

Intelligent Pensions - Referral Process For Phased/Drawdown Cases Instructions To Introducers – A 10 Point Plan To Successful Business

1. Initial Enquiry

Once a possible drawdown client has been identified request a client pack from Intelligent Pensions via our website at www.ipifa.com or by fax on 0141 332 3596 or by e-mail to intelpen@msn.com confirming your contact details, network membership (if appropriate) and the client's name.

The client pack contains: the Managed Retirement Account Brochure and information gathering forms - IP Fact Find, 2 x BR19 Forms (for obtaining State Pension Forecasts), sample Policy Information Form (form P2), Authority Mandate and Money Purchase Scheme Information form. Alternatively, to save time, you can download these forms including the BR19 forms direct from the website (see section "Additional Information – Document Downloads" in the Info for IFAs part of the site).

2. Information Gathering

Send one individual copy of the Policy Information Form (P2) for each one of the client's existing pension policies to the relevant insurance companies for completion and return to you. Arrange for your client to complete the IP Fact Find, BR19 Forms (for each spouse), Authority Mandate and Money Purchase Scheme Information (this is only required for clients who are directors of private companies or who have been in the last ten years or people over age 45 who have earned more than the earnings cap in the last 6 years) and return these to Intelligent Pensions. Where any benefits are held in a final salary scheme the details should be confirmed on the Authority Mandate (along with a list of the individual policies for which you have issued forms). We will obtain all the required information on final salary (defined benefit) schemes from the scheme trustees direct.

Intelligent Pensions then issues a Terms of Business to client for signature and return.

Chase up insurance companies as necessary for Policy Information Forms – these need to be returned to us before the first meeting is held. Once the details have been checked we will make any further enquiries that are necessary direct to the companies concerned.

3. Consultation Process

On receipt of Terms of Business, Fact Find, BR19s and Policy Information Forms an IP consultant will contact you to arrange a date for a consultation meeting with your client. You should allow at least 2 hours for this meeting. At the start of the meeting our consultant will explain the process to your client in particular that IP is responsible for all aspects of the advice relating to the establishment of the pension arrangements. The client needs to sign our Roles & Obligations document and this is countersigned by you and our consultant. (See copy on our website). ***This is essential for compliance purposes and no advice can be given until the document is signed.***

Our consultant will then explain the retirement options available and then construct a computer-based model of your client's financial position. This allows us to analyse your client's requirements in detail and design the most appropriate structure of benefits to meet his or her objectives. Once the client is happy with the structure the model is stored for reporting purposes and to enable us to undertake future reviews.

4. Due Diligence Assessment

Prior to issuing our report we will complete our “due diligence” assessment on each of the client’s existing benefits to check for any material disadvantages on transfer. This covers such things as transfer penalties, tax free cash certification, GN11 tests, guaranteed annuity rates etc. and for benefits from final salary schemes a full Transfer Analysis and Report. We report the results of these assessments to you and your client confirming in each case whether the plan passes or fails our transfer criteria and the reasons why.

5. Report and Recommendations

Having completed our analysis of both the client’s financial objectives and their current pension arrangements we then issue our final report and recommendations. This includes the proposed investment strategy which is geared to each client’s individual needs taking account of their age, their level of dependence on the pension benefits, their attitude to risk and the profile of their benefits derived from the computer model. Assuming our advice is to set up a phased/drawdown plan (and not to buy an annuity) then once we receive the client’s confirmation to proceed we arrange the transfer of the existing benefits before setting up the investments.

6. Setting Up The Plan

Setting up the phased/drawdown plan involves two separate stages. We arrange for the client’s existing benefits to be transferred to the SIPP and held on high interest deposit until all the funds are received. We then implement the investment strategy by obtaining the client’s detailed written instructions to you to place the various investments that make up the initial portfolio. The format of these instructions has been carefully worked out and checked by the Financial Services Authority to ensure that it meets all the requirements for “execution only” business, reflecting the fact that you are not giving the advice.

7. Commission Settlement

All investments are transacted through your agencies with product providers in the normal way. Prior to implementation of the investment arrangements we notify the client of the rates of commission (i.e. “soft” disclosure) that will be paid on the basis of what you have agreed with the investor. Once you have submitted the investment forms you are then required to provide formal commission disclosure (“hard” disclosure) in accordance with PIA Rules. This will be in the form of client specific key features illustrations or (where the product provider does not supply client specific KFIs) in the prescribed alternative format for which we provide you with a template.

8. Annual Reviews

Each year we will carry out a full review of the arrangements with you and your client. This involves updating the client’s retirement model to take account of changes in fund values, market conditions and personal financial objectives. The revised analysis will enable your client to see whether or not he is still on course to meet his objectives or whether any adjustments need to be made. Following the annual review a Review Report is issued recording any changes and showing the revised projections so that you and your client are kept fully in touch with the plan as it develops.

9. Quarterly Monitoring

In addition to a full annual review of the plan and reassessment of your client’s objectives we also undertake quarterly analysis of the investments. This enables us to identify gains which can be “captured” throughout retirement thereby progressively consolidating the client’s financial position. This sophisticated monitoring system enables us to maintain a suitable balance of investment risk based on the investor’s evolving needs and identifies which funds to use to meet the withdrawal benefits to the client’s best advantage. The system will also identify suitable opportunities to buy annuities so that as the client progresses towards age 75 his long term financial position will already be partly secured rather than leaving everything to the mercy of market conditions in the final year.

10. Keeping You Informed

Throughout all our processes we ensure that IFA introducers receive copies of all reports and reviews. In addition, your firm will have direct telephone access to our administration team who you can contact at any time to obtain an update on any currently developing cases.

Intelligent Pensions Ltd.
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