

Your options with ReAssure

This section confirms the options available to you with ReAssure. Some of these options will use all of your pension pot now, and some give you flexibility to make changes in the future.

Do nothing with your pension for now

When you took out your ReAssure pension you gave us a date when you'd like to retire (also known as your selected retirement date), but you can stay in your ReAssure pension for longer if you'd like. If you want to leave your retirement choice until later, we'll still write to you each year to tell you the value of your pension pot and remind you of your options.

You can take a retirement option at any time after your 55th birthday, but you shouldn't do anything until you understand all the options available and you're confident you have plans in place to provide an income that will support you for the rest of your life.

If you decide to stay in your current pension for now, you should review how it's progressing and whether the funds you're invested still match your plans. If your investment isn't matched to your plans then there is a risk that your money could be in higher risk funds (which risks losses), or lower risk funds (which risks low, or no, growth). You can find more information about how you can match your investment to your retirement plans at www.reassure.co.uk/lifestyling.

Can I pay in?	You can usually continue to pay into your ReAssure pension until you're 75. We'll stop collecting contributions on your selected retirement date, so if you want to make payments past then (and you're under age 75) you'll need to let us know.
How would I receive my money?	If you stay in your current ReAssure pension you won't receive any money until you choose one of the other options described below.
Can I combine pots?	It's usually possible to combine pension pots into policies like yours. If you're interested in this please call us and we'll check. Instead of combining pots in your current ReAssure pension you can also combine pots by transferring to another provider, or by moving your pension.
What are the tax implications?	If you're still paying money into your pension you'll receive tax relief on contributions up to your annual allowance, or 100% of your earnings (if this is less). You can find out more about pensions tax relief at www.reassure.co.uk/annual-allowance .
How do I take this option?	You don't have to do anything, we'll apply this option automatically if we don't hear from you.

Your options with ReAssure (continued)

Buy a guaranteed income

An annuity is a retirement product that turns your pension pot into an income that's paid to you for the rest of your life, taxed as earned income. You may be able to combine your ReAssure pension pot with others you hold elsewhere, which could get you a higher retirement income. You can also usually choose to take up to 25% of your pension pot as a tax-free lump sum before buying an annuity.

There are many different types of annuity, and you may be able to get a higher retirement income if you choose an annuity that takes your health and lifestyle into account (also known as an enhanced annuity).

- ⌋ It's important to shop around to compare quotes from different providers before making a decision. Not all annuities are the same, and if you don't choose carefully, you could be missing out on the right product for you.
- ⌋ To give you access to a broader range of annuities than we can offer, annuities are provided by Standard Life, who are part of the same group of companies as ReAssure. Standard Life's annuity provides a guaranteed income for life and takes your health and lifestyle into account which means you could receive a higher income.
- ⌋ Standard Life will give you an annuity quote and offer to check the market to see if you can get a better quote elsewhere. If this is the case, they will explain what you will need to do next
- ⌋ Standard Life also offer retirement products that provide a guaranteed income for a fixed period of your choice with the option of a lump sum payment at the end.

Can I pay in?	No, once you've used your pension pot to buy an annuity your original pension will close, and you can't usually pay extra money into an annuity once it's been set up.
Can I combine pots?	In most cases this should be possible, and may also mean you get a better deal. You should check with all your providers whether there are any costs associated with moving your pension pots, such as early exit fees or administration costs. Some pension providers do not offer all of the options available, so check with them beforehand to see whether your preferred option will result in any fees or charges.
How would I receive my money?	Annuity income is normally guaranteed to be paid for the rest of your life. There are other options such as how often you receive payments, and whether payments stay the same or increase over time. You can normally also choose to have a reduced income paid to a beneficiary if you die.
What are the tax implications?	Annuity payments are taxed as earned income. For most people this means in the same way as their salary. The amount of tax you'll pay each tax year will depend on your total taxable income. Other sources of taxable income that will be taken into account include earnings and other pensions. Your payments will always be taxed at an emergency rate until HMRC provides an up to date tax code for you. If you're still working, this could also mean you end up paying more tax on your salary.
How do I take this option?	Visit www.reassure.co.uk/annuities to find out more and to get a personalised quote from Standard Life, or call them on 0345 268 2899 and quote the product code in the covering email. Standard Life may need more information about your pension, so please make sure you have this letter to hand if you call them.

Your options with ReAssure (continued)

Take your whole pension pot in one go

It's possible to take all of your pension pot as a cash lump sum, but there can be serious tax implications if you do so. You can read more about the tax implications below.

