

Making withdrawals from our Pension

Withdrawal
options

Our low-cost flexible Pension offers a full range of withdrawal options, as outlined in the tables below.

To find out more about the features and benefits available to clients, simply visit our website.

General rules			
	Flexi-access drawdown	Capped drawdown	Uncrystallised Funds Pension Lump Sum (UFPLS)
Age limit	Withdrawals from a pension product/SIPP will not normally be possible until you reach age 55 (57 from 2028). Though generally this is the earliest you can take your savings; in certain circumstances, like serious ill health, you may be able to take them earlier.		
Conditions of access	<ul style="list-style-type: none">• The member must have received advice• Minimum fund value of £50,000 before the first crystallisation event• If it's a drawdown-to-drawdown transfer, the minimum transfer value is £10,000	<ul style="list-style-type: none">• The member must have received advice• No new capped drawdown plan can be started post 6 April 2015.• Additional funds can be added into an existing capped drawdown account provided the arrangement started post 6 April 2006.• If it's a drawdown-to-drawdown transfer, the minimum transfer value is £10,000	<ul style="list-style-type: none">• The member must have received advice• The member must have lifetime allowance remaining to cover the UFPLS payment requested• The member's benefits that are being paid out must hold PCLS rights, e.g. disqualifying pension credits cannot be paid as UFPLS• The member must not hold PCLS rights in excess of 25%

General rules

	Flexi-access drawdown	Capped drawdown	Uncrystallised Funds Pension Lump Sum (UFPLS)
Ongoing contributions	Subject to the money purchase annual allowance (MPAA) of £10,000 if any taxable income has been taken (MPAA not triggered if PCLS only is taken).	No reductions to normal annual allowance limits, provided member stays within GAD limits	Subject to the money purchase annual allowance of £10,000 if UFPLS has been taken
Lifetime Allowance (LTA) test	<ul style="list-style-type: none"> Value of benefits tested when designated to drawdown, and; drawdown benefits (less value of previous crystallisations) will then be tested on: <ol style="list-style-type: none"> purchase of lifetime annuity, purchase of scheme pension, reaching age 75. 	<ul style="list-style-type: none"> Value of benefits tested when designated to drawdown, and; drawdown benefits (less value of previous crystallisations) will then be tested on: <ol style="list-style-type: none"> purchase of lifetime annuity, purchase of scheme pension, reaching age 75. <p>Note: benefits designated to drawdown before A-Day will not be subject to LTA testing but may reduce LTA available for post A-Day crystallisations.</p>	Value of the benefits taken as UFPLS will be tested at the time of payment.
Death benefits	For more information on death benefits, please refer to our pension death benefit factsheet		
Moving to another form of drawdown	Cannot be moved to capped drawdown	<ul style="list-style-type: none"> A client can request to move to flexi-access drawdown, or An account will automatically move to flexi-access drawdown if more than maximum GAD limits is taken in a given tax year 	N/A
Transfers out	<ul style="list-style-type: none"> A full transfer to a registered UK pension scheme or overseas QROPS arrangements (subject to QROPS legislation) Partial transfers can't be made. 	<ul style="list-style-type: none"> A full transfer to a registered UK pension scheme or overseas QROPS arrangements (subject to QROPS legislation) Partial transfers can't be made. 	N/A

Small lump sum payments (small pots)

Where a client has a pension arrangement with a small amount of uncrystallised pension rights, it may be possible for those benefit rights to be paid in the form of a lump sum, under the rules often referred to as "Small pots". These payments do not trigger MPAA and are not a benefit crystallisation event, meaning no LTA needs to be available and no LTA will be used because of the payment

Conditions for payment are:-

- They have reached age 55 (57 from 6 April 2028) or is entitled to take their benefits before age 55 because they either meet the ill health condition or have a protected retirement age
- The payment does not exceed £10,000
- The payment extinguishes the members entitlement to benefits under the arrangement
- The member has not previously received more than 2 such payments

Where the payment is from uncrystallised rights, 25% will be paid tax free, with the balance of the payment chargeable to Income Tax as pension income.

