

# Workplace Adviser Charging

## Questions & Answers

This Q&A is for use by financial advisers only. Please also refer to our Workplace Adviser Charging Proposition Summary guide **GEN3012**.

### 1. What Adviser Charging (AC) options are available and on which Workplace products?

AC options are available where an adviser (scheme or 3rd party adviser) is providing personalised advice to a GFRP/GSIPP member in a Good to Go or non-Good to Go, pre or post-RDR, non-‘bolt-on’ scheme:

Type of AC	Frequencies available	% or Monetary
Initial (IAC)	One off charge – Singles & Transfer Payment	Flat £ or % of payment
	GSIPP only – Only available if in capped drawdown before 06/04/15; One off charge	Flat £ or % of amount moved into drawdown
Ad-hoc (AAC)	One off charge – Plan level, not premium related	Flat £ or % of plan value
On-going (OAC)	Monthly, quarterly, half-yearly, yearly – Plan level, not premium related	Flat £ or % of plan value

#### Specific processes may apply:

- due diligence process where an OAC advice service is being applied to two or more scheme members – see Q5 & Q8
- scheme conversion process where a member’s plan is within a pre-RDR scheme – see Q6

#### AC isn’t available on the following as no system functionality is in place:

- ‘Bolt-on’ GFRP/GSIPP schemes (this is a scheme which contains a mixture of plans on a legacy workplace product as well as GFRP/GSIPP – bolt-on schemes do not have a JQ, JR etc scheme reference number)
- Any other workplace contract or trust based products (including TBP, MT, TBOP, Group/Corporate Stakeholder, GPPFlex, GPPOne, GPPP, GPPLE, CIMP, RAP, GAVC)

## 2. What remuneration options are available depending on a scheme's structure?

Scheme structure			Pre RDR Commission	Post-RDR Adviser Charging (AC)
Pre-RDR	Commission paying ~	Non-QWPS+	Commission can continue or be switched off for all active scheme members and AC set up per member instead. Once removed commission cannot be added in the future.	AC only available per member if existing commission switched off for all active scheme members*^
Pre - RDR or Post-RDR	Non-commission paying	QWPS+ or non-QWPS	n/a	AC available per member *^
Post-RDR	AC paying	QWPS or non-QWPS	n/a	AC available per member *

~ If commission paying, Pre-RDR QWPS is not an applicable scenario

\* Due diligence process may apply – see Q5 & Q8

^ If pre-RDR scheme, conversion process applies – see Q6

+ QWPS is Qualifying Workplace Pension Scheme

## 3. Is AC available to member's plans within pre-RDR and post-RDR schemes?

Yes – we enhanced our AC proposition in April 2016 to offer AC options to plans within pre-RDR and post-RDR schemes. Plans within post-RDR schemes have AC options automatically available as standard. If the member's plan is within a pre-RDR scheme, a scheme conversion process applies – see Q6.

## 4. What are the high level process steps to set up AC on a plan?

- **Due Diligence process** – if applicable, where exact same OAC advice service is being offered to two or more scheme members (see Q5 & Q8)
- **Scheme conversion process** – if applicable, where plan is within an active pre-RDR scheme (see Q6)
- **Quote** – requested after any due diligence and scheme conversion processes if applicable (see Q9)
- **Apply** – GFRP15 signed and sent to us to process (see Q10)

## 5. What is the due diligence process and when does it apply?

The due diligence process involves us reviewing the scenario where the **exact same OAC advice service will be applied to two or more scheme members in an active scheme** (e.g. 0.5% yearly OAC applied exactly to a subset of members). We will check it's targeting an appropriate subset of scheme members and is not being used in any way that is incompatible with a member's pension plan e.g. as a replacement for commission. We will not form a view regarding whether or not the charge the member is paying represents value for the service they are receiving from their adviser.

### The due diligence process doesn't apply:

- if an Initial AC or Adhoc AC advice service is being offered to one/subset of scheme members
- if an OAC advice service is being offered to only one scheme member
- if any AC is being set up on a pupped plan which no longer has a link to the scheme J reference number

Where the due diligence process applies, the adviser should complete our due diligence form (**GEN2697**) with full details and return via email to their usual Standard Life contact (if no usual contact, send to [workplace\\_adviser@standardlife.com](mailto:workplace_adviser@standardlife.com)). We don't need the signed original form posted to us.

A separate due diligence form must be completed for each advice service being offered. If the exact same advice service is being offered to multiple schemes, only one due diligence form is required however please note all schemes names & numbers on the form.

If we are satisfied that the advice service described by the adviser, based on the information provided, is compatible with the relevant pension plan, we will add comments to our systems, confirm the outcome to the adviser and advise of the next steps i.e. scheme conversion if applicable (see Q6), quote (see Q9) and apply (see Q10).

