



Pension Flexibility – A Magical New World

Prepare to be astounded

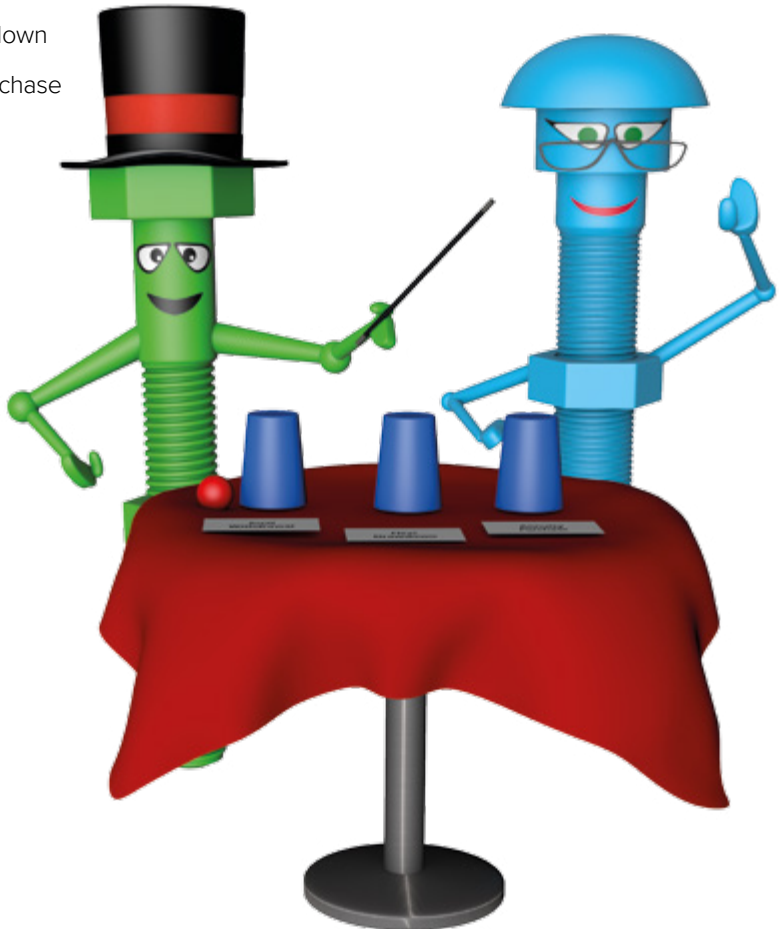


Pension flexibility – you have the power to choose

Thanks to the 'Freedom and Choice' pension changes, you now have more choice than ever when it comes to your retirement savings.

The options on offer are:

- Total Withdrawal
- Flexi-Drawdown
- Annuity Purchase



Total Withdrawal

Total Withdrawal lets you take out all your retirement savings in one go. It could appeal to people who are good at budgeting, want to pay off some debts or are unable to take the other options because of the size of their pot. Going with Total Withdrawal is a big decision and you need to be aware that:

- Only 25% of your pot will be tax-free
- The rest of your retirement savings will be taxable so you could pay more tax than normal
- Once taken the amount you can currently contribute tax-free into a pension arrangement could reduce to £10,000
- It could impact your welfare benefits
- And if you're not careful you could quickly end up spending all of your money!

Flexi-Drawdown

With Flexi-Drawdown you can take 25% of the pot tax-free (whether it's at the start or with each withdrawal), and then stagger any withdrawals you wish to make. Furthermore, the balance of your retirement savings are placed in investments of your choosing. Please bear in mind that:

- Staggering your withdrawals may have income tax implications, so get advice before you take any action. Remember any income received when you retire is still liable for income tax
- Once taken the amount you can currently contribute tax-free into a pension arrangement would reduce to £10,000
- You can leave any remaining retirement savings to whomever you wish when you pass away
- There's always risk with investments and their value could go up or down

Annuity Purchase

Annuities usually offer a lower income when compared to the other options, but the income is guaranteed for life. Here are some facts to consider for Annuity Purchase:

- You can take 25% of the pot tax-free (but the annuity is still subject to income tax)
- Your family won't get a lump sum benefit when you die, but you could choose an annuity that offers an income to your dependant when you pass away
- As it stands, once you choose an Annuity Purchase, the decision cannot be reversed. However, you might be able to sell it back if the law or product changes in the future

The KPS-MP only currently offers the Total Withdrawal option. If you would like to purchase an annuity this must be done on the open market and if you would like to take Flexi-Drawdown you must transfer your benefits to a pension provider that offers this.





Brief recap

Whichever option you choose, you should consider:

- Any impact on your current tax position and welfare benefits
- Where there are additional costs involved
- If it could count towards your assets if you're declared bankrupt
- Some options will mean the amount you can currently contribute tax-free into a pension arrangement will reduce to £10,000
- Whether you could use the money you receive to pay off debt or put towards your State Pension
- To be aware of any ongoing investment risk

Take your time. You don't have to rush into any decisions

Why not get guidance at www.pensionwise.gov.uk

Would you like more information?

To find out more, please visit
www.kingfisherpensions.com/savingforyourfuture
call the Kingfisher Pensions Team on **08456 807060***
or email pensions@kingfisher.com

*Calls cost 7p per minute plus your phone operator's access charge.

