



UPDATE

the 2014 BUDGET & CHANGES *to* PENSIONS

THE CHANGES, WHEN THEY'RE HAPPENING AND HOW THEY IMPACT YOU

From 6 April 2015, here's what's changing...

1 You no longer have to buy a pension with your savings

If you're retiring after 5 April 2015, you'll have full flexibility in how you access your defined contribution pension pot. You can choose to do one, or any combination, of the following:



TAKE YOUR ENTIRE POT AS CASH (SUBJECT TO TAX)



TAKE AN AMOUNT FROM THE POT EACH YEAR (THERE'S NO LIMIT AS TO HOW MUCH YOU CAN TAKE)



BUY A PENSION (AND RECEIVE AN ANNUAL INCOME)

25% YOU CAN STILL TAKE UP TO A QUARTER OF YOUR POT AS TAX-FREE CASH



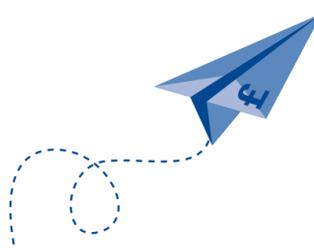
2 You'll get guidance ahead of retirement

If you're retiring after 5 April 2015 you'll get access to free and impartial guidance about your retirement choices.



3 Minimum Pension Age is rising

The earliest age you can take any money from your pension pot will increase as the state pension age increases. At the moment, you can access your pot when you turn 55, but from 2028 that will increase to age 57. It will remain 10 years below state pension age thereafter.



4 If you have a defined benefit pension you can access the new flexibility too

As long as you take advice first, you can transfer your defined benefit pension to a defined contribution pot and take advantage of all the changes.

What the changes mean for you



Thinking of taking your benefits **AFTER** 5 April 2015?

JAMES IS 64 AND PLANS ON RETIRING SOON AFTER APRIL 2015

- I need to understand how I could benefit from this new flexibility
- I may need to re-think my retirement plans urgently
- I will wait to hear about my 'at retirement' guidance.

KERRY IS 55 AND PLANS ON RETIRING WITHIN THE NEXT 10 YEARS

- I need to think about how this new flexibility could work for me – I may need to get some advice
- I'll check where my pot is currently invested because I might want to make a few changes to my investment strategy.

MICHAEL IS 30 AND WON'T BE RETIRING FOR A WHILE YET!

- I'm going to brush up on what these changes are all about
- I'll keep an eye out for more information
- Once I hear more, I'll think about my retirement plans and whether I need to get any advice over and above the free guidance I will get.



Thinking of taking your benefits **BEFORE** 6 April 2015?

SALLY IS 65 AND IS PLANNING ON RETIRING BEFORE 6 APRIL 2015

- I need to double check the size of my pension pot(s).

a) If my pension pot is less than £10,000 I could take it all as cash (subject to tax)

b) If the total of all my pension pots is less than £30,000 I can take them all as cash (subject to tax).

- I may hold off taking my benefits until after 5 April 2015 so I can really take full advantage of the new flexibility.

So, what are we doing in response to these changes...

- We are working with our advisers to understand what it means for our pension arrangement
- We will write to you again when we have more details. Keep your eyes peeled!



Put your thinking cap on

While the added flexibility will have many benefits, it's important you think carefully about what's best for you.

Further reading

GOVERNMENT SUMMARY

