

# Total and Multiple Withdrawal Retirement Options

How taking out money  
from your retirement  
savings affects your future



**BANK OF BARRY**



# Total Withdrawal vs Multiple Withdrawal

## Which is better for you?

There are two ways of taking money out of your pension scheme – Total Withdrawal or Multiple Withdrawal. Deciding which one is right for you depends on your current situation, how you see yourself in retirement and the tax implications.

Some pension providers will either offer you both options, just one type of withdrawal or none at all. So you should always ask each of your pension providers what your options are. If your pension provider does not offer the option you want, then you'll need to consider transferring it to a pension arrangement that does. In some cases you have to take independent financial advice before you can transfer to another provider.

And don't forget that these are not your only retirement options. If you'd like a regular income throughout your retirement, you could also consider purchasing an annuity.



## Total Withdrawal



Total Withdrawal enables you to withdraw your entire retirement savings in one go. You might want to do this to clear some debt, fund home improvements, help the family or because you have no other option due to the size of your pot.\* However, it is a big step and you must have a clear idea how the money will last throughout your retirement.

### Total Withdrawal facts

- Sometimes also known as UFPLS, small pot lump sum or trivial commutation
- You can take out up to 25% tax-free but the rest will be liable for income tax
- There are different eligibility criteria if you want to cash in your benefits from a final salary or a money purchase scheme. Check with your pension provider for more information
- Your state benefits could be affected
- Your family won't get any further death benefits from the scheme after you pass away

**Depending on your situation you could end up paying a higher rate of income tax. Check the tax calculators on [www.gov.uk](http://www.gov.uk) for further information**

\*If you have many small pots you may wish to consider transferring them into one.

# Multiple Withdrawal

With Multiple Withdrawal you take out your money over time. You may wish to do this with only one of your pots, or even combine all your pots so that you take withdrawals only from one rather than from many pots.

## Multiple Withdrawal facts

- Also known as Flexible Drawdown
- Similar to Total Withdrawal in that you can take out 25% of your entire retirement pot tax-free with your first instalment, or stagger it with each withdrawal
- By taking your funds over the years, Multiple Withdrawal can help you spread your withdrawals as and when you want them. This may also help you avoid one large tax charge
- Any money remaining in your pot can be left to your family when you pass away. And in some cases it may be tax-free
- You may also need to pay for ongoing financial advice

**Make sure you monitor your retirement savings because there may be ongoing charges!**

Please note KPS-MP only offers Total Withdrawal.



**Need more information?  
These guys can help**

## **Guidance\***

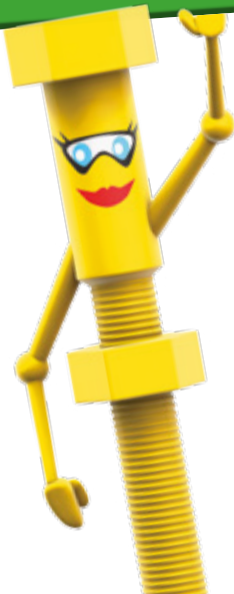
**[www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)\*\***

**[www.pensionadvisoryservice.org.uk](http://www.pensionadvisoryservice.org.uk)\*\***

A free and impartial government service which provides guidance about your pension options

\* Please note that the guidance provided by the Pension Advisory Service and Pension Wise is free of charge but financial advisers may charge for independent financial advice.

\*\* Guidance is available for individuals aged over 50 and who have defined contribution benefits.



## **For advice**

**[www.unbiased.co.uk](http://www.unbiased.co.uk)**

To find an independent financial adviser



## Would you like more information?

To find out more, please visit

[www.kingfisherpensions.com/savingforyourfuture](http://www.kingfisherpensions.com/savingforyourfuture)

call the Kingfisher Pensions Team on **08456 807060\***

or email [pensions@kingfisher.com](mailto:pensions@kingfisher.com)

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

