



Independent financial advice for Contributing and Deferred Group members: Q&A

The Group Trustee has agreed that contributing and deferred members who are interested in exploring their retirement options should have access to independent financial advice to help them make informed decisions, and, as far as possible, to help prevent members from receiving or acting on inappropriate or fraudulent financial advice.

This Q&A covers the services provided by the Independent Financial Adviser (IFA) - who they are, the service they provide, who is eligible to contact them and when.

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1. The IFA

1.1 Why is this service being provided?

In 2015, the Government introduced changes designed to give members of pension schemes greater flexibility in how they use their pension savings to provide for their retirement. As a result, there are different options available to members when choosing how to access their Group benefits.

While for most members retaining their benefits within the Group is the best approach, it is important for those wishing to consider all their options at retirement, that they receive independent financial advice. If you have a transfer value of over £30,000 and wish to transfer your benefits to an alternate pension provider, you are legally required to seek advice.

The Group Trustee has agreed that members who are interested in exploring their retirement options should have access to independent financial advice to help them make informed decisions, and, as far as possible, to help prevent anyone from receiving or acting on inappropriate or fraudulent financial advice.

1.2 Who is the independent financial adviser?

WPS Advisory Ltd (WPSA) is a specialist firm of financial advisers who work with large pension schemes, such as National Grid Electricity Group (NGE Group), to provide advice and support to their members.

They are authorised by the Financial Conduct Authority (FCA) and abide by a set of rules which seek to ensure they always represent members' best interests.

WPSA can provide bespoke, impartial financial advice based on Group members' individual pension figures and personal circumstances. If you want to know more about WPSA, please visit their website at <https://www.wpsadvisory.com>

WPSA is familiar with the Group's Rules and Railpen's processes (Railpen administer the Groups' pensions). WPSA's advice is not conflicted as they don't sell any products and are not paid commission. They receive the same fees regardless of the recommendations it makes and is completely independent of the Group Trustee, the Company, Railpen, and the Electricity Supply Pension Scheme (ESPS).

1.3 How was the IFA selected?

There are several IFAs that specialise in the field of financial planning. The Group Trustee sought guidance on what the industry was doing in this area from other professional advisers, took legal advice and completed a thorough selection process. WPSA is completely independent of the Group Trustee, the Company, Railpen, and the Electricity Supply Pension Scheme. WPSA is authorised by the FCA to provide financial advice.

You can find out more about the FCA at: <https://www.fca.org.uk>

You can visit WPSA's website at: <https://www.wpsadvisory.com>

1.4 When and how can I contact the IFA?

Railpen, the Group's administrator, will write to you seven months before your Normal Pension Age (NPA) - this is usually age 63, but may be different depending on when you joined the Scheme.

Please see Q. 2.2: What is Normal Pension Age?

Railpen will send you your pension figures plus the necessary information and relevant forms in a 'Member Options pack.'

For more information on the pack, please see Q. 2.3: What information will I be provided with in the run up to retirement?

If you are eligible, the pack will provide details for how to contact WPSA. Alternatively, if you request a quotation from Railpen before your Normal Pension Age, they will provide you with a quotation of your benefits and the options available to you including, if you are eligible, how to contact WPSA and information about the services they provide.

1.5 How can I be sure that the advice I receive from the IFA is truly independent?

WPSA is independent of the Group Trustee, the Company, Railpen, and the ESPS. They are paid to provide independent financial advice to help you understand your benefit options under the National Grid Electricity Group.

WPSA has no products to sell and does not receive commission based on the recommendations it provides or the decision(s) that you make. WPSA is authorised by the FCA to provide financial advice.

You can find out more about the FCA at: <https://www.fca.org.uk>

You can visit WPSA's website at: <https://www.wpsadvisory.com>

1.6 Who is responsible for the advice given?

Although the Group Trustee is facilitating access to WPSA for eligible Group members, it is not responsible for any advice provided. WPSA is completely independent of the Group Trustee, the Company, Railpen, and the ESPS.

If you choose to contact WPSA, the contract for their services, and the advice they provide will form a direct agreement between you and WPSA.

2. Eligibility

2.1 Who is eligible for funded advice?

The majority of contributing and deferred members will be eligible to receive paid-for advice as they approach retirement. However, for various reasons, a small number of members may not be eligible. It will be clear from the information in the Member Options pack you will receive from Railpen as to whether the offer of paid-for advice applies to you.

2.2 What is Normal Pension Age?

Your Normal Pension Age is 63 if you joined the Group after 1 April 1988. If you joined before 1 April 1988 and were in continuous employment until 17 May 1990, your normal pension age is 60, with the right to carry on working beyond that age.

