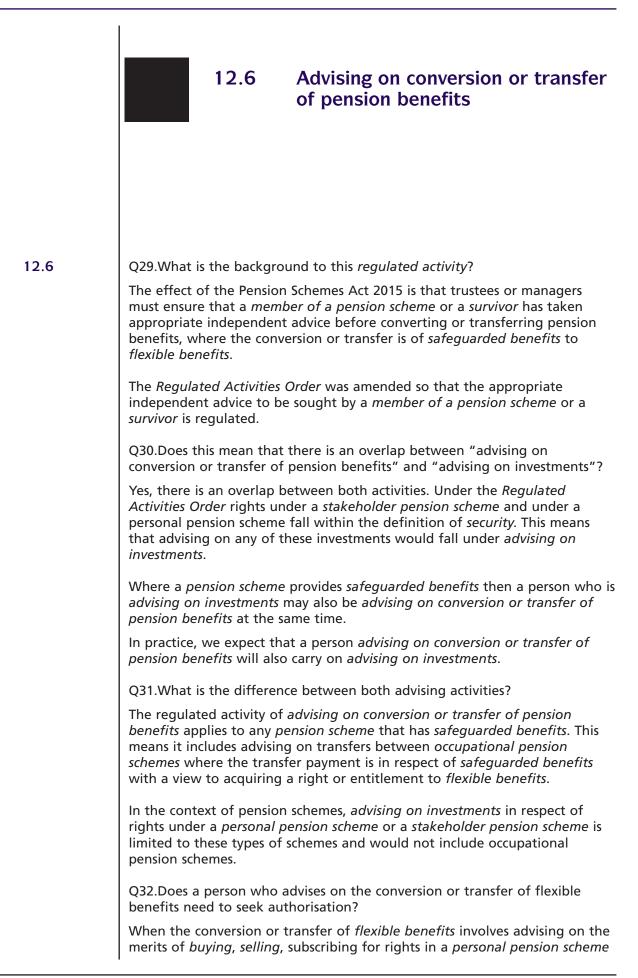
The Perimeter Guidance Manual

Chapter 12

Guidance for persons running or advising on personal pension schemes

PERG 12 : Guidance for persons running or advising on personal pension schemes



or in a *stakeholder pension scheme* or exercising any of these rights, either as the ceding scheme or the receiving scheme or both, then that would amount to *advising on investments* and authorisation is required. This is because the *regulated activity* of *advising on investments* applies in relation to rights under a *personal pension scheme* or rights under a *stakeholder pension scheme*.

When the conversion or transfer of *flexible benefits* involves occupational pension schemes only and is not in respect of *safeguarded benefits*, then no regulated activity is being carried on.

For example, advice on the switching of *flexible benefits* between *defined contribution occupational pension schemes*. Similarly, advice on an *uncrystallised funds pension lump sum* payment out of a *defined contribution occupational pension scheme* is not regulated.

Q33. Does a guaranteed annuity rate (GAR) mean that a pension policy has a safeguarded benefit?

In our opinion, a pension policy with a GAR has a safeguarded benefit and a person advising on it may be advising on conversion or transfer of pension benefits.

Q34.Can advising on conversion or transfer of pension benefits be carried on in respect of any other *specified investments*?

No, the only specified investment relevant for advising on conversion or transfer of pension benefits is rights or interests under a pension scheme which provides safeguarded benefits.

It should be noted that rights or interests under a pension scheme which provides *safeguarded benefits* is a specified investment exclusively in respect of *advising on conversion or transfer of pension benefits* and not any other *regulated activity*.

Q35. When does a *firm* advise on conversion or transfer of pension benefits when it provides triage services?

The table in **PERG 12** Annex 1G includes examples of when a *firm* is and is not *advising on conversion or transfer of pension benefits* when it has an initial "triage" conversation with a potential customer. The purpose of triage is to give the customer sufficient information about *safeguarded benefits* and *flexible benefits* to enable them to make a decision about whether to take *advice on conversion or transfer of pension benefits*.