EQUILIBRIUM

Defined benefit (final salary) pension review service

Inside this document

Introduction	3
Defined benefit pension transfers	4
History	6
So what are these pension freedoms?	9
The likely risks	10
The potential benefits	12
The Equilibrium defined benefit pension review service	14

Introduction

I can't emphasise enough how important it is to make the right decision when it comes to deciding to retain or transfer benefits held in a defined benefit scheme. Get the decision right and for many the results can be life changing; providing greater flexibility, allowing earlier retirement and potentially creating a valuable legacy. Get it wrong however and the results could create a financial disaster, running out of money before you die is a real risk if you spend too much at the wrong time or expose your fund to excessive risk.

This is why we take the issue so seriously and as a result we have designed a process that we believe is market leading. It engages with you throughout, challenges your thinking and fills in any gaps in your knowledge along the way so that by the end of it you should feel totally comfortable with the decision you are making. This brochure will provide you with helpful background information on this area of retirement planning as well as explaining how our bespoke final salary pension review service works. If you have any questions about this, our specialists will be happy to help.

Colin Lawson
Founder

Did you know:

Defined benefit schemes are also known as final salary schemes due to the calculation of pension benefits often being based on the final salary of each scheme member.

Defined benefit pension transfers

A deferred member of a defined benefit (DB) scheme will have built up pension benefits to become payable at the scheme retirement age. These will be based upon the salary that you had while employed and the number of years you worked for the company. There will also be a scheme accrual rate which determines how the number of years and salary figures are converted into pension benefits.

Under a DB scheme, the pension benefits payable at the scheme retirement age are fixed and guaranteed by the scheme and employer. There is no element of investment risk and as long as the scheme does not fail, the benefits will be paid as promised.

Did you know:

Many local authority or public sector schemes are funded by the Government. Transfers out of such schemes are generally not allowed.

The transfer out of benefits from a DB scheme effectively exchanges this future promise of pension benefits for a cash lump sum, which represents the current value of the future benefits. This is known as a cash equivalent transfer value (CETV).

Did you know:

CETVs are only guaranteed for a 90-day period. Some schemes only offer one CETV quotation per annum, while other schemes will charge if a second value is required. It is therefore important not to request a CETV from your scheme yourself, as this could significantly reduce the time we have to complete the analysis.

The transfer value calculation is undertaken by the scheme actuary, taking consideration of:

- your life expectancy and how far you are from the scheme retirement age
- the scheme rules on pension benefit increases before and after retirement
- the level of pension you were entitled to on leaving the employer/scheme
- the future investment returns that might be expected on the assets within the scheme set aside to pay your future pension benefits
- the cost of purchasing the equivalent benefits outside of the pension scheme

Did you know:

The scheme investment return calculation is heavily related to UK government gilt yields, due to the risk-free return to a future date that these assets provide. Gilt yields have been very low for some time as a result of UK interest rates being at their historical low. This is the primary factor behind transfer value inflation and why many deferred scheme members are seeing substantial increases in their personal transfer values. If interest rates and (as a result) gilt yields rise, transfer values could start to fall.

If you choose to transfer your pension, then it must be moved into a registered pension scheme (typically a personal pension), which is a form of defined contribution arrangement. You will cease to be a member of the DB scheme and cannot transfer back in the future; the decision is irreversible and as such must be carefully considered!

History

Defined benefit pensions and related transfers have a chequered history, full of scandal, poor advice and bad practice. The subsequent regulatory response has created a complex transfer advice process. The most recent legislative change (effective from 1 October 2020) has not made the process any less complex, but it does go some way to ensuring that the most vulnerable of clients are protected. This is currently a fast-moving area of financial planning advice and we expect many changes to the rules, regulations and best practice over the coming years. The timeline below shows some of the major events that have shaped today's regulatory environment.

1988 (1 July)

Personal pension plans introduced as part of government pension reforms. Employees could choose their own scheme instead of their employer's, but not both.

1991

Following the death of Robert Maxwell, the owner of the Mirror group, it was discovered that Maxwell had fraudulently used his employees' pension funds to shore up his failing companies. This scandal pushed pensions onto the front page and up the political agenda.

