SAVING FOR YOUR FUTURE

Pension Flexibility

All the information you need to understand the basics

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You Have the Power to Choose

From April 2015 there were significant changes to what you can do with your Retirement Account (or "pot")

Flexible Options

You no longer have to buy annuity.

- But you still can if you want to.

You can take all your "pot" in one go.

- This is called "Total Withdrawal".
- 25% of this will be tax free.

You can take all your "pot" as cash but stagger the withdrawals over a period of time.

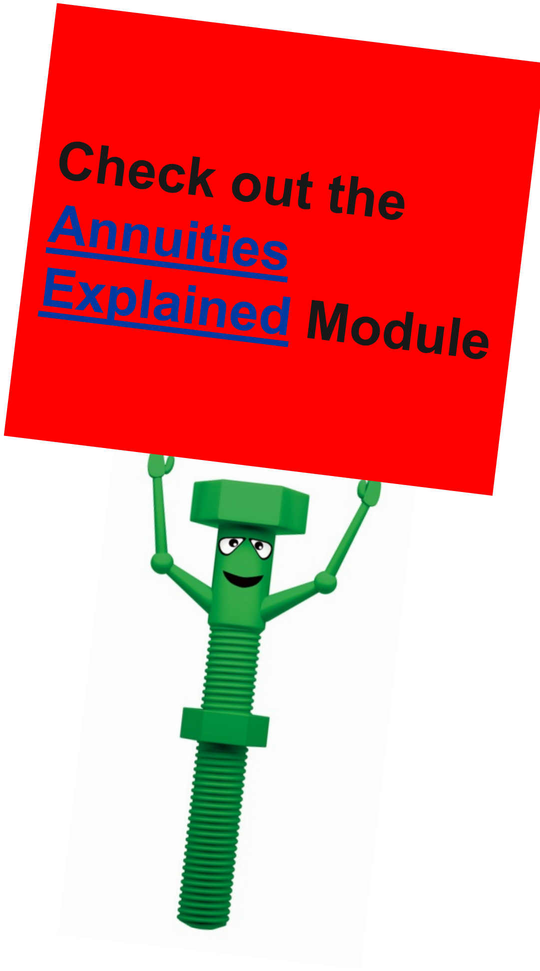
- This is called "Flexible Withdrawal" or "Flexi-Drawdown".
- 25% of this will also be tax free.

Annuity Purchase

You can still buy an annuity if you want an income which is guaranteed for life and will not be affected by future investment performance.

You can take 25% of your “pot” tax free and purchase an annuity with the balance.

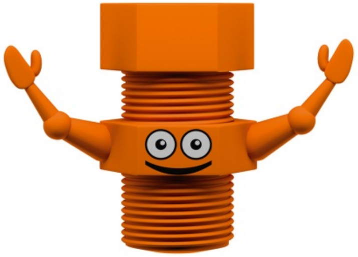
The income from the annuity is taxed as earned income.



Annuity Purchase – Risks?

- In the event your annuity provider goes under and no other company is willing to take over their liabilities, then protection is provided through the Financial Services Compensation Scheme.

- The Financial Services Compensation Scheme will continue to pay out 90 per cent of your annuity income if you claim after your provider defaults, and this compensation will also take into account the value of spouse's benefits and inflation cover.



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Total or Multiple Withdrawal

- **Total withdrawal, with 25% tax free, is available from the KPS – MP.**
- **But if you want to stagger withdrawal of your "pot" you will need to transfer your fund into a suitable Drawdown product.**
- **Speaking to [Pension Wise] is highly advisable because they can provide you with free independent guidance on your options.**
- **Taking [financial advice] is strongly recommended if you are considering these options and in some cases it's a must!**

Total Withdrawal

You can take all of your retirement “pot” in one go.

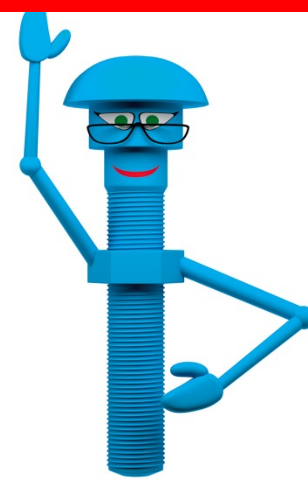
- **25% of your “pot” will be tax free.**
- **The balance will be added to your income in that tax year.**
- **This could take you into a higher rate tax bracket.**
- **This option needs careful planning to avoid paying too much tax.**

No ongoing investment risk BUT….

You could end up paying a lot more tax.

You could adversely affect your entitlement to State benefits.

If you spend the money too quickly, it will run out.



Flexible Withdrawal

You must transfer your “pot” into a suitable Drawdown product first.

- **You can take 25% of your pot immediately, tax free.**
- **Or you can take 25% of each withdrawal tax fee.**
- **The balance can be taken as income, as and when you want to, but remember**
    - The amount you take is added to your income in that tax year.
    - This could affect your entitlement to State benefits.

