the Money Advice Service

Your pension: it's time to choose

Working in consultation with:

Pension wise
Your money. Your choice.
Backed by HM Government

- Thinking about retiring
- Deciding how to take your retirement income
- Shopping around for the best income

The **Money Advice Service** is independent and set up by government to help people make the most of their money by giving free, impartial advice. As well as advice about pensions and retirement, we offer information on a wide range of other money topics.

Visit our website today for advice, tips and tools to help you make informed decisions and plan for a better future.

moneyadviceservice.org.uk

Free impartial advice

- on the web
- on the phone
- face-to-face

Pension Wise

Free, impartial guidance – backed by government

Pension Wise is a free and impartial service backed by government that helps you understand what your choices are for using your pension pot and how they work.

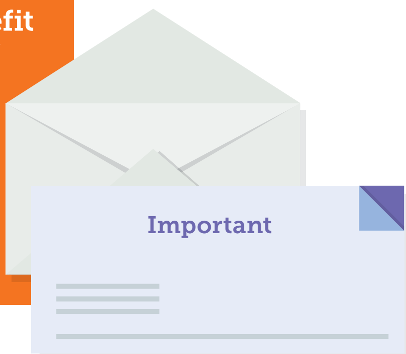
Here to help you

This guide is for you if you're approaching retirement – or are planning to retire early or access your pension pot early – and have a pension pot built up from contributions into a personal or workplace pension.

It outlines your options for using your pot(s) for retirement income under new flexible rules that came into effect from April 2015, and the benefits and any potential risks of the different choices.

It also tells you about key actions you need to take as you approach retirement, or when you plan to access your pot, and how to access free guidance from Pension Wise – an impartial service backed by government that will help you weigh up your options for taking your pension.

This guide doesn't cover defined benefit pension schemes such as 'final salary' and 'career average' schemes, where the pension you'll be getting is worked out as a proportion of your pay. Speak to your pension scheme administrator or employer to find out more.



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Getting started – your flexible retirement plan

Changes introduced from April 2015 give you freedom over how you can access your pension funds if you're 55 or over and have a pension based on how much has been paid into your pot (such as a defined contribution, money purchase or cash balance scheme).

With so many of us living longer retirement is no longer the cliff-edge it once was. Whether you plan to retire fully, to cut back your hours gradually or to carry on working for longer, you can now tailor when and how you use your pension – and when you stop saving into it – to fit with your particular retirement journey.

However, with greater freedom comes greater responsibility – to make sure you have enough to live on throughout your retirement, and that you can provide for any dependants after you die.

With many people living for 30 years after retiring, understanding the choices you have for accessing your pension pot – and careful planning based on your financial and personal circumstances – are essential to make the most of the new flexibility and avoid costly mistakes, large tax bills or running out of money.

You will need to look at how much money you have now, any loans or debts, and what income you will need to support the lifestyle you want in retirement, including meeting unexpected costs as you grow older, such as long-term care costs. You'll also need to consider how your choices will affect your tax and your entitlement to benefits – both now and in the future should you need care and support later in life. Your health and life expectancy – and that of any partner or dependant – will also influence which choices are best for you.

This guide explains why these factors matter and will help you think them through and prepare you for a free Pension Wise appointment.

Don't be tempted to rush into making a decision – take the time to understand your options then get help. Remember, what you decide now will affect your retirement income for the rest of your life.

Pension Wise

Free, impartial guidance – backed by government.

No matter how small your pension pot, we encourage you to take advantage of Pension Wise to help you understand what your choices are for using your pension pot.

Approaching retirement checklist

This checklist also applies if you're thinking of taking some of your pension pot early or retiring early – in this case read 'your retirement date' as 'the date you plan to access your pension pot'.

Four to six months before your retirement date*

Whether you are thinking of retiring fully, gradually or delaying retirement, it's important to check your pension paperwork as you approach retirement.

In particular you need to know about any rules, restrictions, guarantees, or charges that may affect when you can start taking your pension or your choices when deciding how to use your pension pot.

If you have more than one pension pot now's the time to track them all down. It may make sense to combine them to get a better deal when you come to decide on which type of retirement income product(s) you want.

*If you're in a workplace pension your retirement date is normally determined by the scheme's rules. If you have a personal pension it will be the date you chose when setting it up.

How to trace a lost pension

If you've lost track of a pension use The Pension Tracing Service at **gov.uk/find-lost-pension**.
See *Useful contacts* on page 39.

What you need to do now:

- Check your retirement date and pension pot(s) size – found on your pension statements
- Read all of the information sent by your pension scheme or provider – including the options they can offer you for taking your pension. Ask them to explain anything you don't understand
- Check key dates – if you want to change your retirement date, ask your pension scheme or provider whether this is possible and ask what charges apply and if there are any deadlines for notifying them

- Check whether your pension scheme guarantees to pay a certain level of income – called a guaranteed annuity rate or pension income guarantee – if you take out a lifetime annuity with them. If it does, this is likely to guarantee a highly competitive retirement income for life and you may not want to lose this. This is something you will want to discuss at your Pension Wise appointment or with a financial adviser. (We explain annuities on page 10)
- Check whether there are any other conditions, special features, guarantees or charges that might affect when and how you take your pension or will apply if you transfer it to another scheme or provider
- Read this guide and visit the Pension Wise website at **pensionwise.gov.uk** to get a high level understanding of your choices for using your pension pot
- If your pension scheme offers you options not covered by this guide (such as an income payable directly from your scheme) then you might want to discuss these with a financial adviser.

Other information to start gathering together

You will need to find out how much State Pension you expect to receive – go to **gov.uk/state-pension-statement**. See *Useful contacts* on page 39.

You also need to gather together information about any pension based on your salary to which you are entitled, a summary of any other income or benefits you receive and of any savings, loans or debts you have.

Before making a decision

Book a free Pension Wise appointment or arrange to get financial advice – even if you are thinking of delaying your pension.

See page 27 for how to prepare for your Pension Wise appointment.

Beware of scams

As you approach retirement, beware of firms claiming to be approved government advisers or trying to persuade you to take money out of your pension early. Find out how to recognise and report pension scams on page 32.

Options for using your pension pot

Under new rules introduced from April 2015 you have more choice and flexibility than ever before over how and when you can take money from your pension pot.