Men with a normal pension age of 60, who choose to retire between 60 and 63, will have the part of their benefit which relates to pensionable service before 17 May 1990 reduced for early payment.

Please contact Railpen at: enquiries@Railpen.co.uk for more information.

2.3 What information will be provided to me in the run up to retirement?

Railpen will contact you to check if you wish to receive a 'Member Options pack' pack, seven months before your Normal Pension Age.

If you confirm you do, Railpen will send you Member Options pack which will include documents for you to read and retain, and forms for you to complete and return.

Broadly the pack comprises:

- Your personal details used to prepare your benefit quotation
- Your Benefit Options
- Transfer-out information sheet
- Important notes on your Benefit Options
- Independent Financial Advice available for Group members
- Pension Scams leaflet and a letter of warning from the Pensions Regulator.

Please also see Q. 3.3: What information will I have to provide the IFA?

2.4 I have already received my Member Options pack. Do I have to take any action now?

Not if you don't want to or aren't ready to. You don't have to commence payment of your benefits; and there is no obligation for you to seek advice from WPSA if you don't wish to explore other options or need to do so.

The IFA service is available to support you as part of your financial planning - when you decide to speak to them is entirely up to you. Even if you decide to speak to WPSA, and they send you a recommendation, you are not committing yourself to any given option.

2.5 I'm not near my Normal Pension Age but am interested in taking my benefits.

Am I eligible to speak to the IFA?

If you are considering accessing your benefits from the Group before your Normal Pension Age, you should contact Railpen to request a benefit quotation.

They will provide you with your figures and details of how you can access WPSA, should you want/need to. Please contact Railpen at: enquiries@Railpen.co.uk for more information.

If you are not yet eligible to receive funded advice from WPSA but still wish to speak to them, you will need to pay WPSA's fees yourself.

If this is the case, please refer to Q. 4.2: Are there any additional charges with the IFA?

The Group Trustee recommend that members seek independent financial advice if they are considering options outside of the Group. For members who have a transfer value of over £30,000 and wish to transfer their benefits to an alternative pension provider, you are legally required to take independent financial advice.

2.6 What happens if I'm being made redundant from National Grid?

If you are leaving National Grid on redundancy terms, the information Railpen send you may not show your latest figures until after you have left the Company. If you wish to seek advice from WPSA you should make them aware of this as their advice will need to reflect your final figures.

You should also make your line manager or HR representative aware early on in the process, so that they can consider how this can be facilitated within the relevant timescales.

2.7 What happens if I don't qualify for funded advice?

Some people won't be eligible for funded advice, such as overseas tax residents or if you have a very small transfer value. Even if you don't qualify for the funded advice available, or you have already received funded advice from WPSA in relation to your Group benefits, you can still contact them if you want to discuss your options / discuss your options further.

Although you will have to pay for this yourself, the Group Trustee has agreed rates with WPSA, which are lower than you would typically pay for financial advice of this type, plus it helps that WPSA know about the Group, have direct access to general Group information, and are in contact with the Group's administrator Railpen.

For information on charges, please refer to Q. 4.2: Are there any additional charges with the IFA?

2.8 What if I live overseas?

Please note, WPSA are not able to provide financial advice if you are resident overseas or an overseas tax payer, although they can still discuss general matters that may be of assistance to you.

WPS Advisory Limited can advise you:

- If you are resident in the UK for tax purposes and you wish to explore options which solely look at the benefits in the Group and alternatives provided by a UK authorised provider.

WPS Advisory Limited cannot advise you:

- If you live in the USA, Canada, Australia or New Zealand
- If you live outside the UK and have residency for tax purposes outside the UK
- If you're resident in the UK for tax purposes but wish to explore a transfer which moves your money outside of the UK.

Please note, if you currently live in the UK but have overseas citizenship, WPSA's ability to advise you will be impacted. This is a very complex area and if you are in any doubt about the category into which you fit, please speak to WPSA. They can provide you with general information which you may find useful in helping you decide what to do next. If they are unable to provide you with advice, they will tell you. The Group will not meet the cost of advice provided by another specialist adviser.

2.9 I am a pensioner of the Group. Can I use the IFA?

No. The service WPSA provides is specifically for members who have not commenced payment of their Group benefits yet. The purpose of providing these services is to help contributing and deferred members when they come to review their retirement options, so it's not a service that relates to, or is available for, pensioner or dependant members.