1993

The Independent newspaper reported that an estimated half a million people, including 65,000 mine workers were caught up in what would later be branded the "Pension Mis-selling Scandal". Following the earlier pension reforms, salesmen were driven by commission payments to move people out of their DB schemes into personal pension plans, with only very limited, if any, real financial advice. Ultimately, this resulted in huge financial losses for many of those who moved their funds.

1994

Following this scandal, the regulator conducted a review. They concluded that firms would have to contact affected clients and review the advice provided. The Pensions Review concluded that most firms did not have sufficient evidence to justify the advice they had provided as advisers had no formal way of assessing the scheme and the projection rates used were much higher than those used now. The industrywide review concluded in 2002 and resulted in £11.8bn of compensation being paid out to those affected, which totalled around one million people.

1995

The *critical yield,* calculated by the Transfer Value Analysis System (TVAS), became a regulatory requirement on all transfers from a DB scheme.

1998 (31 March)

It became compulsory for all firms undertaking DB pension transfer business to have a designated 'pensions expert' with a relevant specialist qualification.

2001 (6 April)

The term 'defined contribution' was introduced as part of a new personal pension regime, including the introduction of a charged-capped form of personal pension known as a stakeholder pension. As part of this change employees could, for the first time, contribute to their employer's pension and their own personal pension (as long as they earned less than £30,000 per annum and were not a controlling director).

2006 (6 April)

New pension rules came into force sweeping aside almost 50 years of pension legislation. A-Day, as it became known, was an attempt by government to simplify the pensions rules in the UK by introducing a single regime for individual and occupational schemes. Before A-Day, pensions had been governed by eight separate tax regimes, and each one had differing rules on benefits and contributions, many of which were extremely complicated. All members of a defined benefit scheme could now consider participating in any form or number of defined contribution schemes in addition to being an active member of their existing DB scheme.

2009

Following the financial crisis, the Bank of England cut interest rates to 0.5% and started a significant quantitative easing programme. As a result, gilt yields caused annuity rates to drop and defined benefit transfer values started looking attractive.

2012

The National Association of Pension funds (NAPF) annual survey found that only 13% of DB schemes were open to new joiners in 2012, compared with 19% in 2011. Whilst the decline of DB pensions was first reported in 2005, according to the NAPF this is the steepest fall since comparable data began. It is estimated that during this period (2005-2013) 30% of pension schemes in the private sector had closed.

2015 (6 April)

Legislation which became known as 'Pension Freedoms' was introduced to give people greater access to their pensions. This is covered in detail later on (page 9).

2017 (June)

Between January and March 2017 there was an estimated 166% increase in DB pension transfers compared to the same period in 2016. In response to this increased demand and concerns over the loss of guaranteed benefits, the Financial Conduct Authority (FCA) published a new consultation paper on pension transfer advice with the final guidance due in early 2018.

2018 (March)

The FCA issued a Policy Statement which laid down further rules intended to ensure consistency around what advisers need to consider when making recommendations around DB pension transfers. Amongst other things, the new rules also detailed changes to the way in which a transfer is analysed to provide a fairer comparison to the scheme benefits and what specific points need to be taken into account in determining suitability. An additional consultation paper has also been published with the aim of further improving the quality of advice in this area and includes discussion around adviser charges, raising the qualifications of advisers and expectations in terms of assessing a clients' attitude to the general risks associated with a transfer as well as investment risk.

2020 (October)

The FCA issued a policy statement which provides welcome clarity of its expectations from firms when advising on DB pension transfers in the drive to improve quality and transparency in this complex area. The regulator's actions are based on their very real concerns surrounding the general standard of advice being given in this area, and the demographic to whom this advice is delivered, British Steel being a case in point. Their method of addressing this is to enforce a more robust basic standard of DB pension advice and increase the frequency of regulatory supervision for firms engaging in this sphere.

Did you know:

Our regulator, the FCA, currently takes the stance that:

- A firm should start by assuming that a transfer will not be suitable
- A firm should only then consider a transfer to be suitable if it can clearly demonstrate that it's in the client's best interests
- Anybody who holds a defined benefit pension with a transfer value of more than £30,000 is required to seek appropriate financial advice from a suitably qualified adviser before they are able to transfer the benefits into a new arrangement

It's easy to see why the FCA takes this view, given the complexity of transfer analysis and the history of scandal. However, the 2015 pension freedoms meant that much of the required analysis was out of date. The regulator even indicated that it would change its stance although given their concerns about unsuitable advice following a review in 2017, decided not to proceed with that particular proposal. Their ongoing reviews of the advice in this area since then, has reinforced their viewpoint further.