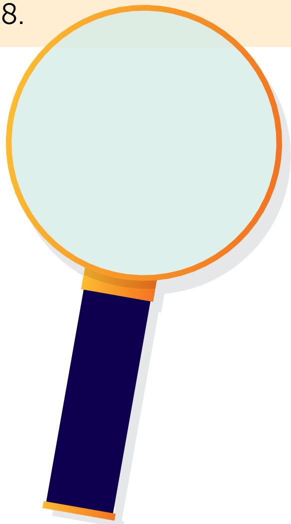
You can:

- **Leave your pension pot untouched** – and take it later. See page 8
- **Use it to buy a guaranteed income for life** – called a lifetime annuity. The income is taxable, but you can choose to take up to 25% of your pot as a one-off tax-free lump sum at the outset. See page 10
- **Use it to provide a flexible retirement income** – called 'flexi-access drawdown' or 'income drawdown'. Take 25% of your pension pot (or 25% of the amount you allocate for drawdown) as a tax-free lump sum, then use the rest to provide a regular taxable income. See page 14
- **Take small cash sums** – the first 25% of each cash withdrawal from your pot will be tax-free. The rest will be taxed. See page 17
- **Take your whole pot as cash** – the first 25% will be tax-free and the rest is taxable. See page 20
- **Mix your options** – choose any combination of the above, using different parts of your pot or separate pots. See page 22.

You must have reached normal minimum pension age to access your pension pot – currently 55 (or earlier if you're in ill health or have a protected retirement age).

Key points

- Not all pension schemes and providers will offer every option.
- You may need to transfer to another scheme or provider to access your preferred choice.
- Even if your scheme or provider does offer an option, be sure to shop around – see page 28.



Get free guidance and financial advice before you decide

With greater freedom of choice comes more responsibility – and there's a lot to weigh up when working out which option or combination will provide you and any dependants with a reliable and tax-efficient income throughout your retirement.

For this reason we strongly recommend that you seek free Pension Wise guidance and/or speak to a financial adviser before making a final decision. See pages 26 and 29 for more detail.

Remember to consider how you would deal with unexpected costs as you grow older, such as the cost of long-term care. Your choice of retirement income may affect how your local authority assesses what you can afford to pay for long-term care should you need it and may also affect the care options that are available to you.

Your choices may affect your entitlement to benefits – both now and in the future. Find out more about the effect of your pension income or savings on your entitlement to benefits at **gov.uk**.

Leave your pension pot untouched

If you already have enough income to live on – either because you are carrying on working or you have stopped work but have other income from savings or investments – you may be able to delay accessing your pension pot beyond your selected retirement date, or your scheme's normal retirement date.

How it works

Your pot continues to grow tax-free until you need it – potentially providing more income once you start taking money out.

If you want to build up your pension pot further you can continue to get tax relief for pension savings, including any employer contribution, of up to £40,000 each year (tax year 2015-16). However you can only receive tax relief on your own contributions of up to 100% of your UK earnings, or £3,600 if this is higher and only until age 75. See Annual allowance on page 34 to find out more.

Things to think about

Be sure to check with your pension scheme or provider whether there are any restrictions or charges for changing your retirement date, and the process and deadline for telling them.

Also check that you won't lose any income guarantees – for example, a guaranteed annuity rate – by delaying your retirement date.

The value of pension pots can rise or fall. Remember to review where your pot is invested as you get closer to the time you want to retire and arrange to move it to less risky funds if necessary.

The longer you delay the higher your potential retirement income, however bear in mind that this could affect your future tax – and your entitlement to benefits. Find out more about the effect of your pension income or savings on your entitlement to benefits at **gov.uk**.

Be aware that the lifetime allowance will fall from £1.25m to £1m from 6 April 2016. If this is likely to affect you, we recommend that you get financial advice. See page 29 for more details.

You could instead delay taking some of your pension. For example, you may be able to arrange to retire gradually, or change to working part-time or flexibly and then draw part of your pension.

Top tip

Delaying your pension gives you more time to understand your different retirement income options and work out which is best for you.

If you want your pot to remain invested after the age of 75, you will need to check with your pension scheme or provider that they will allow this. If not, you may need to transfer to another scheme or provider who will.

Not all pension schemes and providers will allow you to delay. If you want to delay but don't have this option, shop around before moving your pension – see page 28 for how to do this.

What happens when you die

If you die before age 75:

- Your untouched pension pots can pass income tax-free to any nominated beneficiary
- The money will continue to grow tax-free as long as it stays invested, and, provided they take it within two years, the beneficiary can take it as a tax-free lump sum or as tax-free income. If they take it later, they pay tax on it.

If you die age 75 or over:

- The beneficiary will pay 45% tax on any lump sum payments made between 6 April 2015 and 5 April 2016 or Income Tax at their highest tax rate if taken as income. Any amounts they take out after this – lump sum or income – will be added to their income and taxed at their highest tax rate.

Lifetime allowance charges:

- If the total value of all your pension savings when you die exceeds the lifetime allowance, currently £1.25m (falling to £1m from 6 April 2016) further tax charges will be payable by the beneficiary. To find out more about the lifetime allowance see page 36.

There's no hurry to start taking your pension if you don't need to but check whether restrictions apply or if you'll lose benefits if you take it later.

Use your pension pot to buy a guaranteed income for life – an annuity

A lifetime annuity provides you with a regular retirement income for life – with the guarantee that the money won't run out before you die.

Lifetime annuities include:

- basic lifetime annuities
- investment-linked annuities
- flexible annuities

Before buying an annuity it's important you choose the type and features best suited to your personal circumstances, your life expectancy and your attitude to risk – your choices can make a big difference to your income.

How it works

You can choose to take up to 25% (a quarter) of your pot as a one-off tax-free lump sum at the outset. You use the rest to buy an annuity – a guaranteed income for life – from your provider or another insurance company. You must buy the annuity within six months of taking your tax-free lump sum.

As a rule of thumb, the older you are when you take out an annuity, the higher the income (annuity rate) you'll get.

You can choose to receive your income monthly, quarterly, half-yearly or yearly, depending on the scheme or provider.

Basic lifetime annuities

Basic lifetime annuities offer a range of income options designed to match different personal circumstances and attitude to risk.

You need to decide whether you want:

- one that provides an income for life for you only and stops when you die – a **single life annuity**, or one that also provides an income for life for a dependant or other nominated beneficiary after you die (normally at a reduced rate) – called a **joint life annuity**
- payments to continue to a nominated beneficiary for a set number of years (for example 10 years) from the time the annuity starts in case you die unexpectedly early – called a **guarantee period**
- payments fixed at the same amount throughout your life – a **level annuity**, or payments to be lower than a level annuity to start with but rise over time by set amounts or in line with inflation – an **increasing annuity**
- **value protection** – less commonly used and likely to reduce the amount of income you receive, but designed to pay your nominated beneficiary the value of the pot used to buy the annuity less income already paid out when you die.

You may be able to combine some of these options. Your choices affect how much income you can get.

Where you expect to live when you retire may also affect how much income you get.