3. If I seek advice from the IFA, what can I expect?

3.1 What does a consultation with the IFA involve?

Most meetings with WPSA are telephone appointments. The aim of the discussion is for the adviser to get a clear picture of how you manage your finances, what your personal circumstances are, and what you are looking to achieve. The conversation is likely to cover:

- Your values
- Your personal circumstances, e.g., marital status
- Your plans for retirement and financial objectives
- How much you will need to live on when you're no longer earning
- Your lifestyle, including your health
- Your appetite for investment risk
- Any other retirement income you may be due, including your State Pension
- Your tax position; and
- Your needs and wants, for both you and those close to you.

3.2 What information is provided in the Member Options pack?

Railpen will send you a Member Options pack which includes documents for you to read and retain, and a number of option forms to complete and return depending on what you elect to do. The information you will need to provide during the process is set out in Q. 3.3. below.

The Member Options pack comprises:

- Your personal details used to prepare your benefit quotation
- Your Benefit Options
- Transfer-out information sheet
- Important notes on your Benefit Options
- Independent Financial Advice available for Group members
- Pension Scams leaflet and a letter of warning from the Pensions Regulator.

3.3 What information will I have to provide to the IFA?

Forms included in the Member Options pack which you may need to complete, include:

- Request for payment of benefits
- Details of existing retirement benefits
- Personal details confirmation
- Marital status declaration
- Lump sum option

- Additional Voluntary Contribution (AVC) options (if you have AVCs)
- Request for financial advice (this gives your consent for Railpen to pass your personal information to WPSA).

(Depending on the option(s) you choose you may not need to fill in all these forms).

If you wish to use the IFA service, you will need to complete and return the enclosed 'Request for financial advice' form so Railpen have the authority to send your information to WPSA.

Please see Q. 5.1: Is my personal data safe?

None of your personal information or details about your pension benefits will be shared with WPSA without your prior consent. Railpen will let you know when your information has been sent to WPSA; once this has been done you can contact WPSA direct to arrange an appointment with one of their advisers.

3.4 How long is a consultation with the IFA likely to take?

If you would like to take advice from WPSA about your benefit options, the process will take as long as it needs to take for you to be in a position to make an informed decision on your options. That will mean WPSA understanding your personal circumstances, your objectives, and your needs and wants for your future finances. The process will start with an initial discussion, which you should allow up to 90 minutes for. Following this there might be a series of shorter calls and written communications to ensure all aspects are covered, and all the information required is established.

Once you and your adviser are comfortable with your proposed course of action, WPSA will produce a written recommendation for you, and set out any next steps. It would not be unusual for the whole process to take six to eight weeks from your initial discussion. If you have any general questions you'd like to discuss with WPSA prior to starting the formal process, you can contact them directly to talk to them first. You can do this before you sign the 'Request for financial advice' form, which gives your consent for Railpen to pass your personal information to WPSA (and effectively starts the IFA process).

3.5 I have other pensions as well as my Group pension. Will these be taken into account by the IFA?

As part of their process, WPSA will consider all your savings and other sources of income, including pension arrangements you have outside of the Group. However, WPSA will not advise you on what to do with these savings unless you ask them for additional advice. There will be additional fees payable by you for that additional advice, but WPSA will explain this to you and will obtain your agreement to the fees first before any work is carried out.

Please see Q. 4.2: Are there any additional charges with the IFA?

3.6 Does the advice from the IFA cover tax matters?

Yes, although WPSA are not specific tax advisers. Depending on the complexity there may be additional fees payable by you - but WPSA will explain this to you and will obtain your agreement first before any work is carried out.

For more information on charges, please refer to:

Q. 2.1: Who is eligible for funded advice?; and

Q. 4.2: Are there any additional charges with the IFA?

Alternatively, if WPSA feels you need to seek advice from a separate tax specialist, they will tell you and you will need to meet the costs of this advice yourself.

3.7 Is my transfer value, as quoted by Railpen, fixed or will it vary over time?

If you are a contributing member, still employed by National Grid and paying into the Group, the pension figures available are illustrative and not guaranteed.

If you are a Deferred Member, your final benefits have already been calculated, and your transfer value is guaranteed for a period of six months.

Both contributing and deferred members of the Group are legally entitled to receive a transfer value quotation, without charge, once every 12 months. Railpen, however, reserve the right to make a charge for providing subsequent transfer value quotations within a 12-month period.

If you are a pensioner or a dependant member in receipt of a pension, you don't have the option to transfer your benefits out of the Group. Please see Q. 2.9. I am a pensioner of the Group. Can I use the IFA?

3.8 What if I've already received a transfer value quotation in the past 12 months which has expired, and I would like to request another?

If you are a contributing or a deferred member of the Group, you are legally entitled to receive a transfer value quotation, without charge, once every 12 months. However, Railpen reserve the right to make a charge for providing subsequent transfer valuation quotations within a 12-month period.