Even so, the FCA recognises that the pensions environment is changing and, against this backdrop, wants to make sure that consumers receive good quality advice to enable them to make informed decisions about giving up their safe-guarded benefits. They consider that the updated rules and guidance published in October 2020 will provide a sound framework for this.

So what are these pension freedoms?

It is important to note that the pension freedom changes of 2015 only apply to personal pensions and not DB schemes. The key changes were:

- **Access:** The government removed access restrictions, apart from the minimum pension age of 55. The concept of flexi-access drawdown was introduced, under which there is no limit to the amount of income you can take, with the following extremes;

  - you could draw no income at all, or
  - you could draw your entire pension fund at once; although this may not be advisable or tax efficient!

  On drawing benefits, you can take up to 25% tax free as a pension commencement lump sum (PCLS), with the rest of the fund remaining inside your pension to provide you with an income. Apart from the PCLS, all withdrawals are taxable as earned income.

  Pension income benefits from a DB scheme can only be taken in accordance with the scheme rules with very limited flexibility and no option to change income levels once in payment. PCLS from a DB scheme might also be lower than the 25% figure from a personal pension.

- **Tax on Death:** Under the new rules, you can nominate anyone you like to receive the value of your fund on death; this does not have to be a relative. You can also nominate multiple beneficiaries if you wish. Your beneficiaries will inherit your pension as their own plan, and can choose to:

  - Take the fund as a lump sum
  - Use the fund to provide an income
  - Leave the fund invested

  Pension funds are usually exempt from Inheritance Tax on death. The treatment of your pension on death will depend primarily on your age when you die.

  - If you die before age 75 your pension fund can be paid to your chosen beneficiaries completely free of tax whether they take benefits as a lump sum or as an income. Your pension death benefits must also be designated (moved into your beneficiary's name) within two years of death in order to be paid tax free.
  - If you die after age 75 the funds will be taxed as your beneficiary's pension income.

The likely risks: key reasons NOT to transfer

Loss of guaranteed income

One of the main advantages of a DB scheme is the certainty that you will receive a set level of income until death. For many individuals, their pension will be their main source of income in retirement and so having a guaranteed income (no matter what happens to investment markets) provides invaluable peace of mind which cannot be replicated in a personal pension arrangement.

Loss of index-linked increases to pension

In addition to having a guaranteed income, you also benefit from this increasing each year in line with inflation. This ensures that your income maintains its purchasing power throughout your lifetime. When comparing the size of the CETV to the guaranteed income that the DB scheme would pay out, the loss of index-linked increases to this income is often overlooked. The consideration of how expensive it is to provide index-linked benefits in retirement should therefore be factored into this comparison.

Investment risk

This is probably the most obvious risk associated with transferring benefits into a personal arrangement. Within a DB scheme, the risk associated with providing your pension benefits is completely borne by the employer. Even in the event of a complete market crash, your rates of accrual, and therefore the amount which you are entitled to upon retirement, cannot be altered. Following a transfer out of a DB scheme, a financial loss or fall in the market during the early years of your investment could have a big impact on your eventual retirement benefits. It is therefore important to consider your overall financial position and other sources of income to determine how reliant on the pension you are and what your capacity for loss might be.

Loss of guaranteed spouses pension

Generally, the death benefits within a defined contribution scheme are more generous than available via your existing DB scheme as you are able to pass on the whole fund to a wide range of beneficiaries in the event of death. That said, there are still some risks associated with transferring out of a defined benefit environment as the death benefits in a personal arrangement are not guaranteed. Should the money be spent in its entirety before death, then there would be nothing left to pass to your beneficiaries.

Loss of protection from the Pension Protection Fund

As well as being guaranteed by your employer, the defined benefit scheme enjoys further protection in the form of the Pension Protection Fund. This is a fund set up to compensate members if the sponsoring employer becomes insolvent. This benefit would be lost on transfer and should your subsequent investments not perform as anticipated, there would be no recourse.

Ongoing costs and charges

The costs of running your existing DB scheme are paid for by your employer. You will simply receive the promised income for life when you reach normal retirement age. One of the main drawbacks of a personal arrangement is that you will need to pay the ongoing costs and charges. This will include financial advice fees, charges to the new pension provider and the underlying funds in which you invest.