Tax-free lump sums

	Flexi-access drawdown		Capped drawdown	Uncrystallised Funds Pension Lump Sum (UFPLS)
	Ad-hoc crystallisations	Regular crystallisations	Ad-hoc crystallisations only available	
Tax-free amount	Up to 25% of the amount being crystallised. Members with protected tax-free cash rights may be entitled to tax-free cash in excess of 25% (subject to available lifetime allowance).	Up to 25% of the amount being crystallised (subject to available lifetime allowance).	Up to 25% of the amount being crystallised. Members with protected tax-free cash rights may be entitled to tax-free cash in excess of 25% (subject to available lifetime allowance).	25% of the amount being crystallised
How is a crystallisation made?	To cover the crystallisation amount, cash in a Pension Savings Account is moved first. Should there be insufficient cash, the shortfall will be made up by proportionately moving funds. For partial ad hoc crystallisations the amount of cash and the proportion of assets can be defined.			N/A
How is the disinvestment managed?	<ul style="list-style-type: none"> • Cash first • Any shortfall is funded by proportionate disinvestment, or largest fund or nominated assets • 2% oversell takes place when disinvesting from assets 	<ul style="list-style-type: none"> • Cash first • Any shortfall is funded by: <ul style="list-style-type: none"> ◦ Proportionate disinvestment or, ◦ Largest fund • 2% oversell takes place when disinvesting from assets 	<ul style="list-style-type: none"> • Cash first • Any shortfall is funded by proportionate disinvestment, or largest fund or nominated assets • 2% oversell takes place when disinvesting from assets 	<ul style="list-style-type: none"> • Cash first • Any shortfall is funded by proportionate disinvestment of funds
Minimum crystallisation	£1,000	No minimum but sufficient money should be held in the client's Pension Savings Account to fund at least two crystallisations	£1,000	No minimum
Payment date	Paid at any time	10th or 25th of the month	Paid at any time	Paid at any time
Frequency	Any time	Monthly, quarterly, half-yearly, annually	Any time	Any time
Payment method	CHAPS	BACS	CHAPS	CHAPS
When does the money reach the client's bank account?	<ul style="list-style-type: none"> • If cash is available, within 1-2 working days • If no cash is available, within 7 working days 	Any new or amended instructions need to be submitted at least 12 working days before the 10th or 25th payment date, or it will commence the following month.	<ul style="list-style-type: none"> • If cash is available, within 1-2 working days • If no cash is available, within 7 working days 	<ul style="list-style-type: none"> • If cash is available, up to 8 working days • If no cash is available, 13 working days

Income payments					
	Flexi-access drawdown		Capped drawdown		Uncrystallised Funds Pension Lump Sum (UFPLS)
	Ad-hoc income	Regular income	Ad-hoc income	Regular income	
How is the disinvestment managed?	<ul style="list-style-type: none"> • Cash first • Any shortfall is funded by proportionate disinvestment, or largest fund or nominated assets 	<ul style="list-style-type: none"> • Cash first • Any shortfall is funded by: <ul style="list-style-type: none"> ◦ Proportionate disinvestment; or ◦ Nominated or largest fund 	<ul style="list-style-type: none"> • Cash first • Any shortfall is funded by proportionate disinvestment, or largest fund or nominated assets 	<ul style="list-style-type: none"> • Cash first • Any shortfall is funded by: <ul style="list-style-type: none"> ◦ Proportionate disinvestment; or ◦ Nominated or largest fund 	<ul style="list-style-type: none"> • Cash first • Any shortfall is funded by proportionate disinvestment of funds.
Minimum income	No minimum	No minimum but sufficient money should be held in the client's Drawdown account to fund at least two payments	No minimum	No minimum but sufficient money should be held in the client's Drawdown account to fund at least two payments	N/A
Maximum income	The value of the pension account at the time of the withdrawal	<p>When combined with a regular crystallisation 0% - 90% of the available taxable income.</p> <p>Where more than 90% is required, the client will either need to hold a small balance in a drawdown account equivalent to 10% of one taxable income payment or have 12 months' worth of crystallisations in their pension savings cash account</p>	The value of the pension account at the time of the withdrawal	150% of the GAD rate per pension year	The value of the pension account at the time of the withdrawal

Income payments					
	Flexi-access drawdown		Capped drawdown		Uncrystallised Funds Pension Lump Sum (UFPLS)
	Ad-hoc income	Regular income	Ad-hoc income	Regular income	
Review of income limits	No reviews		Every three years before age 75, annually thereafter		No reviews
Taxation of income	Income taxed at the client's marginal rate		Income taxed at the client's marginal rate		75% of the withdrawal amount taxed at the client's marginal rate
Payment date	Paid at any time	10th or 25th of the month	Paid at any time	10th or 25th of the month	Paid at any time
Frequency	Any time	Monthly, quarterly, half-yearly, annually	Any time	Monthly, quarterly, half-yearly, annually	Any time
Payment method	CHAPS	BACS	CHAPS	BACS	CHAPS
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The value of investments and the income from them can go down as well as up and clients may get back less than they invest.

Tax treatment depends on individual circumstances and all tax rules may change in the future. The value of your client's pension pot will reduce over time if investment growth is less than the value of withdrawals.



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