

How to re-invest PCLS into other Quilter wrappers

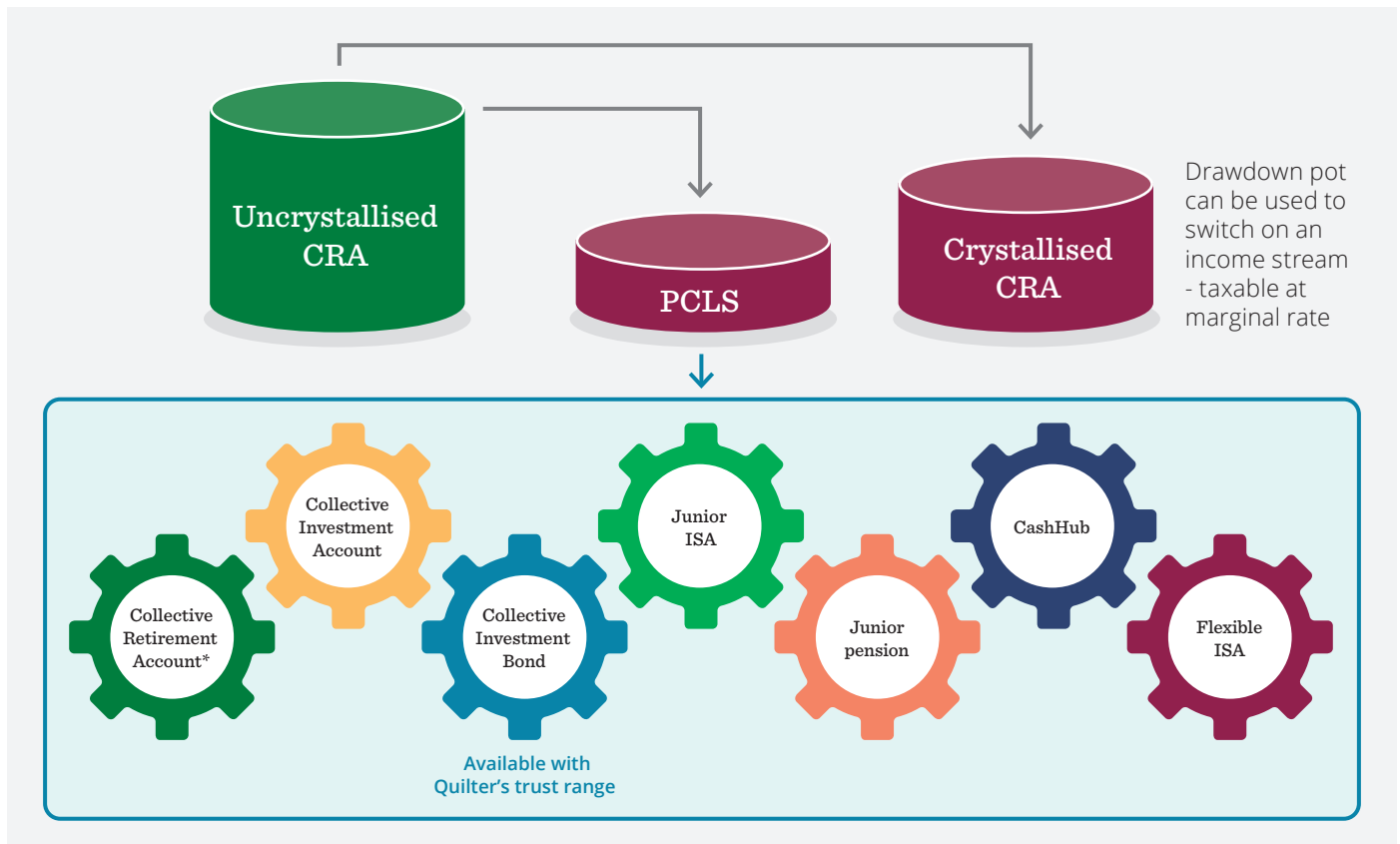
With our Collective Retirement Account (CRA), your clients can reinvest their pension commencement lump sum (PCLS) across multiple Quilter product wrappers and trusts without the PCLS ever leaving Quilter's platform.



The efficient reinvestment of PCLS has become increasingly important given the evolving tax environment, particularly with unused pensions set to fall within the scope of inheritance tax (IHT) from 6 April 2027. Strategies such as transferring a PCLS into an onshore bond and subsequently placing it within an IHT-efficient trust may help restore IHT efficiency and enhance your client's legacy.

We do all the hard work, so you don't have to

- ▶ We link instructions together across the platform to help ensure a smooth and efficient process.
- ▶ As the money doesn't leave the platform, there is:
 - no risk of the client not reinvesting
 - no unnecessary bank transfers to get the funds back for reinvestment
 - less time out of the market for your clients.



*The PCLS cannot be reinvested back into a CRA in the client's name (due to tax-free cash recycling rules), but it can be reinvested into a CRA in another person's name (e.g. the client's spouse) as a third-party contribution.

Process to reinvest a PCLS

1 This process applies to existing CRAs

- ▶ If you're consolidating a client's pension holdings into our CRA, wait for all the pension transfers to be received and applied (invested) before starting the process.*

Wait for any pensions being transferred to the CRA to complete first.

2 Agree with your client how the PCLS should be reinvested

- ▶ Your clients can reinvest all (full crystallisation) or part of the PCLS.
- ▶ For a full crystallisation, **we recommend you reinvest no more than 95% of the estimated PCLS**. This is to allow for market movement which could affect the value of PCLS being paid (the remainder will be paid to your client's bank account).
- ▶ Your client can split the PCLS between multiple Quilter products – by opening a new account or topping up an existing account.
- ▶ These accounts can be in the client's name or someone else's name – e.g. their spouse or another family member.