If you have a medical condition, are overweight, smoke or have a poor lifestyle you may be entitled to an 'enhanced annuity' or 'impaired life annuity'. This pays a significantly higher rate of income than basic annuities – so be sure to opt into health and lifestyle questions and answer them honestly.

Key points

- You don't have to buy your existing provider's annuity – most people get a better retirement income from a different provider. Take your time and shop around.
- Make sure you check whether you could get a better income because of your health or lifestyle – called an 'enhanced annuity'.
- Ask if your provider offers a 'guaranteed annuity rate' – if they do it's likely to offer a highly competitive income, which you may not want to lose.

Investment-linked annuities

If you are willing to take more risk in return for a potentially higher income, you could opt for an investment-linked annuity, which also guarantees to pay out for life, though not a set amount.

The income you receive rises and falls in line with the value of investments that you choose when you purchase your annuity. So while it could pay more over the longer term than a basic annuity, your income could also fall.

All investment-linked annuities guarantee a minimum income if the fund's performance is weak.

With investment-linked annuities you can also have a dependant's pension, guarantee periods, value protection and higher rates if you have a short life expectancy due to poor health or lifestyle.

Flexible annuities

A flexible annuity gives you income flexibility, investment control and choice of death benefits if your circumstances change.

The income you receive rises and falls in line with the value of investments, but unlike investment-linked annuities you can change your investment options.

Things to think about

Once you've bought an annuity you have very little time to change your mind – and after that the decision is irreversible, so think carefully before you commit. However, they provide a regular income for life, so there's no risk of your money running out.

Although you cannot change your annuity back into a pension pot, the Government announced changes due to come into force from April 2016, that will allow you to sell your annuity for a cash lump sum on which you will pay Income Tax at your highest rate.

If unsure about buying an annuity, you could use another option to start with and take an annuity later when you're likely to get a higher rate due to your age.

If you have a very limited life expectancy, an annuity may not be the right option for you.

If your provider offers you a basic annuity with a 'guaranteed annuity rate' this will be hard to match in the market – however shop around to check.

To find out more about the different annuity types and features, including examples of how different choices affect your income see our online guides and tools at **moneyadviceservice.org.uk/retirement**, or download our factsheet Understanding lifetime annuities.

Think carefully about whether you need to provide an income for your partner or another dependant on your death.

Also consider whether you should take an annuity with an increasing income as inflation can significantly reduce your standard of living over time.

Investment-linked and flexible annuities offer the chance of a higher income – but only by taking extra risk. Your income could reduce if the fund doesn't perform as expected. If considering this option look at what your provider can offer then get financial advice. See page 28.

If you buy an annuity with money from a pension pot you've already used for another income option, such as income drawdown (see page 14), you can't take a further tax-free lump sum – even if you chose not to take a tax-free lump sum with the other option.

Not all pension schemes and providers offer annuities – or some may only offer one type, or offer to buy an annuity on your behalf. Whatever the case, shop around before deciding who to go with – you're likely to get a better income. Find out more on page 28.

Tax you will pay

The income you receive from an annuity is taxable at your highest rate. See page 35 for an example of how pension income is taxed.

Your annuity provider will pay your income through a payslip and take off tax in advance – called PAYE (Pay As You Earn). This means you may pay too much tax and have to claim the money back – or you may owe more tax if you have other sources of income.

If the value of all of your pension savings is above £1.25m (falling to £1m from 6 April 2016) and these savings haven't already been assessed against the lifetime allowance, further tax charges may apply when you access your pension pot. See Lifetime allowance on page 36.

Tax relief on future pension savings

After buying an annuity you can in most cases continue to get tax relief on pension savings of up to the annual allowance of £40,000 (2015-16).

However, if you buy a flexible annuity, the maximum tax relief you can get on future defined contribution pension savings is reduced to £10,000. If you want to carry on saving into a pension this option may not be suitable. Find out more about the Money purchase annual allowance on page 37.

Benefits entitlement

The income generated by your annuity could affect your entitlement to benefits now or in later life. To find out how income or savings can affect benefits go to **gov.uk**.

What happens when you die

If you have a single annuity and no other features, your pension stops when you die. Otherwise, the tax rules vary depending on your age as shown below.

If you die before age 75:

- Income from a joint annuity will be paid to your dependant or other nominated beneficiary tax-free for the rest of their life
- If you die within a guarantee period the remaining annuity payments will pass tax-free to your nominated beneficiary then stop when the guarantee period ends
- Any lump sum payment due from a value protected annuity will be paid tax-free.

If you die age 75 or over:

- Income from a joint annuity or a continuing guarantee period will be taxable at the beneficiary's highest tax rate
- Joint annuity payments will stop when your dependant or other beneficiary dies and any guarantee period payments stop when the guarantee period ends
- Any lump sum due from a value protected annuity will be taxable at 45% if paid before 6 April 2016 and at the beneficiary's highest tax rate if paid after that date.

Use your pension pot to provide a flexible retirement income

With 'flexi-access drawdown' – also referred to below as income drawdown – you keep most or all of your pension pot invested and draw a variable income from it.

How it works

You can choose to take up to 25% (a quarter) of your pension pot as a tax-free lump sum. You then move the rest within six months into one or more funds that allow you to take income at times to suit you – eg monthly, quarterly, yearly or irregular withdrawals. Most people will use it to take a regular income. If you do not move the rest of your funds within the six months, you will need to pay tax on the lump sum (normally 55%).

Once you've taken your tax-free lump sum you can start taking the income right away, or wait until a later date. You pay tax on the income at your highest Income Tax rate.

You choose funds to invest in that match your income objectives and attitude to risk and set the income you want, though this may be adjusted periodically depending on the performance of your investments.

You can also move your pension pot gradually into income drawdown. In this case you can take up to a quarter of each amount you move from your pot tax-free and place the rest into income drawdown.

To help provide more certainty, you can at any time use all or part of the funds in your income drawdown to buy an annuity or other type of retirement income product. What is available in the market will vary at any given time so you'll need to discuss your options with a financial adviser. These products may use a variety of different structures to pay a regular income – with guarantees about investment growth, income and/or how much you'll have left to convert into retirement income later on.

Note that you won't be eligible for another tax-free lump sum if using funds from your income drawdown to take out any other retirement income products.

Things to think about

Deciding how much income you can afford to take needs careful planning – it depends on the size of your income drawdown, the performance of the funds where it's invested, what other sources of income you have, and whether you want to provide for a dependant or someone else after you die. It also depends on how long you expect to live – and many people underestimate this.

Your retirement income could fall or even run out if you take too much too soon and start eating into your drawdown fund, especially if stock markets fall.

