

## TRANSFERS INTO SIPPS

### **Can I transfer other pension assets into my MW SIPP?**

The answer is probably yes! If you have other pension assets, such as an old insurance pension policy, the odds are that you will be able to transfer it into your SIPP.

But we strongly recommend that you take advice from an IFA, because there are a number of issues that you need to consider and on which we cannot advise you – but a good IFA can and will:

- a) Is the insurance policy written legally in a way that will enable it to be transferred into your SIPP? Some older policies cannot be so transferred.
- b) Is the transfer value offered reasonable, given the likely investment return you would receive if you left it with the insurance company and your attitude to risk
- c) What penalties would be imposed by the insurer if you took the transfer value?

### **What about transferring pension assets from corporate pension schemes?**

These can usually be transferred to your SIPP, but in many ways the same questions as above apply and we strongly recommend you take advice from a suitable IFA.

There are other issues to consider, such as the covenant of the employer i.e. how likely are they to renege on their pension commitments? If they do, the Pension Protection Fund may become relevant – your IFA will advise on these aspects as well.

### **What about Protected Rights?**

Yes they can be transferred into a SIPP.

### **Why might I want to transfer assets to my SIPP?**

Usually it is because you will want to have more control over how the assets are invested, probably investing them in assets in which you (with the advice of your IFA) feel more comfortable and which you believe are likely to produce a better long term return, with acceptable risk. The assets in your SIPP are also wholly transparent – you know exactly what their value is, unlike say the value of a with profits insurance policy.

### **What about "in specie" transfers?**

Transfers can be "in specie" as well as being cash. For instance, if you already have another SIPP, you could transfer the assets held in that SIPP to your MW SIPP 2 as they are, i.e. without encashing them. Similarly, if you have benefits in a SSAS, you can transfer your share of the assets of the SSAS to your SIPP "in specie" eg if your assets are represented by a commercial property investment, you could transfer that property to your SIPP as a transfer payment.

### **Can benefits be assigned to my SIPP?**

Yes – for instance if you have a with profit insurance pension policy and there are unacceptable penalties on transferring it across as cash, you can (provided it is the right type of policy – your IFA will advise) assign it to your SIPP. This means that it continues to accrue future bonuses etc but will count as an asset of your SIPP if, for example, you wished your SIPP to borrow monies to make an investment. As an example, if you have £400,000 cash in your SIPP and a policy assigned to it worth £200,000, you could borrow £300,000 and so buy a commercial property worth £700,000.

### **What if I don't have a good pension IFA?**

We work with many good IFAs across the whole of the UK and would be happy to pass on details of suitable IFAs to you.

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