Requirement for ongoing reviews

Due to all of the risks and uncertainties associated with a personal arrangement, it is important for it to be reviewed and monitored on an ongoing basis. This will incur both ongoing advice costs and administration which is not necessary for your existing scheme. If you have little experience or interest in managing an investment portfolio, this can be seen as a hassle, or even stressful, if things do not proceed according to plan. If you live for an extended period, it can also become a burden if your family are unable to help, or if your professional advisers do not live up to your expectations.

Lifetime allowance impact

The lifetime allowance is currently set at £1.073m in the tax year 2020-21. This is intended to increase in line with inflation at the end of each tax year. Any amount above this is subject to a lifetime allowance charge. There are different methods of calculating the pension fund value for lifetime allowances purposes for a DB scheme compared to a personal pension. It is very possible that you could be worse off from a lifetime allowance perspective by transferring out of a DB scheme.

Longevity

The risk of longevity is an often overlooked risk of transferring out of a DB scheme. When you undertake a transfer, you will receive a pot of money which will then have to last for as long as you need it, often your whole lifetime. The longer you live, the higher the chance that the pot of money will be completely depleted. This is in contrast to a DB scheme, where the income is underwritten by the scheme and guaranteed for your whole life regardless of how long you live.

Potential to overspend

Having a firm grasp of your income and outgoings during retirement is a very important part of financial planning, which is one of the reasons defined benefit schemes – with their guaranteed, regular income payments – have been so popular. However, if the decision is taken to transfer out of such a scheme this can have a significant impact on a retiree's finances. Without a guaranteed income, there could be a risk of overspending and outgoings being more than the money coming in.

The potential benefits: key reasons to transfer

Flexibility of income

One of the main benefits of transferring out of the defined benefit environment is the increased flexibility in terms of how you take your income in retirement. With a DB scheme, the income can only be taken as a set amount each month and this is not always the best route for those who have other assets available who would prefer to access the funds in larger lump sums to pay for luxury items such as holidays or home renovations. Equally, some would prefer to leave their funds untouched and be able to benefit from the tax-efficient capital growth provided by a pension, without the compulsory withdrawal of monthly income seen in DB schemes.

Following the the changes in 2015 to pension legislation, members of defined contribution schemes are now able to withdraw funds from their pension as and when they require. This of course has many benefits in the right circumstances and can assist greatly with pension planning. The drawback is that withdrawing your pension in large lump sums can mean that more tax is paid than necessary and it also increases the chances that retirement funds will be depleted too early.

Increased pension commencement lump sum (PCLS)

The PCLS is one of the big advantages of saving in a pension tax wrapper as it means that members receive a large portion of the withdrawals tax-free, as well as benefitting from tax relief on paying into the scheme. The calculation for working out the amount of PCLS available in a DB scheme is complex and differs depending on the scheme rules. However, it is very often the case that the PCLS available under the DB scheme is less than if you elect to transfer into a defined contribution scheme. This can be very beneficial given the tax efficiency of the PCLS and will be taken into account as part of an assessment of the suitability of a transfer.

Ability to access funds from age 55

The benefits within a DB scheme are usually payable on the Normal Retirement Date (NRD). This is different for every scheme but is usually either age 60 or 65. The current minimum pension age under UK legislation is 55 but there would usually be an early retirement penalty applied under a DB scheme if you were to take retirement before the NRD.

One of the advantages of transfer would be the ability to take your benefits without penalty at any time from the age of 55. If retiring before the NRD is one of your objectives and providing the pension is able to sustain income over a longer period, this is should be a factor considered as part of your overall decision.

Control of taxation

The increased flexibility on offer in a personal arrangement also increases the scope for better tax planning. The compulsory withdrawals from a DB scheme will be taxed (potentially at higher tax rates) whether the income is required or not. In contrast, the benefits in a personal arrangement can be

withdrawn in a way that can mitigate tax. For example, strategic use of the PCLS and other investment wrappers can ensure that income is taken in a way which minimises tax. Alternatively, in years where income is lower, withdrawals could be taken from the pension scheme in order to take advantage of any personal allowances.