Investment choice is key - you will need to keep your funds under regular review to ensure they continue to meet your long-term retirement income needs.

Charges will apply and can affect the size of your investments and the money you receive.

Not all pension schemes and providers offer income drawdown. Those that do will offer different income drawdown products and charging structures – and the choice is likely to increase – so even if your own scheme or provider offers this option it's still worth shopping around and getting advice. See page 28.

We strongly recommend that you get financial advice if choosing income drawdown. A financial adviser will confirm whether it's suitable for you, help you choose the right funds and tailor a plan to fit your individual circumstances. See page 29 for more detail.

Tax you will pay

You pay tax on the income withdrawals (outside the tax-free cash allowance) at your highest Income Tax rate. See page 35 for an example of how pension income is taxed.

Your drawdown provider will pay the cash through a payslip and take off tax in advance – called PAYE (Pay As You Earn). This means you may pay too much tax and have to claim the money back – or you may owe more tax if you have other sources of income.

If you have other income, you'll need to plan carefully how much drawdown income to take, to avoid pushing yourself into a higher tax bracket.

If the value of all of your pension savings is above £1.25m (falling to £1m from 6 April 2016) and these savings haven't already been assessed against the lifetime allowance, further tax charges may apply when you access your pension pot. See Lifetime allowance on page 36.

Tax relief on future pension savings

Once you have taken any money from your flexi-access drawdown fund, the maximum tax relief you can get on future defined contribution pension savings is reduced to £10,000. If you want to carry on building up your pension pot this may influence when you start taking your drawdown income.

The tax relief you get for future pension savings is not affected if you take the tax-free lump sum but no income.

To find out more, see Annual allowance on page 34 and Money purchase annual allowance on page 37.

Benefits entitlement

The income you receive – and in some cases the value of your remaining drawdown funds and any untouched pension pot – could affect your entitlement to benefits now or when you grow older. To find out how income or savings can affect benefits, go to **gov.uk**.

What happens when you die

If you die before age 75:

- You can pass on anything remaining in your drawdown fund as a tax-free lump sum to a nominated beneficiary, or they can continue to receive the income tax-free through drawdown.

If you die age 75 or above:

- Anything remaining in your drawdown fund that you pass on as a lump sum will be taxed at 45% if taken before 6 April 2016, or at the beneficiary's highest tax rate if taken as income. If taken on or after this date – either as a lump sum or income – it will be taxed at the beneficiary's highest tax rate.

Take small cash sums

You leave your money in your current pension pot and take cash from it when you need it.

How it works

You use your existing pension pot a bit like a savings account, to take cash as and when you need it and leave the rest of your pot invested where it can continue to grow tax-free.

For each cash withdrawal the first 25% (a quarter) will be tax-free and the rest will be taxed at your highest tax rate – by adding it to the rest of your income.

There may be charges each time you make a cash withdrawal and/or limits on how many withdrawals you can make each year.

Note that, unlike with income drawdown – page 36 – your pot isn't re-invested into new funds specifically chosen to pay you a regular income.

Things to think about

This option won't provide a regular income for you, or for any dependant after you die.

Your pension pot reduces with each cash withdrawal. The earlier you start taking money out the greater the risk that your money could run out – or what's left won't grow sufficiently to generate the income you need to last you into old age. Remember – your pension pot needs to fund not just your immediate needs but also your expenses in the future.

The administration charges for each withdrawal could eat into your remaining pot – check how much these are.

Your existing pension pot may not be designed to produce a regular retirement income so the value of its investments could fall in value. It's therefore especially important to keep it under regular review to reduce the chances of running out of money. Charges will apply to do this – and it may mean you need to move or reinvest your pot at a later date.

The money you leave in your pension pot will grow tax-free. Once you take it out it is taxed and you can't put it back.

Remember, the buying power of cash reduces because of inflation – using cash sums to fund your long-term retirement isn't advisable.

If you plan to use cash withdrawals to make a one-off purchase or to pay down debts, you must also be sure that you have enough left to live on for the rest of your life.

To find out where to get free debt advice use our Debt advice locator tool at **moneyadviceservice.org.uk/debt**

Not all pension providers or schemes offer cash withdrawals. Shop around if you want this option but can't get it with your current provider, as charges and restrictions will vary. Find out how to shop around on page 28.

You may not be able to use the cash withdrawal option if you have primary protection or enhanced protection or protected rights to a tax-free lump sum of more than £375,000 (because this means you could get more tax-free cash than you are entitled to). It is best to talk to your scheme if you have one or more of these kinds of protection and find out what your options are.

Remember

- This option won't provide a regular retirement income for you or for any dependants after you die.
- The funds your existing pot is invested in could fall in value.
- Three-quarters (75%) of each cash sum withdrawn counts as taxable income – taking lots of large cash sums could increase your tax rate.

Tax you will pay

Three-quarters (75%) of each cash withdrawal counts as taxable income. This could increase your tax rate when added to your other income.

Your pension scheme or provider will pay the cash through a payslip and take off tax in advance – called PAYE (Pay As You Earn). This means you may pay too much tax and have to claim the money back – or you may owe more tax if you have other sources of income.

If the value of all of your pension savings is above £1.25m (falling to £1m from 6 April 2016) and these savings haven't already been assessed against the lifetime allowance, further tax charges may apply when you access your pension pot. See Lifetime allowance on page 36.

Once you reach age 75, if you have less remaining lifetime allowance available than the amount you want to withdraw, the amount you will get tax-free will be limited to 25% (a quarter) of your remaining lifetime allowance rather than 25% of the amount you are taking out. See page 36 to find out about the lifetime allowance.

Tax relief on future pension savings

Once you have taken a lump sum, the maximum tax relief you can get on your earnings or future defined contribution pension savings is reduced to £10,000. If you want to carry on saving into a pension this option may not be suitable.

To find out more, see Annual allowance on page 34 and Money purchase annual allowance on page 37.

Benefits entitlement

Taking cash lump sums could reduce your entitlement to benefits now or as you grow older. To find out how income or savings can affect benefits, go to **gov.uk**.

What happens when you die

If you die before age 75:

- Any untouched part of your pension pot will pass tax-free to your nominated beneficiary.

If you die age 75 or over:

- Your beneficiary will pay tax of 45% for any lump sum they take before 6 April 2016, or Income Tax at their highest rate if taken as income. For payments after this date – lump sum or income – they will pay Income Tax at their highest rate.

Lifetime allowance charges:

- If the value of all of your pension savings is above £1.25m (falling to £1m from 6 April 2016) when you die further tax charges may apply. See Lifetime allowance on page 36.

Take your whole pot as cash

You no longer have to convert your pension pot into a regular income if you don't want to. You can take the whole amount as cash in one go if you wish.

