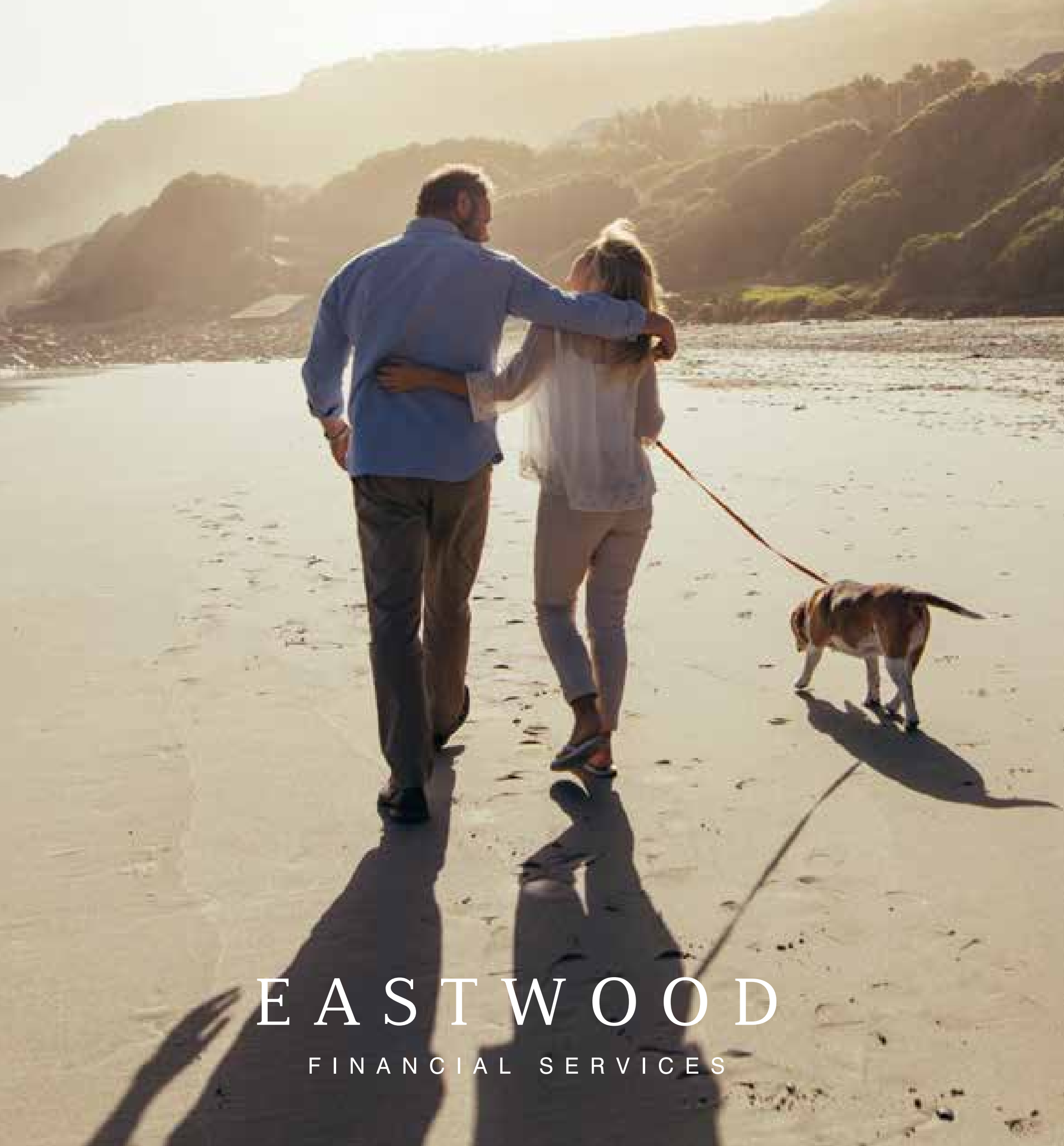
Helping you to prepare for your retirement



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Your Pension Options

FOUR WAYS you can access your money from the age of 55

Option 1
Leave it for now

If you don't need to take your pension savings yet, you can leave it for now, keep it invested and make a decision when you're ready to retire, but make sure if you do this you won't lose any valuable guarantees.