Potential for greater returns

One of the main considerations to take into account when assessing the suitability of a transfer is the loss of a guaranteed, index-linked, income for life within the defined benefit environment. The flip side of this is the potential for greater returns which comes with the risks involved in making your own investment decisions. For more adventurous clients who are not totally reliant on the pension to fund their retirement, this could prove advantageous over the longer term.

Flexibility of death benefits

The death benefits provided by defined benefit schemes are generally limited to the member's spouse and dependents. In this scenario, they are paid out as a pension to the beneficiary and will cease upon the death of the last dependant. This may not be appropriate for some individuals who may wish for other people to benefit on their death. However, upon transfer from a defined benefit scheme to a personal arrangement the death benefits can be used more flexibly and paid out as a lump sum, distributed to a wider range of people and are usually free from inheritance tax. The impact of death before 75 is that the beneficiaries can access the fund entirely tax free. Even after 75 they will only potentially pay income tax if the funds are withdrawn. Should they decide to leave the money in the pension it will continue to grow tax efficiently for the benefit of future generations.

The Equilibrium defined benefit pension review service

It is apparent that the review of a defined benefit pension scheme is a highly complex area of financial planning advice, with multiple factors to consider.

The design of our service has been based on the following key requirements:

- **Holistic:** In our view, a defined benefit pension transfer should only be considered as part of a holistic review of your overall circumstances and objectives.
- **Educational:** A lack of knowledge can lead to decisions being made without the implications being fully understood. We therefore want our clients to learn throughout the process and to be fully informed when the time comes to decide how to proceed. This will include a detailed overview of how investments behave for those with limited previous experience of investing.
- **Digestible:** All too often we have seen reports produced by our peer group that contain in excess of 100 pages, are difficult to read and full of jargon. We have therefore broken our reporting down into four separate modules to make digesting our comments easier. This is explained further below.

We have designed our review process to reach one of the following two outcomes:

Outcome	We believe that the transfer is suitable	We believe that the transfer is not suitable
Why	We can clearly show it's in your best interests	We cannot show that it's in your best interests; or We can clearly show that it's not in your best interests
Then	We will be happy to process the transfer on your behalf	We will not process the transfer even if you insist

Our specialists

Your review will be undertaken by one of our pension specialist financial planners. If you are an existing client and your adviser does not hold this specialism, you will be assigned a new financial planner for the duration of the review process.

You will also be assigned a specialist client manager to assist your planner in undertaking the analysis and drafting the reports. This is a complex and time consuming exercise, which needs specialist knowledge to ensure that everything is completed to a consistently high standard.

The final decision on the suitability of the proposed transfer will be determined by your financial planner and then ratified by a panel of three of our pensions experts, including a partner of the firm and a member of our Best Practice team.

Information gathering

Before we commence our review, we would recommend a meeting with your financial planner to discuss the process and establish timescales. This will also provide the opportunity for us to collect the information we need on your circumstances. At the point you decide to commence a review, we will request the completion of our Defined Benefit Pension Review Client Questionnaire, covering your objectives and views on risk in detail and also giving you the opportunity to tell us about any related health issues. Along with the questionnaire, we will also require:

- Completion of Finametrica and Financial DNA risk profiling questionnaires
- A recent statement from your pension scheme and the scheme booklet (if you have this). Please do not request a Cash Equivalent Transfer Value (CETV) yourself at this stage
- State pension projections
- Letters of authority to allow us to request information from your scheme(s)
- Income and expenditure breakdown

Once we have collated the above information and received the necessary fee, we will start work on producing our modular reports.

The four modules

Our conclusions are delivered in four modules. Module 1, or abridged advice, is either the springboard to the following 3 modules, or enables us to confirm that the transfer is unsuitable for you; at which point the process ends.

Module 1: Abridged Advice **Written report issued**	A concept introduced on 1 October 2020. This considers your inherent suitability to undertake a transfer from a defined benefit pension to a defined contribution replacement plan. This looks at your personal circumstances, knowledge & experience and your ability to weather the transfer risk. There will also be consideration given to the high level scheme details.
Module 2: Scheme Review **Written report issued**	Examines the features of your defined benefit pension scheme and analyses the pros and cons of transferring it to a defined contribution arrangement
Module 3: Financial Planning **Interactive meeting discussions**	Evaluates the flexibility and planning opportunities that might arise as a result of undertaking a transfer away from your defined benefit scheme including lifetime cashflow
Module 4: Recommendations **Written report issued**	Our final advice on whether or not to transfer your defined benefit scheme to a new arrangement. Our recommendations will confirm the full reasons for our advice based on the suitability ratings from the three previous modules

Module 1 has two distinct possible outcomes:

"**Do Not Transfer**" – the transfer is clearly not in your best interests at which stage the process is finished
OR
"**Unclear**" – we are unable to determine the suitability of a potential transfer without further investigation. Should you wish to engage for the remaining 3 modules we will complete a full analysis for you.

