



Suffolk Life welcomes the relaxation of rules governing protected rights

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Suffolk Life, one of the UK's leading providers and administrators of SIPPs, welcomes the relaxation of rules governing protected rights announced by the DWP. Unlike many of its competitors Suffolk Life has been able to accept protected rights since the launch of its MasterSIPP product in October 2007 and will continue to do so.

This announcement by the DWP will drive further growth in the SIPP market but may challenge some providers who are not ready for or equipped to deal with the changes – particularly in view of the proposed implementation date of 1st October 2008. It is estimated that there is about £100bn of accumulated protected rights funds much of which could be moved into SIPPs once the new regulations come into effect.

John Moret, Director of Sales and Marketing, Suffolk Life said: "With these changes it will be easier for individuals to consolidate all their pensions rights in one place."

He continued: "Our experience with MasterSIPP shows that there is a market for the self-investment of protected rights particularly where the fund is sizeable. Our average protected rights investment is just under £50,000 with many larger investments. However clearly self investment of protected rights will not be suitable for many individuals and advisers have an important role to play in ensuring investors are not misled."

He went on: "Given that we have been able to accept protected rights for some time we clearly have built up first hand experience of the extra operational and regulatory requirements that come with this business. We are disappointed that our comments regarding the importance of a transparent and level playing field for all SIPPs in relation to capital requirements and investor compensation schemes appear to have been ignored. That makes it all the more important that advisers and investors check these matters out for themselves.

He concluded: "We note all operators will be required to separately account for and report on protected rights funds until at least 2012. It is disappointing that the DWP have not felt able to remove this complication along with the different rules that apply to annuity purchase for protected rights. However whilst these requirements remain the need for operators to ensure that they have adequate systems and controls in place to cope with this business is paramount."

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About Suffolk Life

Suffolk Life is one of the UK's leading providers and administrators of specialist pension products, primarily Self Invested Personal Pensions (SIPPs). It has established over 12,000 self-invested plans and total assets now exceed £3 billion. Suffolk Life has acquired properties for over 2,500 SIPP investors.

Established in 1971 and based in Ipswich, Suffolk Life employs over 190 people and has built an enviable reputation based on its expertise and knowledge of the SIPP market. Suffolk Life was acquired by Legal and General in May 2008.

This has been recognised through numerous other awards including:-

Technology, Admin and Service award, SIPPs – Pensions Management 2007 & 2006
Best SIPP Provider - Professional Adviser 2006
Best SIPP Provider - Professional Pensions 2006 & 2005
Best SIPP Product - Moneyfacts 2005
Best Buy - Investors Chronicle 2005
Admin & Service awards, SIPPs – Pensions Management, wins in 2002, 2003 & 2004, commended in 2005
Investor in Customers 2 star award for 2007

Further details are available by visiting the Suffolk Life website: www.suffolklife.co.uk