4. Funded advice and fees

4.1 How many funded advice sessions are covered by the Group?

The Group will pay for one piece of advice from WPSA. That one piece of advice might be provided over a series of sessions and correspondence. Please see Q. 3.4. How long is a consultation with WPSA likely to take?

For any further general information on the process, you can contact WPSA directly prior to signing any authorisation forms.

4.2 Are there any additional charges with the IFA?

In certain circumstances, or for requests for further advice after the one piece of paid-for advice, additional fees will be payable. Please see Q. 2.1: Who is eligible for funded advice?

WPSA will explain any additional fees, which will always be quoted in pounds and pence, to you before any discussions go ahead.

The Group Trustee has agreed fees with WPSA which are lower than you would typically pay for this type of financial advice. One of the main reasons for this is that the Group Trustee has invested in WPSA's set-up and training costs so that WPSA are familiar with the Group, its Rules, and its benefit structure, and can advise you much more efficiently. WPSA will obtain your agreement to any additional fees before any work is carried out.

4.3 What happens if I want to take further advice from the IFA?

If you've already received your funded advice with WPSA but want to take further advice at a later date, you can contact them again but you will need to cover the cost of any additional advice. The Group Trustee has agreed reduced rates with WPSA for members wishing to seek additional advice. Please refer to Q. 4.2: Are there any additional charges with the IFA?

4.4. I'd prefer to use my own financial adviser. Will the Group Trustee pay for that advice?

You are welcome to use your own financial adviser if you wish. However, the Group Trustee has negotiated preferential rates with WPSA and will only pay for advice that is delivered through WPSA. You would need to pay for any advice obtained from an alternative adviser

5. General questions**5.1 Is my personal data safe?**

Data is only provided to WPSA with your explicit consent, and in accordance with the General Data Protection Regulation (GDPR), and the Group Privacy Notice, which is available on the Group website at: <https://ngeg.nationalgridpensions.com>

If you elect to use WPSA, they will need access to your personal information to be able to provide financial advice to you. All the information, which is shared with WPSA so they can provide you with advice via their bespoke service, will be treated confidentially and will not be shared with the Company or the Group Trustee, or used for any other purposes. WPSA will provide information to the Group Trustee periodically to help monitor the take-up and effectiveness of this service, but this data will be anonymised.

5.2 How is the IFA being monitored?

The Group Trustee will monitor the performance of the IFA through feedback from members and against benchmarked criteria agreed between the Group Trustee and WPSA.

5.3 How long will this service be available?

The Group Trustee has currently contracted WPSA on an ongoing basis. However, the Group Trustee will keep this service under review to ensure that it remains appropriate for Group members. The Group Trustee may review this arrangement from time to time and will keep members updated on any material changes.

5.4 What if I disagree with the IFA's advice?

WPSA may not provide a recommendation if they do not think it is in your best interests to do so, for example, if they don't think it's in your best interests to transfer out your Group benefits.

If WPSA thinks you should not transfer out your benefits they will not provide Railpen with the necessary documentation (known as a 'Section 48' form) as required by the Financial Conduct Authority. In this instance, the transfer will not proceed unless you can obtain (at your own cost) the required documentation from an alternative adviser.

5.5 What if I have a complaint about the IFA?

In the unlikely event that you do have a complaint about WPSA or the advice you have received, your first point of contact should be with WPSA. Details of WPSA's complaints procedure will be provided to you in

the recommendation pack you receive from them after your advice session or can be obtained by contacting them direct.

If your complaint is about other aspects of the process, please write to the Group Trustee at:
NGE Group Trustee Services
Barnett Waddingham
Devon Way
Birmingham
B31 2TS.

Or by email to: ngegesps@barnett-waddingham.co.uk

The Group Trustee will try to resolve with your complaint informally or through its formal internal dispute resolution procedure if required. If, after receipt of the Group Trustee response, you are not satisfied that your complaint has been resolved, you can contact the Pensions Ombudsman.

5.6 I have difficulty using the phone, how can I contact the IFA?

WPSA have special arrangements in place for people who have difficulty using the phone. To find out what these are, you can write to them at:

WPS Advisory Ltd
Unit 7-8
Delta Bank Road
Metro Riverside Park
Gateshead
NE11 9DJ.

Whichever form of communication you choose, please make sure you clearly state your full name, and that you are a member of the National Grid Electricity Group (NGE Group).

5.7 Can I meet the financial adviser face-to-face?

While WPSA can arrange to see members face-to-face, subject to their discretion and depending on resources and availability, most meetings take place over the phone.