

# Is a transfer from your defined benefit pension scheme worthwhile?

SINCE THE UK INTRODUCED PENSION FREEDOMS in April 2015, the number of people transferring their pensions out of a Defined Benefit (DB) pension into an alternative pension type has increased significantly.

Darion Pohl, CEO, believes that there have been multiple reasons for this, including:

- Higher DB pension transfer values. Declining UK Gilt yields require DB schemes to set aside higher amounts for future pension obligations, which therefore leads to higher transfer values.
- Stronger equity markets leading higher risk profile investors to seek returns greater than provided by their DB scheme.
- Pensioners requiring extra flexibility on how they draw their pensions as opposed to being locked into an annuity.
- Death benefits and fund utilisation. Singles (who may not benefit from spouse's pensions) and those with below average health (not expected to reach average life expectancy) are examples who may receive greater value from a transfer.
- Emigrants may benefit from a comparatively favourable tax regime abroad.

DB pensions are however a valuable asset, guaranteeing inflation linked income for



life and should not be transferred without proper thought. Transfers are not always in your best interests and alternative pension returns cannot be guaranteed. Specialist advice is required for any DB (or safeguarded benefit) transfer over £30,000.

It is important that that you properly understand how best to have your pension set up for retirement, considering your aims, objectives and risk profile. A free, no obligation initial phone call is the first step to finding out.

With close to 20 years' experience on DB transfers and advice, PX Pension Exchange is well placed to assist.

**Contact PX Pension Exchange on 03300 947477, email [welcome@pensionexchange.com](mailto:welcome@pensionexchange.com) or visit [pensionexchange.co.uk](http://pensionexchange.co.uk)**

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