Cashing in your pension pot will not give you a secure retirement income. Get guidance from Pension Wise and consider taking financial advice before you commit.

How it works

You close your pension pot and withdraw it all as cash.

The first 25% (quarter) will be tax-free and the rest will be taxed at your highest tax rate – by adding it to the rest of your income.

Things to think about

This option won't provide a regular income for you – or for your spouse or other dependant after you die.

Three-quarters (75%) of the amount you withdraw is taxable income, so there's a strong chance your tax rate would go up when the money is added to your other income.

If you exercise this option you can't change your mind – so you need to be certain that it's right for you. For many or most people it will be more tax efficient to consider one or more of the other options.

If you plan to use the cash to clear debts, buy a holiday, or indulge in a big-ticket item you need to think carefully before committing to this option – doing so will reduce the money you will have to live on in retirement, and you could end up with a large tax bill.

If you have received a share of an ex-spouse or ex-civil partner's pension as a result of a divorce, you may not be able to take this option. Check with your pension scheme or provider.

You may not be able to use the cash withdrawal option if you have primary protection or enhanced protection or protected rights to a tax-free lump sum of more than £375,000 (because this means you could get more tax-free cash than you are entitled to). It is best to talk to your scheme if you have one or more of these kinds of protection and find out what your options are.

There may be charges for cashing in your whole pot. Check with your scheme or provider.

Not all pension schemes and providers offer cash withdrawal – shop around then get financial advice if you still want this option after considering its risks, as charges may vary. See page 28 for how to shop around.

To find out where to get free debt advice use our Debt advice locator tool at **moneyadviceservice.org.uk/debt**

Tax you will pay

The first 25% (quarter) will be tax-free and the rest will be treated as income and taxed at your highest tax rate. As already explained, there is a high risk that your tax rate will go up. See page 35 for an example of how your highest tax rate is worked out.

Your pension scheme or provider will pay the cash through a payslip and take off tax in advance. This means you may pay too much tax and have to claim the money back – or you may owe more tax if you have other sources of income.

If the value of all of your pension savings is above £1.25m (falling to £1m from 6 April 2016) and these savings haven't already been assessed against the lifetime allowance, further tax charges may apply when you access your pension pot. See Lifetime allowance on page 36.

Once you reach age 75, if you have less remaining lifetime allowance available than the amount you want to withdraw, the amount you will get tax-free will be limited to 25% (a quarter) of your remaining lifetime allowance rather than 25% of the amount you are taking out. See page 36 to find out about the lifetime allowance.

Tax relief on future pension savings

Once you have taken a lump sum, the maximum tax relief you can get on your earnings or future defined contribution pension savings is reduced to £10,000. If you want to carry on saving into a pension this option may not be suitable. To find out more, see Annual allowance on page 34 and Money purchase annual allowance on page 37.

Benefits entitlement

Taking a large cash sum could reduce any entitlement you have to benefits now, or as you grow older – for example to help with long-term care needs. To find out how income or savings can affect benefits go to **gov.uk**.

What happens when you die

Whatever age you die, any remaining money or investments purchased with cash taken out of your pension pot will count as part of your estate for Inheritance Tax. By contrast any part of your pot that was untouched would not normally be liable.

Tax tip

Taking your whole pot as cash could land you with a large tax bill – for most people it will be more tax efficient to use one of the other options. Get guidance or advice before you commit.

Mix your options

You don't have to choose one option – you can mix and match as you like, and take cash and income at different times to suit your needs. You can also keep saving into a pension if you wish, and get tax relief up to age 75.

Which option or combination is right for you will depend on:

- when you stop or reduce your work
- your income objectives and attitude to risk
- your age and health
- the size of your pension pot and other savings
- any pension or other savings of your spouse or partner, if relevant
- whether you have financial dependants
- whether your circumstances are likely to change in the future.

You'll be talked through all of the options at your free Pension Wise appointment. See page 26.

Allocating pots when mixing options

When mixing your options you might:

- use different parts of one pot for more than one option
- use separate pots for separate options
- combine smaller pots before choosing one particular option.

If you have several pots we recommend getting financial advice to work out how best to use them. An adviser will also tell you when it makes sense to combine pots. See page 29 for information on getting financial advice.

Tax-free lump sums when mixing options

Note that you can take up to 25% (a quarter) of each withdrawal from your pension pot tax-free, but you only get the chance to take the tax-free amount at that time.

For example, if you put your whole pension pot into income drawdown, you use up your rights to take a tax-free sum at the time you transfer the funds. So whether you choose to take 25% tax-free, or less – or no tax-free sum at all – you can't take another tax-free lump sum later from the income drawdown, for example if using part of your income drawdown fund to buy an annuity.

However, if you only moved part of your pot to income drawdown and later wanted to use some or all of the remaining part of your pension pot to buy a lifetime annuity, you could take up to 25% of that money as tax-free cash.

What happens when you die

If you die before age 75:

- The income you receive from an annuity will stop unless you have taken out income protection in the form of a joint life annuity guarantee period or value protection (see page 10) in which case any funds or future income will be paid to your beneficiary tax-free
- Your untouched pension pots and any remaining funds you have in an income drawdown can pass tax-free to any nominated beneficiary
- The money will continue to grow tax-free as long as it stays invested, and, provided they take it within two years, the beneficiary can take it as a tax-free lump sum or as tax-free income. If they take it later, they pay tax on it
- Any remaining money or investments purchased with cash taken out of your pension pot will count as part of your estate for Inheritance Tax.

If you die age 75 or over:

- The income you receive from an annuity will stop unless you have taken out income protection in the form of a joint life annuity guarantee period or value protection (see page 10)
- Your beneficiary will pay 45% tax on any lump sum payments made from untouched pension pots, income drawdown or your annuity between 6 April 2015 and 5 April 2016 or Income Tax at their highest tax rate if taken as income. Any amounts they take out after this – lump sum or income – will be added to their income and taxed at their highest tax rate
- Any remaining money or investments purchased with cash taken out of your pension pot, will count as part of your estate for Inheritance Tax.

Lifetime allowance charges:

- If the total value of all your pension savings when you die exceeds the lifetime allowance, currently £1.25m (falling to £1m from 6 April 2016) and these savings haven't already been assessed against the lifetime allowance, further tax charges will be payable by the beneficiary. To find out more about the lifetime allowance see page 36.

Not all pension schemes and providers will offer every option – but you still have the choice. See page 28 for how to shop around.

Options at a glance

Remember – you can mix these options. Ask about this at your free Pension Wise appointment then shop around or get financial advice.