Option 2
Tax free cash lump sum and guaranteed income for life: an annuity

Normally, up to 25% of your pension savings can be taken as a tax free cash lump sum. The remainder is then used to provide an income for life (your annuity), which will be taxed.

Option 3
Flexible access to your pension savings from the age of 55

You can take a part of your total pension savings whenever you like and leave the rest invested. Normally, up to 25% of your pension savings can be taken as a tax free lump sum. The remainder will be taxed.

Option 4
Take it all as cash

In addition to the 25% tax free cash lump sum, you can take your remaining pension savings as cash, although you will have to pay tax on this.

Some of the options explained in this booklet may not be available under your policy. You may have to transfer your pension to another policy, or another provider, to access the full range of options.

Option 1

Leave it for now

The aim is to allow you to take your time and access your benefits when you need them.

- The rules let you access pensions from the age of 55, if you wish.
- You should check if, by leaving your benefits, you're not losing valuable guarantees or benefits.
- It will mean your pension has the potential to grow.
- You can continue to pay into your pension.
- You should consider whether your investment strategy remains appropriate for all your retirement needs.

You must use the value of your plan to take benefits by the age of 75 at the latest. However, you may be able to defer taking your pension by transferring to another provider before 75.

A guaranteed income for life - annuities

The aim is to provide you with certainty on the income you receive for the rest of your life.

- You can normally take up to 25% of your fund as a tax-free cash lump sum and use the rest to buy an income for life - an annuity.
- If you have certain health conditions or lifestyle choices which may lower your life expectancy, you might get up to 50% as much income* by taking an enhanced annuity.
- If you choose an annuity which has a guaranteed period or provides for a dependant's income, your income will be lower. If you want an annuity that increases over time, your starting income will be lower.
- The amount of income you'll get will depend on your circumstances, such as your age and where you live.

** Source: Which website, October 2014*

It is important to take the time to shop around if you are considering buying an annuity. We are pleased to offer further advice on this issue.

Flexible access to your pension

These options may not be available under your policy. You should take the time to shop around.

FLEXIBLE DRAWDOWN: also known as Flexible Access Drawdown

- You can normally take up to 25% of your fund as a tax-free cash lump sum.
- The rest is held in a Flexible Drawdown Plan, where it will have the potential to grow.
- You can then set up a regular income, when you're ready, or take lump sums when you need them, or a combination.
- What you take after your 25% tax-free cash is subject to tax.
- You will need to manage your money to ensure you don't run out.
- Once you start taking income from the remainder of your fund the total amount you can pay into most other pensions will be £4,000 each year.

PARTIAL PENSION ENCASHMENT (PPE): allowing you more flexibility

- With PPE, each time you take an amount from your pension 25% is tax free and the remainder will be taxed as income.
- The rest will continue to be invested and have potential to grow.
- Once you start to access your pension in this way the total amount you can pay into most other pensions will be £4,000 each year.
- You must tell us each time you want to take some income.

Option 4

Take it all in cash

Full Pension Encashment: The aim is to allow you to take your entire pension as a lump sum.

- The rules mean you can access all your pension as cash.
- 25% is normally tax free, the remainder will be taxed as income.
- If you take your pension this way, the total amount you can pay into most other pensions will be £4,000 each year.
- You will not have an ongoing pension income if you do this.
- You could be subject to emergency tax if you are taking your pension this way. This means you could be paying much more tax initially than you originally thought.

SMALL POTS: The aim is to allow small pots to be converted into cash.

- Up to three pots of £10,000 each can be taken as cash
- By using this route you don't restrict the amount you pay into pensions in the future
- Remember 25% is normally tax free, the remainder will be taxed as income.

Any combination: You don't have to use just one option. You can combine these options in many different ways to meet your own needs.

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