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Elevate help guide Flexi-Access Drawdown conversions & mergers

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Introduction

Consolidate Capped Drawdown and transfer-in Flexi-Access Drawdown pensions into a single Flexi-Access Drawdown arrangement.

Holding a single Flexi-Access Drawdown arrangement makes investment and income choices easier to manage and allows your clients greater flexibility in how they can take their pension benefits when planning retirement strategies.

This guide will show you how to;

- Convert existing or transferred-in Capped Drawdown arrangements
- Merge transferred-in Flexi-Drawdown arrangements.

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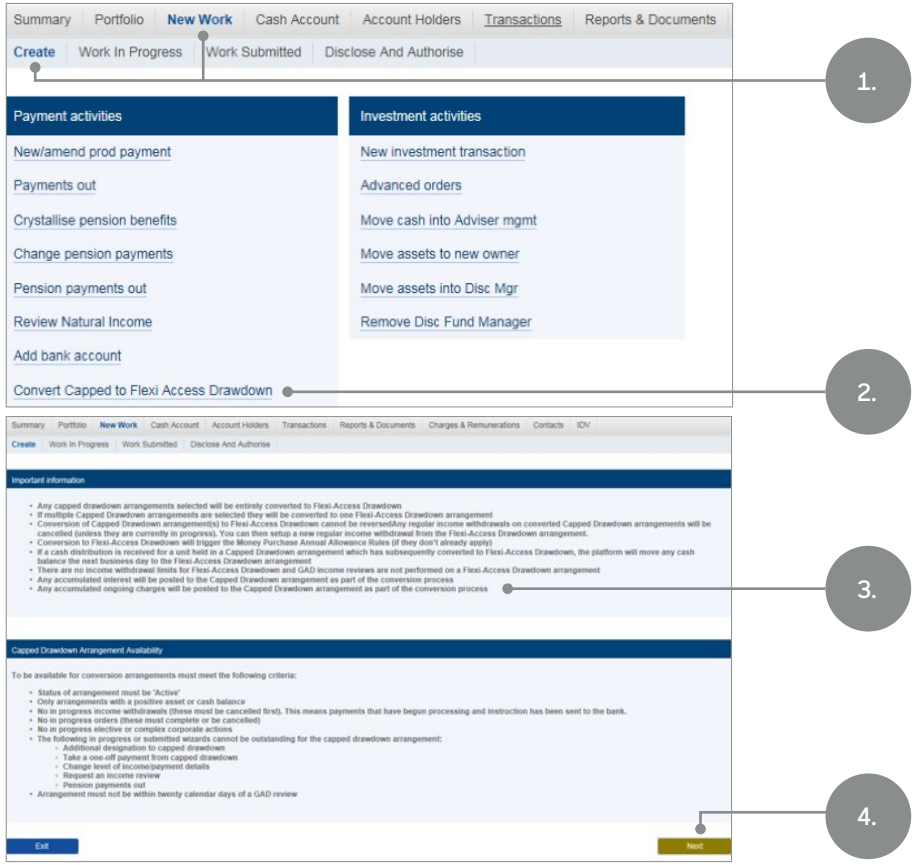
How to convert Capped Drawdown arrangements

Convert Capped Drawdown arrangements to a single Flexi-Access Drawdown arrangement.

