must be given as soon as possible and in any event within two months of—</p> <ul style="list-style-type: none"> <li>(i) the date on which the trustees or managers of the scheme become aware of the death, or</li> <li>(ii) the request from the personal representative or the person authorised to act on behalf of the person entitled to</li> </ul>
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			exercise rights or options under the scheme
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### Part 1 of Schedule 7

- 1 A statement that the person has an opportunity to select an annuity.
- 2 A statement that the person has an opportunity to select the provider of the annuity.
- 3 A statement that different annuities have different features and different rates of payment including annuities that provide—
  - (a) the same payments every year,
  - (b) increasing payments every year,
  - (c) payments only for the person,
  - (d) payments for the person's spouse or civil partner,
  - (e) a guarantee on the early death of the person.
- 4 Either—
  - (a) an explanation of the characteristic features of the annuities referred to in paragraph 3, or
  - (b) a copy of guidance giving that explanation that has been prepared or approved by the Regulator.
- 5 A statement that the person should consider taking advice about which annuity is most suitable for them.

### Part 2 of Schedule 7 - Information on accessing benefits for members and survivors

- 6 The amount of benefit that is payable.
- 7 If benefit is payable periodically—
  - (a) any conditions for continuing to make the payments, and
  - (b) any provisions which would allow the payments to be altered.
- 8 Any rights and options that persons have on the death of the member or beneficiary of the scheme.
- 9 Any procedures for exercising the rights and options referred to in paragraph 8.
- 10 The provisions (or, as the case may be, a statement that there are no provisions) under which the pension payable to the survivor of a member or beneficiary of the scheme may or will be increased and the extent to which such increases are dependent on the exercise of a discretion.

### Part 3 of Schedule 7

- 11 A statement that the member has an opportunity to transfer *flexible benefits* to one or more different pension providers.
- 12 A statement that different pension providers offer different options in relation to what the member can do with the *flexible benefits*, including the option to select an annuity.
- 13 A statement that different options have different features, different rates of payment, different charges and different tax implications.

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14 Either—

- (a) a copy of guidance that explains the characteristic features of the options referred to in paragraph 13 that has been prepared or approved by the Regulator; or
- (b) a statement that gives materially the same information as that guidance.

[Money Advice Service leaflet – your pension: it's time to choose](#)

### Schedule 10 - Information to be given on the Pensions Guidance and Members' Benefits

#### Part 1 Information on the pensions guidance

- 1 A statement that pensions guidance is available to help the person to understand their options in relation to what they can do with their flexible benefits.
- 2 A statement that the pensions guidance may be accessed on the internet, by phone, or face to face.
- 3 The phone number and website address at which the pensions guidance may be accessed and details of how the person may access the pensions guidance face to face.
- 4 A statement that the pensions guidance is free and impartial.
- 5 A statement that the person should access the pensions guidance and consider taking independent advice to help them decide which option is most suitable for them.

#### Part 2 Information on members' benefits

- 6 An estimate of the cash equivalent of any of the member's accrued rights to flexible benefits that—
  - (a) are transferrable rights; or
  - (b) would be transferrable rights if the member stopped accruing rights to some or all of the flexible benefits , calculated and verified in accordance with regulations 7 to 7E of the Occupational Pension Schemes (Transfer Values) Regulations 1996 (manner of calculation and verification of cash equivalents) on the basis that the member stopped accruing, or will stop accruing, those rights on a particular date.
- 7 An estimate of the value of any accrued rights to flexible benefits that the member may transfer out of the scheme under the scheme rules, in respect of which an estimate of the cash equivalent is not required to be given under paragraph 6, calculated in accordance with the scheme rules and actuarial assumptions on the date of the calculation.
- 8 The date by reference to which the estimate of the cash equivalent or value (as appropriate) is calculated.
- 9 An explanation that the cash equivalent or value (as appropriate) is an estimate and may not represent the exact amount available to the member to transfer to another pension provider.
- 10 In relation to the member's accrued rights to flexible benefits in respect of which there is an opportunity to transfer—
  - (a) details of any guarantee to which the benefits are subject; and
  - (b) details of any other features, restrictions and conditions that apply to the benefits that affect, or may affect, their value.
- 11 Where the member has a right or entitlement to benefits under the scheme that are not flexible benefits, that the member has that right or entitlement and how the member may access information about those benefits.