## 6. What is the scheme conversion process and when does it apply?

The scheme conversion process applies if the member's plan is within an **active pre-RDR** scheme and AC is requested.

We make a system conversion to the scheme status from pre-RDR to post-RDR which makes AC options become available and add comments to our systems confirming the conversion has taken place. This conversion results in **any existing commission being switched off for every plan within that scheme** as we cannot facilitate a mix of commission and AC within a plan/scheme.

### There are considerations if a 3rd party adviser is requesting AC on plans within a pre-RDR scheme:

- If commission is currently being paid to the scheme adviser, as scheme is non-QWPS, we can only set up AC for the 3rd party adviser if the scheme adviser agrees to us converting the scheme and switching off commission for every plan within that scheme. The 3rd party adviser must liaise with the scheme adviser to gain this agreement. If no agreement is given, we can't set up AC for the 3rd party adviser.
- If commission isn't currently being paid to the scheme adviser but scheme is non-QWPS, agreement must also be sought from the scheme adviser to convert the scheme.
- If commission isn't currently being paid and won't be as scheme is a QWPS, we can convert the scheme which makes AC options available to the 3rd party and scheme adviser.

If the due diligence process applies (see Q5 & Q8), the scheme conversion process would happen after the due diligence process is completed.

### The scheme conversion process doesn't apply:

- If the member's plan is within an **active post-RDR** scheme – AC options are automatically available as standard (subject to any due diligence if applicable, see Q5 & Q8).
- If the members plan is a leaver plan within a pre-RDR or post-RDR scheme - leaver plans are no longer linked to the scheme and are individual plans; AC can be added once any commission is switched off per plan (we cannot facilitate a mix of commission and AC within a plan/scheme).

## 7. What is the Quote process for AC?

An individual quote including AC per member can be requested by emailing [sales\\_quotes@standardlife.com](mailto:sales_quotes@standardlife.com) or phoning 0345 279 8899 (Call charges will vary). Online quotes are not available.

**Important Note** – Quotes can only be produced a) after the due diligence process if applicable (see Q5 & Q8) and b) after the scheme conversion process if applicable (see Q6). If these processes apply, and quotes are requested beforehand, our Sales Quotes team will ask advisers to go through the processes first as they are unable to produce quotes until the applicable processes are completed and the relevant system comments are showing.

## 8. What is the Apply process for AC?

After the member has seen the quote, complete and send us the original signed AC application form (**GFRP15**) per member so we can apply the AC to the member's plan. Active members and those who have left their employers scheme can use this form.

Scanned copies can be emailed to [Service\\_GP@standardlife.com](mailto:Service_GP@standardlife.com) with the original to follow in the post to Standard Life, Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH

Once the AC has been processed on the members plan, a confirmation letter will be issued to the member and the adviser confirming that AC has been set up.

Yearly Statements include information on the amount of AC deducted from a plan within the last 12 months.

## 9. Will you carry out any sampling of AC arrangements?

We will carry out regular sampling on schemes where adviser charging is being applied. If we identify any concerns or conflicts with our original agreement via our due diligence, we will engage with the adviser. In addition, if we identify that OAC has been requested across two or more scheme members through individual requests and without prior agreement, we will engage with the adviser to complete the due diligence process.

## 10. What are the operational processes specific to OAC e.g. changing or stopping an OAC arrangement or where member leaves or where a change of scheme adviser?

Request	Quote needed?	GFRP15 needed?	Process
Reduce existing OAC	No but recommend	No	Adviser/member can instruct us over phone or email <a href="mailto:Service_GP@standardlife.com">Service_GP@standardlife.com</a>
Stop existing OAC			Adviser can request quote if required (see Q9)
Increase existing OAC	Yes	Yes	Adviser request quote (see Q9) and apply with new AC application form ( <b>GFRP15</b> ) (see Q11)
Re-commence OAC			
Member with existing OAC leaves scheme	No	No	No action required OAC continues to be paid to specified adviser (scheme or 3rd party) unless we're instructed otherwise – member informed of this in the <b>GFRP15</b> declarations and leavers letter
Change of scheme adviser	No	No	Any new adviser who wants to set up AC should follow our usual processes as described in this Q&A

## 11. What's your stance on the Government's announcement regarding the Pensions Advice Allowance?

At a product level, Standard Life's modern insurance contract based pension products\* enable advisers to facilitate Adviser Charging, but not PAA.

In general we have seen low demand for the PAA since its introduction in February 2017 and we find that adviser charging typically meets the needs of both advisers and their clients.

We have recently carried out a review of demand for PAA and levels are negligible. We will continue to monitor any requests and will prioritise broader development of the PAA when demand makes this a priority.

\*This includes AMPP, Retail SIPP, Strategic Alliance SIPP's (Fidelity, Coutts, Barclays, HSBC), Wrap SIPP, GFRP and GSIPP (excluding plans within GFRP/GSIPP 'bolt-on' schemes)."