What you will see



What you will need to do

1. Login to Elevate and from your client's account navigate to; **New Work > Create.**

2. Select **Convert Capped to Flexi-Access Drawdown**.

3. Read the **Important Information** and details on **Capped Drawdown Arrangement Availability**.

4. Click **Next**.

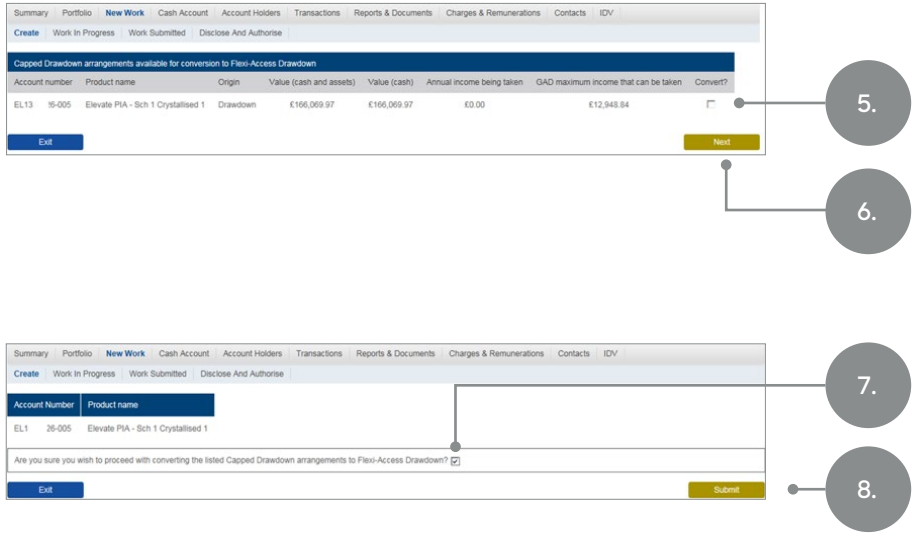
Notes

The conversion option is only available where there are existing Capped Drawdown arrangements.

If you have an in-progress transfer, you will have to wait for this to complete before converting it to Flexi-Access Drawdown.

How to convert Capped Drawdown arrangements – cont.

What you will see



What you will need to do

5. Tick to select the Capped Drawdown arrangement that you want to convert to Flexi-Access Drawdown.
6. Click **Next**.

7. Tick the declaration box to confirm your selection.

8. Click **Submit** to convert to Flexi-Access Drawdown.

Notes

7. If an arrangement is not available for conversion, you will be notified as to the reason why (see page 7 of this guide).

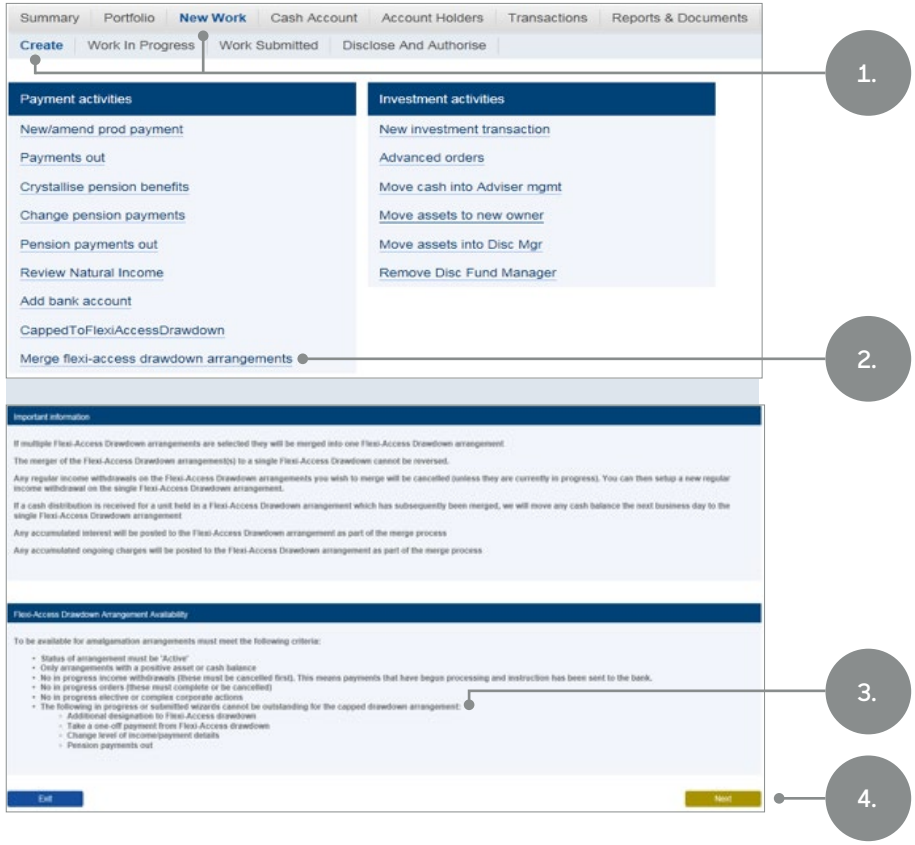
8. Once you submit the process and it has been authorised, you will not be able to reverse your decision.