If you don't want to take all of your pension pot in one go you can leave your money invested and make withdrawals when you need to, you can find out more about this in the **Leave your money invested and make withdrawals when you need to** option.

We recommend that you speak with a financial or tax adviser before choosing this option.

Can I pay in?	<p>No, once you've taken your whole pension pot as a lump sum it will close.</p> <p>If your pension pot is worth more than £10,000 then taking this option reduces the amount that you can pay into any money purchase pensions without incurring a tax charge to £10,000. If your pension pot is not worth more than £10,000 you may be able to take it as a lump sum without affecting the amount you can pay into money purchase pensions. We'll tell you more about all of the rules that could be available to you if you choose to take your whole pension as a taxable lump sum.</p>
Can I combine pots?	<p>You can't combine pots, but you could take a number of pension pots as a lump sum at the same time.</p>
How would I receive my money?	<p>We'll pay you the entire amount as a lump sum direct to you less any tax we need to pay to HMRC.</p>
What are the tax implications?	<p>The first 25% of the lump sum is paid free of tax, but the rest is taxed in the same way as earned income. However, when you receive your lump sum we won't have a tax code from HMRC. This means it's highly likely that your payment will be taxed at a rate that won't take into account your circumstances. HMRC will be in touch with you afterwards to arrange correcting any underpaid or overpaid tax, and this will depend on the total taxable income for that tax year.</p> <p>Because this payment is subject to income tax, this could also mean you end up paying more tax on your salary if you're still working. Depending on the size of your pension pot (and any other income you have) taking your pension as a lump sum could push you into the highest rate of income tax.</p> <p>If you're considering doing this you must make sure you're aware how it will affect your tax position. You could end up paying more tax than you would by spreading withdrawals across more than one tax year by taking flexible withdrawals.</p> <p>If you think taking your money over more than one tax year may be more tax efficient for you, you can do this in your current ReAssure pension. See the next page for more information about doing this.</p>
How do I take this option?	<p>Call us on 0800 073 1777 and we'll explain what you need to do next.</p>

Your options with ReAssure (continued)

Leave your money invested and make withdrawals when you need to	
<p>For some people, this can be more tax-efficient than taking everything in one go. You have some withdrawal options in your current pension pot, or for further flexibility you can transfer to a new pension. You should consider the investment options and fund charges that apply to each option, and shop around to see what's available from other providers, before making a decision.</p>	
Can I pay in?	<p>If you make withdrawals from your current pension pot or transfer to a new pension</p> <p>You can usually continue to pay money into a ReAssure pension until age 75.</p> <p>If you make a taxable withdrawal, the amount you can pay into all of your money purchase pensions will reduce to £10,000. If you pay in more than this, you will have to pay a tax charge.</p>
Can I combine pots?	<p>If you make withdrawals from your current pension pot</p> <p>It's usually possible to combine pension pots into policies like yours. If you're interested in this please call us and we'll check.</p> <p>If you transfer to a new pension</p> <p>Yes. There are some restrictions on the types of pensions that can be transferred in, and you should check with all your providers whether there are any costs such as early exit fees or administration costs, before transferring.</p>
How would I receive my money?	<p>There's more than one way to take your money (subject to limits):</p> <p>Take partially taxable withdrawals from your current pension pot</p> <p>This usually means that the first 25% of the withdrawal is paid free of tax, but the rest is taxed in the same way as earned income.</p> <p>If you transfer to a new pension</p> <p>Once you've shopped around, if you choose a new pension through ReAssure, you can take the same kind of withdrawals as your current policy. It also allows you to take part of your tax-free lump sum a little bit at a time. Until all of your tax-free cash is used up you'll still be able to make some partially taxable withdrawals. Once all of your tax-free cash entitlement is gone then all withdrawals will be fully taxable.</p>
What are the tax implications?	<p>Where withdrawals are taxable under any option they will be taxed in the same way as earned income. Your first withdrawal will always be taxed at an emergency rate until HMRC give us an up to date tax code for you. If you're still working, this could also mean you end up paying more tax on your salary.</p>
How do I take this option?	<p>If you'd like to make a withdrawal from your current pension pot call 0800 073 1777 and we'll send you more information along with the forms you'll need.</p> <p>You can find out more about transferring to a new pension and apply online at www.reassure.co.uk/plan, or you can call 0800 073 1777 to speak with a member of our specialist team.</p>