We recommend you reinvest a maximum of **95%** of the PCLS using this process.

3 Apply online for any new accounts or top-ups

- ▶ Ensure you apply online **BEFORE** you complete and submit the 'Tax-Free Cash/Income' form for the CRA. The product is then set up ready to receive the money.
- ▶ **For new accounts and top-ups:**
 - the contribution type for the application must be 'single payment'
 - any payment to a product in another person's name must be entered as a 'third-party contribution'
 - the payment method is 'bank transfer'.
- ▶ If you are applying for a new **Collective Investment Bond (CIB)** into trust, you must set up the bond first and wait for the PCLS to be received into the bond **BEFORE** you date the trust.

If applying for a CIB into trust – do not date the trust until the bond is live – see important steps overleaf.

4 Complete the 'Tax-Free Cash/Income' form for the CRA

- ▶ You and your client should complete the [Tax-Free Cash/Income form](#).
- ▶ In the section titled '**Supplement D – Payment Options**' specify which wrapper(s) your client would like the PCLS to be invested in.

The screenshot shows a form with two main sections, a) and b). Section a) has a text input field for a pound amount (£) and the instruction 'Pay this amount into my bank account, nominated in section 10.' Section b) has a text input field for a pound amount (£) and the instruction 'Invest this amount* into the following account with Quilter:'. Below this, there are radio buttons for 'Product' types: ISA, JISA, CIA, CIB, and CRA. Underneath, there are input fields for 'Product account number' (with 'A C' and a hyphen), 'Account holder's name**', 'Relationship to you', and 'Date that the online application was submitted' (with a date picker).

5 We will complete the reinvestment

- ▶ Once we have all the information, we will complete the reinvestment instructions and pay any residual PCLS to the client's bank account.

*Re-investment is not available for Immediate Maximum Tax-Free Cash (ITFC) applications. If you want to instruct a re-investment you should submit this as a standard transfer.

Important steps to follow when reinvesting the PCLS into a new bond which will go into trust

✓ Submit a new CIB application

As per point 3 on the previous page, make sure you apply for the CIB online before completing the 'Tax-Free Cash/Income' form for the CRA.



Guidance on completing the bond application

Take care when completing the bond application as the type of trust you intend to use might alter the process.

- ▶ **Submit the CIB application online:** you should apply for the CIB online EXCEPT where you intend for the CIB to go into the Discounted Gift Trust (DGT) or Loan Trust.
- ▶ **For the DGT and Loan Trust:** submit the CIB application by paper (the Loan Trust has its own paper application form which includes the CIB within the form).
- ▶ **For the Lifestyle Trust:** please ensure the online CIB application is in the name of a single settlor. Neither the settlor nor their spouse/civil partner can be a life assured on the bond.

✓ Do not date the trust deed yet

The trust deed is not part of the online process and must be completed separately.

You can complete the trust deed at the same time as the bond application – HOWEVER, until the bond is live, **the trust deed MUST NOT BE DATED** (see exception for DGT and Loan Trust below).



Guidance on completing the trust deed

- ▶ Once the PCLS is received into the bond, **the bond will be set live by us.**
- ▶ Once live, you should **date the trust deed and send a scanned copy of the trust deed to us***. Scanning the trust deed is quicker than posting it to us.

Exception for DGT and Loan Trust:

- ▶ **For a DGT** – submit the undated trust deed to us with the CIB paper application and we will date the trust deed as part of our process.
 - ▶ **For a Loan Trust** – this trust deed is the only deed that should be dated before the bond is live – you should send the dated trust deed to us with the Loan Trust/CIB application form.
- ▶ Guidance on the **trust application process** can be found here: [Doing trust business with Quilter](#).
- ▶ *Guidance on **scanning the trust deed** to us via email or PROMPT can be found here: [Sending us instructions and important documents](#).

Bringing you efficiency and value

In today's tax landscape, the freedom to move between wrappers to achieve greater tax efficiency for your clients is crucial. Our platform gives you the confidence to achieve tax optimisation, efficiency, and value, without compromise.



Selection of fully integrated wrappers and trusts to choose from – providing greater choice for tax optimisation.



No additional wrapper charges – so you don't need to worry about charge suitability.



With Family Linking, it becomes cost effective to move money to wrappers held by other family members – the more the family invests, the lower the tiered charge rate. See quilter.com/family-linking for more details.



Once money is moved to other wrappers, you can hold and manage the same investment portfolio across wrappers – creating greater efficiencies and consistency for clients.

Example – showing a CRA client reinvesting his PCLS

Michael's PCLS is £268,275.

He decides to reinvest 95% to other wrappers as follows:

- ▶ £245,000 into a Collective Investment Bond which he places into the Lifestyle Trust.
- ▶ £9,000 into a JISA for his son.

Balance of £14,275 paid to his nominated bank account.

- ✓ This illustrative example shows how a PCLS can be efficiently moved between multiple wrappers.
- ✓ By moving some of the PCLS into an IHT-efficient trust, he will restore some IHT efficiency post 6 April 2027.
- ✓ By reinvesting 95% of his PCLS, the reinvestment process is smooth and efficient – with the remaining balance paid to his bank account.



The value of your client's investments may fall as well as rise and they may not get back what they put in.

This document is based on Quilter's interpretation of the law and HM Revenue and Customs practice as at May 2026. We believe this interpretation is correct, but cannot guarantee it. Tax relief and the tax treatment of investment funds may change.

The value of any tax relief will depend on the investor's individual circumstances.

Trusts and inheritance tax planning is not regulated by the Financial Conduct Authority.

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