   If you don't want to proceed, click **Exit**.

How to merge Flexi-Access Drawdown arrangements

Merge transfer-in Flexi-Access Drawdown arrangements to a single Flexi-Access Drawdown arrangement.

What you will see



What you will need to do

1. Login to Elevate and from your client's account navigate to; **New Work > Create.**

2. Select **Merge Flexi-Access drawdown arrangements.**

3. Read the **Important Information** and details on **Flexi-Access Drawdown Arrangement Availability.**

4. Click **Next**.

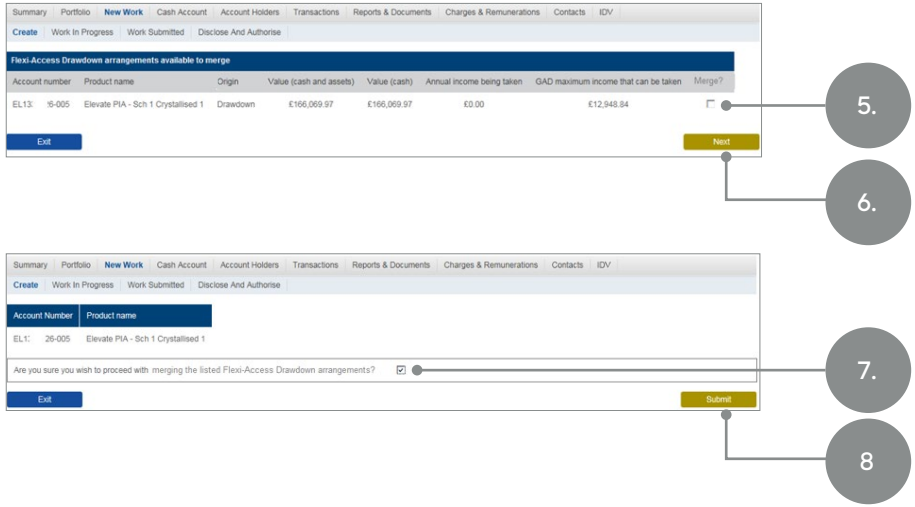
Notes

The merge option is only available where there are multiple existing Flexi-Access Drawdown arrangements.

If you have an in-progress transfer, you will have to wait for this to complete before merging it to a single Flexi-Access Drawdown arrangement.

How to merge Flexi-Access Drawdown arrangements – cont.

What you will see



What you will need to do

5. Tick to select the Flexi-Access Drawdown arrangement that you want to merge.
6. Click **Next**.

7. Tick the declaration box to confirm your selection.
8. Click **Submit** to merge arrangements.

Notes

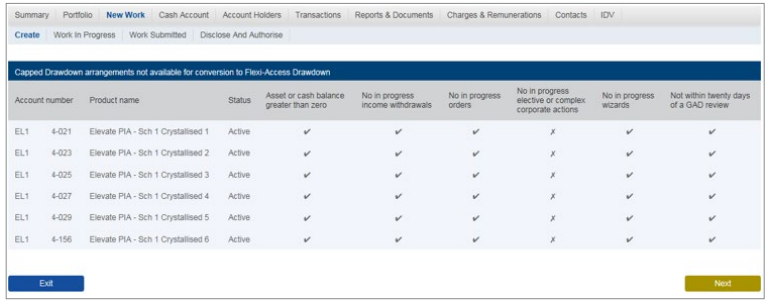
5. If an arrangement is not available to merge, you will be notified as to the reason why (see page 7).

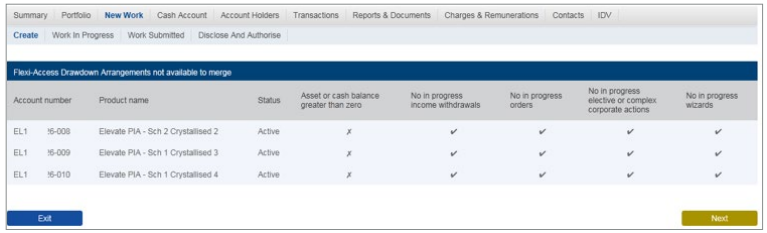
8. Once you submit the process and it has been authorised, you will not be able to reverse your decision.

