Puzzled By Pensions?

Understanding Your Choices At Retirement

You Now Have Several Options When You Are Ready to Access Your Pension Pot

- You can take all of your pot in one go (usually up to 25% can be taken tax-free, the rest is taxable)
- You can "drawdown" your pension a bit at a time to suit you (usually, up to 25% can be taken tax-free – and any subsequent withdrawals are taxable)
- You can take a series of lump sums (usually 25% can be taken tax-free – the rest is taxable)
- You can use your pot to buy a guaranteed income for life or a fixed term, known as purchasing an annuity. (You can still take up to 25% of your pot tax-free – the income will be taxable)

You can mix and match any of the above options.

Your Retirement Age Is Changing

Currently, you can access your pension pot from age 55 onwards. From 6 April 2028, the Normal Minimum Pension Age is increasing to age 57. This will generally affect most people born after 6 April 1971.

Free guidance is available

Government offers a free guidance service for those aged 50 or over who have a Defined Contribution pension. Contact MoneyHelper to arrange your "Pension Wise" appointment on **0800 138 3944**.

Getting Started – Checklist:

1. Track down all your pension pots and gather your paperwork.

   Access government's free pension tracing service here: **www.gov.uk/find-pension-contact-details** or call on **0800 731 0193**.

2. Think about when you want to retire. If you don't need money from your pension pot, leave it invested until a time that suits you.
3. Find out what type of pension you have. The information in this factsheet relates to **"Defined Contribution"** pension pots only. If you have a **"Defined Benefit"** pension (also known as final salary or Career Average), your options at retirement are different. Check out your options on our website: **www.usdaw.org.uk/optionsatretirement**
4. Think about how much money you have now, what loans or debts you may have, what your regular outgoings are and what level of income you will require in retirement.
5. Consider all your options, what level of income this will provide and consider your tax position.
6. Find out your State Pension Age and obtain a forecast of your State Pension – complete the form online at: **www.gov.uk/check-state-pension** or call on **0800 731 0175**.

Usdaw is here to help our members – contact Usdaw's Pensions Section on **0161 224 2804** or email: **pensions@usdaw.org.uk**

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