	Guaranteed income (annuity)	Flexi-access drawdown	Take small cash sums	Take whole pot as cash
How much tax-free cash can I get?	Up to 25% of pot	Up to 25% of pot[1]	25% of each withdrawal	25% of pot
Regular income?	Yes	Yes[2]	No	No
Guaranteed income for life?	Yes	No[3]	No	No
Do I need to review my pension pot regularly?	No	Yes	Yes	N/A
Could my money run out later in retirement?	No	Yes	Yes	Yes
Pays higher income for medical conditions?	Yes	No	N/A	N/A
Can I change my mind and use my pot differently?	No[4]	Yes	Yes[5]	No
Will my tax rate go up when I access my pot?	Unlikely as you plan your income in advance	Unlikely as you plan your income in advance	Depends on the size of your cash withdrawals	Highly likely
Is tax relief on my pension savings affected?	No[6]	Yes[7]	Yes[7]	Yes[7]

Notes for chart opposite:

1. Applies to the amount allocated for this product – ie. whether you use all or part of your pension pot. Either way, you only get one chance to take your tax-free lump sum– eg if you choose not to take tax-free cash when going into income drawdown, you can't take tax-free cash later if using those same funds to buy an annuity.
2. Flexi-access drawdown allows you to take income at times to suit you, although most people will use it to take a regular income.
3. But some providers may offer 'specialist' income drawdown products that also guarantee a minimum income for life.
4. The Government has announced changes due to come into force from April 2016, that will allow you to sell your annuity for a cash lump sum on which you will pay Income Tax at your highest rate.
5. The part you've not cashed in continues to grow tax free and can be used to buy any retirement income product.
6. Your annual allowance is not affected unless you take out a flexible annuity, in which case your allowance reduces to £10,000 a year – see Money purchase annual allowance on page 37 for full details.
7. If your pot is valued at £10,000 or more – see Money purchase annual allowance on page 37 for full details.

Pension Wise

Free, impartial guidance – backed by government.

Pension Wise is a free government service that helps you understand what you can do with your pension pot money.

It offers guidance on the Pension Wise website at **pensionwise.gov.uk** about your options for taking your pension pot, including understanding the tax implications of the different options.

It also offers free guidance appointments over the telephone or face-to-face to help you understand your options and take the time to make the right decision.

Pension Wise can help you:

- understand the right things to think about when considering your choices, such as your plans to continue working, your personal and financial circumstances, and leaving money after you die
- understand the different options for accessing your pension pot(s), and the potential advantages and disadvantages of each
- understand the tax implications of each choice.

The service is impartial and won't recommend companies or tell you how to use your pension pot or invest your money. It's your money, and it's your choice.

After taking guidance, we recommend that you shop around and consider getting financial advice when you need it. Information on shopping around is available through Pension Wise and under our section on *Shopping around* (page 28).

How to get your free Pension Wise guidance

Pension Wise guidance can be accessed online and through a telephone or face-to-face appointment.

We recommend you visit the Pension Wise website at **pensionwise.gov.uk** to see what the service offers and to begin to understand your available options.

To book an appointment visit the Pension Wise website or call 0300 330 1001.

Preparing for your appointment

To make the most of a Pension Wise appointment it would be helpful to have:

- the value of your pension pot(s) and whether there are any guarantees or special features that apply to your pot – check your pension statement or ask your scheme or provider. If you have more than one pension pot remember to gather information on all of them together – see page 39 for how to contact The Pension Tracing Service to help you locate a pension you've lost track of
- an estimate of how much State Pension you may get – to get a State Pension statement go to **gov.uk/state-pension-statement**. See page 39.

Before your appointment, you should think about your financial circumstances as a whole, such as your salary and any relevant savings or debts – this will help inform the context of your pension decision. You should also start thinking about how you want to use your money in retirement, whether you just need small sums or a regular income.

The Pension Wise appointment will also discuss relevant points such as any medical or health conditions that may affect your life expectancy that may result in you getting a better income in retirement and how any benefits you are currently receiving could be affected by how you take your pension.

Next steps

Pension Wise will provide you with next steps for each of the options available, and once you've visited Pension Wise and understand your options, we recommend that you shop around to get the best deal before making a decision.

You can also speak to a financial adviser who will help you finalise your choices and find the right retirement income products for you, although you will pay for this service. For more details see page 29.

If you are confident about which option and product is right for you, you could go direct to a product provider, but you'll have less protection if something goes wrong.

Shopping around

Whichever retirement income option you are considering, be sure as a first step to make the most of the free guidance available through Pension Wise (see page 26). This will give you a clearer understanding of which options may be right for you.

After your Pension Wise appointment it's essential to shop around – don't just settle for your own pension scheme or provider's products. For this you might need financial advice.

Research by the **Financial Conduct Authority (FCA)** in February 2014 showed that eight out of ten people who bought an annuity from their existing pension provider would have received a higher retirement income by shopping around.

How to shop around

Step 1 – Check what your current scheme or provider can offer

Ask your current scheme or provider what they can offer you and get quotes for all the options you're interested in to use as a baseline for comparison.

- Check whether they offer a guaranteed annuity rate. If they do, it's likely to be hard to match the rate elsewhere if you're interested in an annuity – but still shop around to check
- Check whether there are any other guarantees that will be lost, or conditions or charges that will apply if you transfer to another provider
- If you are looking to buy an annuity answer any medical and lifestyle questions fully and accurately, as this could significantly increase the annuity income you could get. (You can get a copy of the questions you will be asked at **retirementhealthform.co.uk**)

Step 2 – Compare basic annuities online

Use online comparison tables to compare basic annuity quotes – remember to answer medical and lifestyle questions fully and honestly.

- You can compare basic annuity products using the Money Advice Service Annuity comparison table at **moneyadviceservice.org.uk/annuities**
- You will also find other comparison tables online
- If you use an annuity broker they will do the quote gathering from different providers for you, but be careful because they won't tell you which annuity is the best one for you. The choice will be yours.

Step 3 – Speak to a financial adviser

Retirement income products are complicated and the choices you make will affect your income for the rest of your life. We recommend that you get advice from a financial adviser if you are not sure which option is right for you. Complex products such as investment-linked annuities and income drawdown products are difficult to compare yourself. A financial adviser will assess your needs and give you a recommendation that is personal to you. They will also be able to advise you on whether it makes sense to combine your pension pots if you have more than one.

Financial advisers are qualified professionals who will recommend which retirement income options and products are best for you after taking account of your overall financial and personal circumstances. They are regulated by the Financial Conduct Authority (FCA) and must follow their rules. If the advice they give you turns out to be unsuitable you have protection.

'Independent Financial Advisers' look at all financial product types and all providers. Financial advisers offering 'restricted advice' specialise in certain product types and/or restrict how many providers' products they look at. For the widest choice of retirement income products you ideally want an adviser who can recommend products from the whole of the market they are advising on.