   If you don't want to proceed, click **Exit**.

Availability for conversions and mergers

What you will see





To convert or merge, the arrangements must meet the following criteria;

- Must be active. For example a transfer must have completed.
- No in-progress income withdrawals. These are single or regular income withdrawals still being cleared through the banking system.
- No in-progress orders. These are investment transactions that have not reached full settlement.
- No elective of complex corporate actions.
- No in-progress pension payment wizards. These include;
  - Additional Designation to Drawdown
  - Take One-off Payment
  - Change level of income/Payment details
  - Request an income review (for Capped Drawdown conversion)
  - Other pension payments out
- Not be within 20 calendar days of a GAD review (for Capped Drawdown conversions).

You will have to either wait for the in-progress action to complete or, if possible, cancel it.

If an arrangement cannot be converted or merged the reason why will be displayed when you start the process.

Helpful hints

Conversions and mergers cannot be reversed once you have submitted the process and it has been authorised by us. Please contact us immediately if you need to change your decision.

Conversions will trigger the Money Purchase Annual Allowance (MPAA) rules (if they do not already apply) once the first income payment (regular or single) has been made from the Flexi-Access Drawdown arrangement. Any future contributions over the MPAA will incur an annual allowance charge from the day the payment completes and will limit the amount of tax relief on future contributions to any money purchase arrangements (like the Elevate PIA).

Where multiple arrangements are converted or merged, they are held in a single on-platform Flexi-Access Drawdown arrangement.

Separate Flexi-Access Drawdown arrangements are held for the Elevate PIA Scheme 1 and Scheme 2 (where applicable) – these cannot be merged.

Where the same model portfolio is held across multiple drawdown arrangements, they will not be merged upon a conversion or merger. The same model will be held multiple times in the consolidated arrangement. If you want to merge the model portfolios you can deconstruct them and then add the assets to a single model portfolio (see Deconstruct a Model Portfolio and Add existing assets into a Model Portfolio Help Guides for more information on this process).

If your client has discretionary managed assets, these assets will be converted or merged to a single discretionary managed sub-account. You should notify the discretionary manager when processing a conversion or merger in case they need to align investment strategies.

New or in progress transfers of drawdown arrangements cannot be converted or merged until the transfer has completed, payment cleared and investment orders settled.

Where multiple drawdown arrangements exist, they can be selected individually for conversion or merger, but each must be done so in its entirety.

Once converted or merged, regular income withdrawals from those arrangements are cancelled automatically (upon authorisation). You can set up new regular and one-off payments from the single Flexi-Access Drawdown account via **New Work > Change Pension Payments**.

Once you have pressed submit, further transactions on the ceding arrangement cannot be processed.

If a cash distribution is received for a converted or merged asset, Elevate will move any cash balance the next business day to the single Flexi-Access Drawdown arrangement.

Accumulated interest (since the last payment) will be posted to the drawdown arrangement once the process has been authorised and included in the conversion/ merger to the Flexi-Access Drawdown arrangement.

Accumulated on-going charges that have not yet been paid are debited from the ceding arrangement upon authorisation and are not carried over to the single Flexi-Access Drawdown arrangement.

Do not select an Ad Hoc Adviser Charge immediately before processing a conversion or merger.

Requesting an Ad Hoc Adviser Charge from an arrangement that you intend to convert or merge will cause your payment to fail if both are keyed on the same day. This may also delay the conversion or merger process.

If it is applicable to take an Adviser Charge,
If a charge is required, ensure you either;

- Convert or merge the account only after the Ad Hoc Adviser Charge has been deducted and is showing on your clients Elevate Cash Statement; or
- Wait for the conversion or merger process to complete, then take your Ad Hoc Adviser Charge from the new Flexi Access Drawdown arrangement.

If there is anything more you want to know, please contact us.

Call us on 0345 600 2399

Our lines are open 9am to 5pm, Monday to Friday.
As part of our commitment to quality service and security, telephone calls may be recorded.

Email us at Elevate_Enquiries@aberdeenplc.com

Please be aware that emails are not secure as they can be intercepted, so think carefully before sharing personal or confidential information in this way.

Address

Elevate, PO Box 6877, Basingstoke, RG24 4RT

For more information visit aberdeenadviser.com

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