If you engage with us for modules 2-4, these tend to be completed sequentially. The outcome for modules 2 and 3 will be a suitability rating of high, medium or low. We define these as follows:

High	There are many factors supporting a recommendation to transfer. The drawbacks are minor or insignificant
Medium	There are both positive and negative factors in relation to the potential transfer, with the resulting assessment being fairly balanced
Low	There are many factors suggesting a transfer may not be suitable, with few or very limited factors supporting a transfer

The outcome of module 4 will be a rating of either suitable or not suitable. In the event of it not being suitable, the process will end. If our conclusion is that the transfer is suitable, the report will recommend a replacement pension plan and investment strategy.

The module 1 (abridged advice) report will be issued as soon as our evaluation is complete.

The report for module 2 will be issued once we have received the necessary information from you and the scheme. This will be followed up in a meeting to discuss our conclusions so far and to complete module 3. We will then be in the position to draft our final recommendations and issue our module 4 report.

The discussions around the potential transfer out from a defined benefit pension scheme can be complex. As such we are happy to hold extra meetings as required to support you throughout the process.

Timescales

We expect the review of your pension scheme to take between two and four months to complete. This is due to the amount of information we need to gather from you and the scheme and the complexity of the analysis.

The main time sensitive part of the process is after we receive the Cash Equivalent Transfer Value (CETV) from your scheme, as this will be guaranteed for a 90-day period. Unfortunately, many schemes do not provide all the info we need at the outset and are slow to respond to further information requests which is one of the major factors that causes delays in the process. Some schemes will only issue one CETV per year, and others will charge for a new one. This means that we would prefer you do not request a CETV yourself as this could significantly reduce the amount of time we have to analyse your pension and make our recommendations.

Costs

Module 1

£1,750 plus VAT for the first scheme and £500 plus VAT for each additional scheme. This fee is payable at outset and covers the work associated with assessing your suitability for transfer and includes the decision of either "Do Not Transfer" or "Unclear".

If the outcome is "Unclear" and you wish to engage with us for modules 2-4 the charge is payable on completion of module 4 (subject to a service & fee agreement being signed before work begins)

Modules 2-4

Transfer values under £1.25 million - 1.25% of the scheme transfer value with a minimum of £2,500 and a cap of £9,375

Transfer values over £1.25 million - 0.75% of the scheme transfer value with a cap of £15,000

If the recommendation is that the defined benefit scheme should be retained, then the fee will be subject to VAT. VAT will also apply if you decide not to proceed with our recommendations. Our fees will allow us to spend the time we need to deliver the best possible advice. They also help to cover the additional insurance costs that transacting this type of 'high risk' business is likely to incur. As such, these fees are non-refundable, whatever the final outcome of the review.

Next steps

If you are interested in talking to us about our Defined Benefit Pension Review Service, please call **0161 486 2250** and ask to speak to one of our pension specialist financial planners.

There is no charge for an initial meeting and no obligation to proceed with a review.

Notes

March 2021

Head Office
Ascot House, Epsom Avenue,
Handforth, Wilmslow,
Cheshire SK9 3DF

Chester Office
19a Telford Court,
Chester Gates Business Park,
Chester CH1 6LT

0161 486 2250
0808 168 0748
askus@equilibrium.co.uk
www.equilibrium.co.uk

Equilibrium is a trading style of Equilibrium Financial Planning LLP and Equilibrium Investment Management LLP (Limited Liability Partnerships). Equilibrium Financial Planning LLP (OC316532) and Equilibrium Investment Management LLP (OC390700) are authorised and regulated by the Financial Conduct Authority and are entered on the financial services register under references 452261 and 776977 respectively. Registered Office: Head Office. Both companies are registered in England and Wales.

DB:03:2021 V4