**Part 3 Further information**

**12** A statement that—

- (a) there may be tax implications associated with accessing flexible benefits;
- (b) income from a pension is taxable; and
- (c) the rate at which income from a pension is taxable depends on the amount of income that the person receives from a pension and from other sources.

**13** Where the member has accrued rights to flexible benefits that are not money-purchase benefits, has not reached normal pension age and does not satisfy the ill-health condition—

- (a) a statement that the value of the member's accrued rights to flexible benefits is likely to be lower if the member accesses the benefits before normal pension age; and
- (b) the age at which the member will reach normal pension age.

**An appropriate risk warning** is a statement—

- (i) that sets out the risks associated with any of the actions listed below that the member is proposing to require the trustees or managers of the scheme to take and that have the potential to adversely affect the retirement income of that member or their widow, widower, surviving civil partner, nominee, successor or other dependant; and
- (ii) that is based on the characteristic attributes and features of an annuity, lump sum or drawdown pension referred to in the actions below and answers to questions the trustees or managers of the scheme have asked the member in order to identify any factors or other variables that increase the risks referred to in paragraph (i).

The actions referred to in paragraph (i) above are—

- (a) the application of sums or assets held for the purpose of providing flexible benefits for purchasing an annuity;
- (b) the payment of a lump sum in respect of flexible benefits; or
- (c) the designation of sums or assets held for the purpose of providing flexible benefits as available for the payment of drawdown pension.

**Drawdown pension**— has the meaning given in paragraph 4 of Schedule 28 to the Finance Act 2004 (drawdown pension)

**Flexible benefits –**

- (a) money purchase benefit,
- (b) a cash balance benefit, or
- (c) a benefit, other than a money purchase benefit or cash balance benefit, calculated by reference to an amount available for the provision of benefits to or in respect of the member (whether the amount so available is calculated by reference to payments made by the member or any other person in respect of the member or any other factor).

**Ill health condition** – in this context the ill health condition is met if

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- (a) the scheme administrator has received evidence from a registered medical practitioner that the member is (and will continue to be) incapable of carrying on the member's occupation because of physical or mental impairment, and
- (b) the member has in fact ceased to carry on the member's occupation.

### **Opportunity to transfer flexible benefits** – in this context:

- (a) a member has an opportunity to transfer flexible benefits where –
  - the member —
    - (i) has transferrable rights in relation to flexible benefits; or
      - (aa) would have transferrable rights in relation to flexible benefits if the member stopped accruing rights to some or all of the flexible benefits (see sub-paragraph (b)); or
      - (bb) has an opportunity to transfer accrued rights to flexible benefits out of the scheme under the scheme rules; and the making of a transfer or transfer payment in respect of the flexible benefits is not prohibited by section 135(4)(a) of the 2004 Act (restrictions on winding up, discharge of liabilities etc.); or
    - (ii) the member has an opportunity to transfer accrued rights to flexible benefits out of the scheme under the scheme rules;
- (b) a member stops accruing rights to flexible benefits when there are no longer arrangements in place for the accrual of rights to those flexible benefits for or in respect of the member.

**Pensions guidance** means guidance given by a designated guidance provider (which has the meaning given in section 333E(1) of the Financial Services and Markets Act 2000 (designation of providers)) for the purpose of helping a member of a pension scheme, or a survivor of a member of a pension scheme, to make decisions about what to do with the flexible benefits that may be provided to the member or survivor;

**Retirement date** – for this purpose retirement date means the date specified by –

- a) the member to the managers of the scheme that is acceptable under the scheme rules, or
- b) the managers of the scheme where no acceptable date has been specified under a)