What does it cost?

A financial adviser will charge either a percentage of your pension pot, a charge per hour or a fixed fee. You can pay up front, or have the fee deducted from the pension pot after any tax-free amount is withdrawn. Most offer an initial meeting for free. Advisers will always give you an estimate of how much their services will cost before you commit yourself.

Top tip

Choose a financial adviser who can recommend products from a wide range of providers.

Getting help or advice from product providers

You can also talk direct to a product provider – but be sure to ask whether they are offering you financial advice and a recommendation or just information.

If they are offering just information you must be confident that any retirement income product you may choose is right for you and that you can't get a better deal elsewhere. You have no protection if the product you buy turns out to be unsuitable for you.

If you are at all unsure ask for advice – they may be able to recommend a list of financial advisers or offer their own advice service. However, if they offer advice this is likely to be limited to their own products.

What does it cost?

If you use a provider's advised service you'll pay a fee in one of the ways described earlier. If you buy without advice the cost of their service will be built in to the quote they offer you – this won't necessarily be any cheaper than getting advice.

Find a financial adviser

Use the Money Advice Service online Retirement adviser directory at **moneyadviceservice.org.uk/directory** to find the right adviser for you.

All of the advisers listed will offer personalised financial advice specific to your needs and circumstances and can choose products from a wide range of providers. The Money Advice Service maintains the directory using information directly from the FCA so you can have peace of mind that you are always dealing with an authorised and regulated firm and are protected if things go wrong.

Need more help?

Find a financial adviser with our
Retirement adviser directory

Our directory only contains details of regulated advisers – so you have peace of mind that you are fully protected. Choose to deal with your adviser in person, on the telephone or online.
It's up to you.

Find your financial adviser at
moneyadviceservice.org.uk/directory
or call **0300 500 5000**

the **Money Advice Service**

How to spot pension scams

Pension scams are on the increase in the UK. Check the facts before you make an irreversible decision – a lifetime's savings can be lost in a moment.

In particular, beware of people contacting you out of the blue about your pension or running advertisements claiming to offer 'free pension reviews'. Their aim is to persuade you to cash in your pension pot and hand the money to them to invest.

These outfits may be very sophisticated and have convincing websites. Some may imply that they are part of the government-backed Pension Wise guidance service by including the terms 'pension' and 'wise' or 'guidance' in their name.

They may:

- try to persuade you to take your entire pension as cash – or a large lump sum – and let them invest it for you
- promise extra tax savings and/or very high returns from overseas investments or new or 'creative' investments
- claim to know of loopholes that will allow you to get more than the usual 25% (a quarter) of tax-free cash
- say they can help you or someone else unlock your pension before age 55
- encourage you to transfer your pension quickly, and even send documents to you by courier.

Once you've transferred your pension, it may be too late. Many victims have lost their entire pension savings to scams. Even if you don't lose your money, you could be asked to pay a large tax bill on top.

The Pension Wise service will never contact you out of the blue to offer a pension review – and it only has one website: **pensionwise.gov.uk**

How to spot a scam

As well as the points above, watch out for one or more of these common features of scams:

- being approached out of the blue over the phone, via text message or in person door-to-door
- you aren't given long to make a decision or you feel pressured into making one immediately
- the only contact details they give you or on their website are a mobile phone number and a PO box address
- a firm doesn't want or allow you to call them back.

For further information on pension scams visit **thepensionsregulator.gov.uk/pension-scams**.

Check the credentials of anyone who contacts you

The Financial Conduct Authority (FCA) requires all firms offering financial products or advice to be registered with them to conduct business.

If you're unsure about a firm that has contacted you, use the FCA's online register to check if a firm is registered at **fca.org.uk/register** or call them on **0800 111 6768**.

To be sure it's the same firm call them back on the switchboard number given on the FCA's website – not any other number they may give you.

If you think you've been scammed, or have been contacted by someone trying to scam you, contact the Financial Conduct Authority Consumer Helpline on **0800 111 6768**.

If you have accepted an offer or lost money to investment fraud, report it to Action Fraud on **0300 123 2040** or online at **actionfraud.police.uk**.

Top tip

Any firm that passes itself off as part of the government's Pension Wise service is committing a criminal offence. Only contact Pension Wise through its website or call 0300 330 1001.

Jargon buster

Annual allowance
The maximum savings made into a pension – based on your own and any employer contributions, that you can have in a year before you have to start paying tax on them. In the tax year 2015-16, the annual allowance is £40,000. If you're not earning, you can still get tax relief on savings up to £3,600 a year. See also Money purchase annual allowance.

Annuity
A type of retirement income that provides you with a regular payment, usually for life.

Cash balance pension
A pension arrangement where your employer promises you a pension pot of a specified amount, when you reach retirement age. Typically, the amount is calculated as a proportion of your salary for each year of service. You know how much your pot will be, but there is no promise as to the amount of pension you will be able to buy (or take) from it.

Cash lump sum
See Tax-free lump sum.

Defined benefit pension
Pays a retirement income based on your salary and how long you have worked for your employer. Defined benefit pensions include 'final salary' and 'career average' pension schemes. Generally only available from public sector or older workplace pension schemes.

Defined contribution pension
Builds up a pot to pay you a retirement income based on contributions from you and/or your employer and investment returns. Includes workplace and personal pensions, including stakeholder pensions. Might be run through an insurance company or master trust provider, or through a bespoke scheme set up by your employer.

Drawdown
See Income drawdown.

Final salary pension
See Defined benefit pension.

Flexi-access drawdown
Allows you to withdraw funds from your pension pot and then take any amount of income without restriction while leaving the remaining funds invested. You can take 25% as a tax-free lump sum when you first decide you want to go into drawdown. Replaced flexible drawdown and capped drawdown from April 2015, though existing users of capped drawdown can continue in that plan.

Guaranteed annuity rate (GAR)
A competitive guaranteed income offered by some pension schemes if you take a lifetime annuity out with them – often hard to match if shopping around.

Guaranteed drawdown

A hybrid product that combines a guaranteed income for life with the flexibility of drawdown.

Highest tax rate

Also referred to as 'marginal tax rate' Income Tax is split into bands and you pay different rates: 20%, 40% and 45% based on these bands. The practical effect is seen in the table below.

Your pension income is added to your other earnings and then taxed according to which tax band it falls inside. If it pushes your overall income into a new tax band you may pay tax on it at two rates, as seen in the example below.

