

# NOW:

## Pensions

# What you can do with your pension pot?

## Understanding the options available to you at retirement

**Radical changes to pension regulations means that you have a number of ways to take your money. If you're aged 55, or older, you can take your pension savings without having to buy an annuity.**

This leaflet contains information about the pension choices available to you through the NOW: Pensions Trust and things you need to think about when making your decision. It's important to read the content and carefully consider all your options.



### Stay where you are

There's no rush. If you're happy to leave your money where it is for now or if you're not in a position to make a decision, then your pension fund will simply stay invested. Knowing what to do with your maturing pension requires consideration – please don't be rushed into making a decision.



### Take your whole pension as a cash lump sum

This may sound like the most exciting option, but it could also prove costly, as you will be receiving all of your money at once. When you take your pension savings, 25% is normally payable tax-free. The remainder is taxed at the marginal rate of income tax for the tax year in which your pension is paid to you, so by taking your lump sum in one go you could end up paying more tax than you expected.

You can spend your money as you please or invest it – however, you can't take out another pension with the same cash. If you choose to invest, be sure to check for any associated charges and investment risks. If you spend it, make sure you have other income you can use in retirement.



### Guaranteed income + tax free cash lump sum

You can use the whole amount to buy a guaranteed income for the rest of your life. This is known as an annuity. Alternatively, you can decide to take a tax-free lump sum of up to 25% of your fund and then use the remaining amount to buy an annuity. You are free to seek annuity broking advice from a financial adviser of your choice.



### Transfer to another provider

You can also access other financial solutions such as Flexible Income Drawdown. To do so you will need to transfer your fund to another provider, as we don't offer these types of products. We don't make any charge to transfer your savings, but please check with your new provider for ongoing costs.

## Your considerations

The value of your pension savings is not guaranteed. The final figure will depend on the value of your savings when they are disinvested, and may be higher or lower than that stated.

If you choose to take all of your savings as cash then 25% will normally be tax free. The remaining 75% will be subject to tax, in line with HMRC requirements, and will be automatically deducted from your final figure.

You should also consider whether any [means tested State benefits](#) could be impacted by your decision.

If you decide to transfer your pension, you will need to complete some forms (which we will send you). The transfer process will then begin once we are in receipt of your completed forms.

### Don't get scammed out of your pension savings

We want to make you aware of important information about the threat of pension fraud.

Pension scams are on the increase. Everyday criminals used sophisticated ways to con pension savers out of their money. Scammers will often start by offering a 'pension review' or a 'one-off investment opportunity'. Eventually, this 'offer' will depend on you cashing in your savings and transferring them to a third party. As soon as this happens you could lose some or all your money. In addition, you may be liable for significant amounts of tax above the money you lose. You may also receive a lower pension income when you retire.

More information about pension fraud is available [here](#). Don't sign anything or transfer money without speaking to the Pension Advisory Service on 0800 011 3797. If you think you've already fallen victim to a scam, call Action Fraud on 0300 123 2040.

## Deciding what's best for you

How you decide to take your pension savings is one of the most important decisions you are likely to make, so we recommend you get guidance to help. Pension Wise is a free and impartial service offered by the government to help you understand your retirement options. You can find out more at [www.pensionwise.gov.uk/](http://www.pensionwise.gov.uk/) or by calling 0800 138 3944 to book a phone call or face-to-face appointment.

Once you have had time to consider your options and you are in a position to make a decision, please return the forms that we sent you or call us on 0330 100 3334.

**NOW:**  
Pensions



**Pension  
wise**  
Your money. Your choice.

You can contact Pension Wise by going online and visiting [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)

## The future is now

### Information correct as at April 2019

NOW: Pensions is a UK occupational pension plan. Membership is only available through an employer following satisfactory credit checks. This is written as a general guide only. It should not be relied upon as a substitute for specific professional advice and we are not under any obligation to update this. Please note, past performance is not a guarantee of future returns.

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