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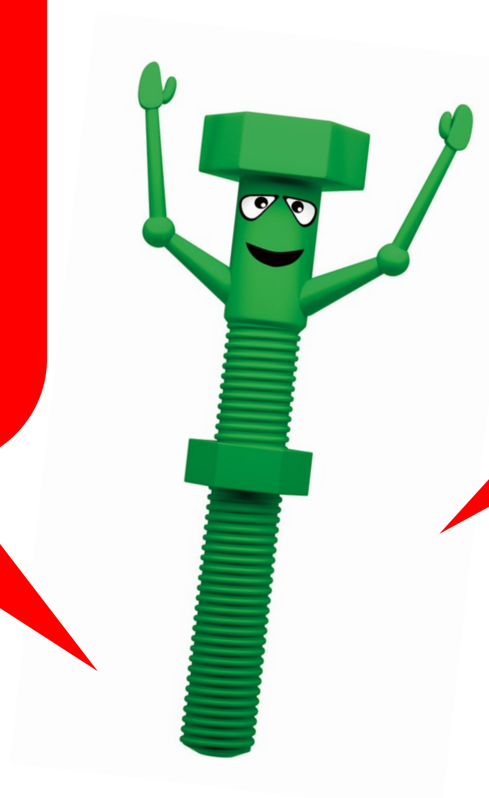
Flexible Withdrawal

This option means if you die and there is still money left in your “pot” that you have not withdrawn, it can be passed on to your loved ones free of inheritance tax. However once you withdraw it, it will form part of your estate and will be subject to inheritance tax.



Because the remaining value of your “pot”, after tax, forms part of your assets, it could be claimed by creditors if you were made bankrupt.

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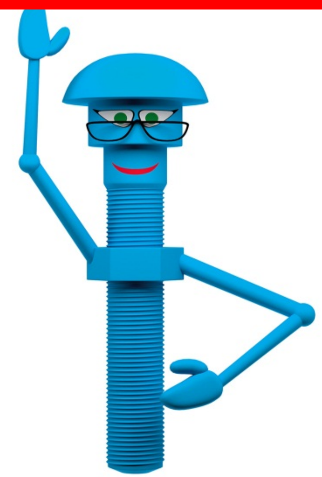
Flexible Withdrawal: What are the Risks?

There is an ongoing investment risk.

You will need to regularly review your investment decisions.

There will be administration and investment management charges on any Drawdown product you may choose.



If you spend the money too quickly, it will run out.

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Summary

- **Total withdrawal is available from the KPS-MP.**
- **Multiple withdrawal (flexi-drawdown) requires your "pot" to be transferred to a Drawdown provider.**
- **Flexi-drawdown products have ongoing administration and investment charges.**
- **Flexi-drawdown requires ongoing investment management.**
- **Both withdrawal options:-**
  - Will give you 25% of your "pot" tax free.
  - May have implications for any State benefits you might be receiving.
  - May affect your liability to tax.

- **Annuities remain an option for those looking for a guaranteed income for life.**

Guidance & Advice

Guidance is available free of charge from:-

- The Pensions Advisory Service
- Pension Wise
- Money Advice Service

Independent Financial Advice may be subject to a fee.

- Get guidance first and then discuss your specific requirements with an IFA.
- Shop around to find an IFA who you feel best understands your requirements.

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Pension Wise

A free and impartial government service about your defined contribution pension options.

Pension Wise will not be able to give you financial advice but they can help you by explaining all the options open to you in an easy to understand and jargon free way.

The Pensions Advisory Service

The Pensions Advisory Service (TPAS) gives people professional, independent and impartial help with their pensions – for free.

The PENSIONS Advisory Service

Financial Advice

If you are not comfortable making your own decisions and are looking to change from the default option then we recommend you seeking independent financial advice.

For personal financial help or advice you need to speak to an Independent Financial Advisor (IFA) who can look at your circumstances and help you plan what's best for you.

unbiased.co.uk

the home of professional advice

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The Money Advice Service

Free and impartial money advice, set up by government.

the Money Advice Service

0300 500 5000

Other Sources of Information

HM Revenue & Customs

Hargreaves Lansdown

the Money Advice Service™

GOV.UK

The Pensions Advisory Service

citizens advice bureau

The Pensions Regulator

CAPITA

EQUINITI

Important Contacts

Kingfisher Group Pensions Department

08456 807060

pensions@kingfisher.com

Zurich

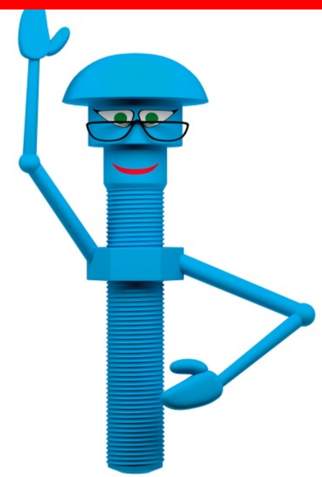
0800 500 3144

supportcentredc@uk.Zurich.com

The Pensions Advisory Service

0845 601 2923

www.pensionsadvisoryservice.org.uk



[Financial Express Fund Information]()

Kingfisher Pension Trustee Limited

This module was developed by Kingfisher Pension Trustee Ltd to help you better understand the pension scheme and related subjects. Please have a look at the other modules to see if they could also be of benefit to you.