

Pension sales ideas

February 2009



At our recent nationwide pension seminars, I focused on five pension sales ideas. While the angles are different, the common thread across all ideas is that you can generate business without your client having to write a cheque.

Remember that as Standard Life Ireland operates as a branch of our UK parent company, our policyholders are covered by the UK's Financial Services Compensation Scheme (FSCS). This means that when your clients take out a pension or an investment with Standard Life Ireland, their policy is protected by the FSCS, which covers:

- 100% of the value of your policy up to £2,000, plus
- 90% of the balance without limit

This policyholder protection applies to all policies taken out since 1 December 2001 whether your clients' investment choice is property, funds, fixed term deposits, shares or exchange traded funds.

There is no equivalent Irish compensation scheme.



A handwritten signature in black ink that reads "Jim Connolly". The signature is written in a cursive style and is positioned above a horizontal line.

Jim Connolly
Head of pensions, Standard Life

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Sales idea number one

Transferring deferred benefits in defined contribution schemes to buy out bonds (BOBs)

John has pension benefits from an employment he left a number of years ago. His benefits are administered by a pension provider and trustees he didn't select; his funds are invested in a default investment strategy that he didn't choose and the benefits are controlled by trustees, with whom he has no relationship. John is also concerned that the maximum benefit that can be paid out of this scheme is four times his salary at the time of leaving the company.

Did you know that...

Transfers from a defined contribution (DC) scheme to a BOB are permitted by the Revenue. The transfer doesn't have to take place on leaving service but can take place at any time.

What's in it for your client:

- Death benefit in a DC scheme is limited to four times salary, whereas with a BOB, the full value of the fund is paid out to your client's estate
- Your client can control their investment by selecting a pension provider and an investment of their choice
- By selecting a Synergy Buy Out Bond with Standard Life, your client will benefit from the FSCS policyholder protection

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Sales idea number two

Transferring preserved benefits already in BOBs

Mary previously worked for a company and the company's pension scheme was wound up. The trustees of that scheme transferred her preserved benefits in a bulk arrangement to a BOB. Mary's fund is invested in a default strategy she didn't select and she is with a pension provider and a financial adviser she has no relationship with.

Did you know that...

BOB to BOB transfers are permitted by the Revenue. This creates a sales opportunity with many of your clients who may have not paid much attention to their previous pension benefits.

What's in it for your client:

- Your client can control their investment by selecting a pension provider and an investment of their choice
- Your client can benefit from professional advice and an ongoing working relationship with a financial adviser they choose
- By selecting a Synergy Buy Out Bond with Standard Life, your client will benefit from the FSCS policyholder protection

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Sales idea number three

Consolidating existing personal pension portfolios

Dave has more than twenty different personal pension policies taken out with different pension providers and brokers over the years. As a result, his financial reviews are very time consuming and bureaucratic; he's also paying multiple policy and administration fees.

Did you know that...

Personal pension to personal pension transfers are permitted by the Revenue. Transferring all existing personal pension policies into one can often make sense. While Revenue rules allow personal pension to PRSA transfers, PRSA providers don't always offer commission.

What's in it for your client:

- Your client can benefit from the convenience of dealing with one financial adviser
- They also benefit from selecting a pension provider with a greater range of investment options
- Multiple policy fees are eliminated and administration costs are reduced
- By selecting a Synergy Personal Pension with Standard Life, your client will benefit from the FSCS policyholder protection

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Sales idea number four

Reviewing existing ARF portfolios

Jane took out an ARF eight years ago. The legislation governing ARFs has changed since then, most notably with the introduction of the imputed distribution. ARFs now offer more investment choice and flexibility than the product Jane took out and her investment needs to be reviewed.

Did you know that...

ARF to ARF transfers (whole and partial) are permitted by the Revenue. This may be beneficial to clients who need to address liquidity issues for imputed distribution requirements or those who want to avail of different investment options.

What's in it for your client:

- Your client can transfer part or all of their existing ARF into a more flexible product with greater investment choice
- Liquidity issues can be addressed
- By selecting an ARF from Standard Life's Synergy range, your client will benefit from the FSCS policyholder protection

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Sales idea number five

Reviewing existing Small Self-Administered Schemes (SSASs)

Tom took out a SSAS several years ago, in order to access self-directed options for his pension fund. At that time there were no other products on the market offering such a diverse range of investment options. However, a self-directed pension policy can now offer a cheaper and more comprehensive solution than a SSAS and Tom's pension needs to be reviewed to establish what type of contract would suit him best.

Did you know that...

Although the main appeal of a SSAS was the wide range of investment options on offer, it's estimated that a lot of them are actually invested in cash. Transfers from a SSAS to an executive pension or BOB are permitted by the Revenue. This may be particularly beneficial to clients who are looking for a more efficient way of managing their self-directed pension and reducing administration costs.

What's in it for your client:

- Your client can gain enhanced control over their investment
- They can avail of increased flexibility and switch freely between different asset classes without the involvement of trustees
- Administration costs can be significantly reduced
- By selecting a Synergy Executive Pension with Standard Life, your client benefits from the FSCS policyholder protection

Important note

When considering these sales ideas, the financial consequences to your clients of replacing existing pension arrangements need to be taken into account.

Let's talk

If you'd like more information about these pension sales ideas or about other retirement planning opportunities, we'd like to hear from you.

Pension Solutions team

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