Income Tax rates 2015-16

Income between these limits	Tax rate for most people*
Up to £10,600	No Income Tax payable (Personal Allowance)
Between £10,600 and £42,385	20%
Between £42,386 and £150,000	40%
Above £150,000	45%

**Where your total income is more than £100,000, your Personal Allowance goes down by £1 for every £2 that your income is above £100,000. This means your allowance is zero if your income is £120,000 or more.*

Tax on your pension income – step by step example

This simple example shows how pension income can push you into a new tax bracket when added to your other earnings.

It assumes earnings of £30,000 and a taxable pension income of £15,000.

A	Taxable income (earnings + pension)	£45,000
B	First £10,600	no tax
C	Next £31,785 taxed at 20%	£6,357
D	Final £2,615 taxed at 40%	£1,046
Tax paid:		**£7,403**

How the tax breaks out...

B -£10,600 tax-free allowance

- First part of the £30,000 (non-pension) earnings

C -£31,785 taxed at 20%

- £19,400 comes from the remaining non-pension earnings (£30,000 less £10,600 = £19,400)
- The remaining £12,385 comes from part of the £15,000 taxable pension income

D -£2,615 taxed at 40%

- Comes from the remaining taxable pension pot income (£15,000 less £12,385)

Tax paid on pension income

£12,385 taxed at 20%	£2,477
£2,615 taxed at 40%	£1,046
Total tax on pension	**£3,523**

Hybrid products
Products that combine features of annuities and income drawdown to provide a retirement income.

Income drawdown
Allows you to draw an income from your pension scheme while leaving your funds invested. Referred to as flexi-access drawdown under new rules from April 2015. See also Flexi-access drawdown.

Inflation
Increase in the general level of prices of goods and services.

Lifetime allowance
The maximum value of pension savings that you can build up without incurring a tax charge when you draw out your savings as cash or pensions (and without leaving a tax charge for your beneficiaries if you die before age 75). For the tax year 2015-16 the lifetime allowance is £1.25m. This will reduce to £1m from 6 April 2016.

If you exceed the allowance you pay tax on the excess amount at 55% if taking the pension as a lump sum or at 25% if you take it as income. The same savings aren't assessed twice – so if you put £2m into drawdown this will have been tested and the excess taxed at that time and no further lifetime allowance charge is due.

If you die leaving untouched pension savings that exceed the lifetime allowance – and they have not already been assessed against it – then your nominated beneficiary will be liable for the extra tax charges on the amount that exceeds the lifetime allowance.

Marginal rate of tax
See Highest tax rate.

Market value reduction
A reduction to your pension pot that could apply if you want to cash in your with-profits policy before or after its maturity date or other date(s) specified in the policy.

Money purchase pension
See Defined contribution pension.

Money purchase annual allowance (MPAA)
The maximum money purchase savings made into a pension that you can have in a year before you have to start paying tax on them once you have taken money out of your pension pot as cash, either entirely or as a small cash sum (see Uncrystallised funds pension lump sum), or have started taking income from flexi-access drawdown, or a flexible annuity.

This is also triggered for payments from a pre-April 2015 capped drawdown plan that exceeds the cap and in certain other limited circumstances.

In the tax year 2015-16 the maximum MPAA is £10,000 compared with the full annual allowance of £40,000.

Also see Annual allowance.

State Pension
A regular payment from government that you qualify for when you reach State Pension age. The State Pension age for men and women is increasing and will reach 66 by 2020. It's due to rise further to 67 by 2028. The amount you get depends on your National Insurance record.

Tax-free lump sum
An amount of cash set by law that you can take at retirement free of tax. It's usually up to a quarter (or 25%) of your pension. Sometimes simply referred to as 'tax-free cash' or 'cash lump sum'.

Uncrystallised pension fund
A pension pot that has not been accessed for retirement income.

Uncrystallised funds pension lump sum (UFPLS)
A cash sum taken from a pension pot that has not paid out any retirement income. For each withdrawal before age 75 the first 25% (quarter) will be tax-free and the rest will be taxed at your highest tax rate. Introduced from April 2015 as part of the cash option for withdrawing your pension.

Useful contacts

Money Advice Service

The Money Advice Service is independent and set up by government to help people make the most of their money by giving free, impartial money advice to everyone across the UK – online, over the phone and face-to-face.

We give advice, tips and tools on a wide range of topics including day-to-day money management, savings, planning your retirement and for your future, as well as advice and help for life changing events such as starting a family or losing your job.

For advice and to access our tools and planners visit moneyadviceservice.org.uk

Or call our Money Advice Line on 0300 500 5000*

Typetalk
1800 1 0300 500 5000

Finding a financial adviser

Retirement adviser directory

All of the advisers listed are verified as being approved to offer regulated retirement income advice by the FCA.

Use our online Retirement adviser directory at **moneyadviceservice.org.uk/directory** to find an adviser.

Financial Conduct Authority (FCA)

To check the FCA Register, or to report misleading financial adverts or other promotions.

Consumer helpline: 0800 111 6768
Typetalk: 1800 1 0800 111 6768
fca.org.uk/register

Pension information and advice

For details of your workplace pension scheme talk to your pensions administrator, pensions manager or pension trustees at work.

Pension Wise

Free, impartial guidance – backed by government.

0300 330 1001
pensionwise.gov.uk

The Pensions Advisory Service

For free independent information and guidance on all pension matters and help with resolving a pension complaint or dispute.

0300 123 1047
pensionsadvisoryservice.org.uk

GOV.UK

For information about planning and saving for retirement, including State Pensions, and how to find a lost pension.

State Pension statements and enquiries
0845 300 0168
gov.uk/state-pension-statement

State Pension deferral
0845 606 0265
gov.uk/deferring-state-pension

The Pension Tracing Service
0845 600 2537
gov.uk/find-lost-pension

Complaints and compensation

Financial Ombudsman Service

0800 023 4567 or 0300 123 9123
financial-ombudsman.org.uk

Financial Services Compensation Scheme (FSCS)

0800 678 1100 or 020 7741 4100
fscs.org.uk

The Pensions Ombudsman

020 7630 2200
pensions-ombudsman.org.uk

Use this page to record your notes

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Your pension: it's time to choose
is one of the guides available from the Money Advice Service. To see our full range of guides and request copies visit **moneyadviceservice.org.uk**

Money Advice Line **0300 500 5000***
Typetalk **1800 1 0300 500 5000**

Don't miss out on money advice. To get more from your money, sign up to our emails and receive advice and news straight to your inbox. Sign up at **moneyadviceservice.org.uk/signup**

If you would like this guide in Braille, large print or audio format please contact us on the above numbers.

*Calls cost the same as a normal call, if your calls are free, it's included. To help us maintain and improve our service, we may record or monitor calls.

Information correct at time of printing (April 2015)

April 2015

Ref: YPITTC0001C