



Action indicator

When you see this icon, it means you need to take an action.

trustTM

Taking your pension

A step-by-step guide to choosing
the right retirement option for you



t|p|t
Retirement Solutions

Retirement is a stage of life that many people look forward to, although planning for it and understanding your financial options can feel like a daunting task.

We want to make sure that you have the information and support you need to make the decision that's right for you. However you choose to spend your TPT savings, we're here to help you make your decision.

So that you can work through the process at your own pace, we've broken it down into five steps.

1 Getting your paperwork ready

2 What do you want to do in the future?

3 What you can do with your TPT pension savings

4 Guidance and advice

5 Making a decision



Useful information

You have a defined contribution (DC) pension with us. This means that, at some point in your career, both you and your employer have paid (or are still paying) into one of our pensions every month. These contributions have been invested in assets like shares, bonds and property, to build up a pot of cash to spend during retirement. The amount you receive depends on how much you've paid in and how well the investments have performed.

Guidance and financial advice

The government requires that you consider booking a free guidance appointment with the Pension Wise service to find out more about your options.

Before we can process your request to take your pension savings, you'll need to complete a Pension Wise Declaration form to confirm that either you've had an appointment with Pension Wise, or you've opted out.

Find out more about guidance and financial advice **on page 7**.

1 | Getting your paperwork ready

It's common for people to have a few different pension pots from jobs they have had through their career. To consider your options, you'll need to know how much you have in each pot. You may already have paperwork from other pension providers telling you this, or you may need to contact them to find out.



Prepare

- Find, or ask for, your most recent pension statement for every pension you have. If you're not sure you have the latest version, the pension provider will be able to check for you. You can find your TPT statement by logging in to your Retirement Savings Account via our website, at members.tpt.org.uk.
- Find any pensions you've lost track of using the government's pension tracing service gov.uk/find-pension-contact-details.
- See how much you're likely to receive under the state pension by checking HMRC's state pension forecast gov.uk/check-state-pension.



Review

- Read the information you receive carefully, taking note of any conditions for each pension – like how and when you can take it.
- Combine the value of each pension pot so that you know how much you have saved.
- Think about whether you'd prefer to keep your pensions separate, as they are, or combine them all in one place. You may want to talk through the pros and cons of each option with your Retirement Relationship Manager or a financial adviser.



Action

- It may help to create a folder or document with everything you have collected in one place. Add any notes you feel might be helpful.
- If you have more than one pension, think about when you want to take each one.



Don't forget about your other savings. These could be things like ISAs, stocks and shares, Share Save Schemes, bank/building society accounts and any part-time earnings.

2 | What do you want to do in the future?

It's important to think about what you want to do in the future. Once you have thought about this, it will be easier to see how your pension savings can help you, and how you might like to take it.



Set your goals

- Spend some time thinking about what you'll need in the future. Remember, you will still have some financial commitments, what will they be?
 - your mortgage or rent
 - special spending – holidays, replacement car, meals out;
 - the everyday cost of living (food, transport, utility bills, insurance);
 - income tax (taking a retirement income can impact your tax position, and any income you receive in retirement is taxable too).
- Make a list of the things you would like to do when you stop working. Carry on without making too many changes? Move abroad, travel, or realise a long-term ambition?



Review your goals

- Think about the things you'd like and the things you'll need, and weigh them up against the value of your pension pot. Is it achievable?
- Speak to friends or family members about their experiences, and if there's anything they might have done differently.
- Ask yourself key questions like "how will my spending change?" and "how long will my money last?"



Did you know

Your welfare benefits and tax credits could be affected depending how you take your pension savings. Check how your benefits could be affected with the tax credits calculator at [gov.uk/tax-credits-calculator](https://www.gov.uk/tax-credits-calculator)

The Pension and Lifetime Savings Association's (PLSA's) Retirement Living Standards can help you to see what sort of lifestyle your pension savings will provide in later life [retirementlivingstandards.org.uk/](https://www.retirementlivingstandards.org.uk/)

3 | What can you do with your TPT pension savings?

You can start taking your TPT pension savings any time from the age of 55.

If you're not ready to take them when you receive your retirement pack, you don't have to. You can take your pension when you need it, but please tell us so we can update our records.


It's worth noting, though, that your retirement options will be based on the value of your TPT savings on the day you choose to access them – so they may go down as well as up.

Your options

You can take your pension in one of the following ways – or choose to take a combination of all three:

 **Buy a guaranteed income** (known as an annuity)

 **Draw a flexible income** (also known as drawdown)

 **Take your pension savings as one or several lump sum payments** (also known as uncrystallised fund pension lump sum or a pension lump sum)

Whichever option (or options) you choose, you can take 25% of the total value of your pension savings tax-free.



3 | What can you do with your TPT pension savings? continued

→ Buy a guaranteed income

This means that you use all or part of your pension savings to buy a guaranteed, regular income – either for the rest of your life, or for a fixed period of time.

This is what you may have heard called an ‘annuity’. It’s a bit like being paid a salary even after you’ve stopped working. There are many types of annuities to choose from, and the amount of money you get from each can vary.

If you choose an annuity, you can still take up to 25% of the pension savings as a tax-free lump sum. Any income you receive from an annuity will be taxed as income.

Once you’ve bought an annuity, you can’t change your mind. So it’s really important to shop around before you make a decision.



Draw a flexible income

This is where you take an income flexibly from your pension savings as and when you want. It’s sometimes called drawdown. You can take 25% of your pension savings as a tax free lump sum and leave the rest invested. You can take the remaining money to suit you, but it will be taxed as income.



Take all your pension pot as one or several lump sum payments

You can choose to take all of your savings as a one-off cash lump sum. You’ll pay income tax on 75% of the amount you take, and the rest will be tax-free.

Alternatively, you can choose to take your savings a bit at a time, as often as every three months. You’ll need to have more than £10,000 saved and take at least £1,000 each time. The rest of your money will remain invested - although it will rise or fall in value, and you’ll continue to pay an annual management charge on your savings. Each time you take an amount from your savings, 25% of the payment will be tax free.

However you access your TPT pension savings, it’s important to look into the **potential tax implications and their impact on your future finances**.



Not all of these options will be available with TPT. Your options will be in your retirement pack and you can speak with a Retirement Relationship Manager about them. You may need to move your savings to another pension provider in order to take your pension in the way you want.

4 | Guidance and financial advice

When you come to access your pension savings, you should consider taking guidance or arrange to speak to a financial adviser first to make sure you understand the different options available and the option that's right for you.

Guidance

The government requires that you consider booking a free guidance appointment with the MoneyHelper Pension Wise service to find out more about your options. You'll need to complete a Pension Wise Declaration form before we can process your request to take your pension savings.

MoneyHelper has lots of information about the different ways you can use your pension savings, as well as relevant taxes and the state pension. [Visit moneyhelper.org.uk](https://www.moneyhelper.org.uk).

We've also partnered with Mercer, a leading provider of retirement guidance, to provide you with information about your pension options. As part of this service you can speak to one of their Retirement Relationship Managers who will:

- Provide a free guidance session (typically around 45 minutes) to explain your options;
- Help you agree your next steps, ensure you have the right documentation and help you complete it.

You can call the Mercer Retirement Relationship Manager team on 0800 280 2448.

Financial advice

Guidance can be useful in helping to improve your understanding, and it's free. However, bear in mind that guidance services will provide you with generic information and you may also want to consider getting financial advice.

Financial advice is based on your personal circumstances and will give you a personalised recommendation on the best course of action for you.



When choosing a financial adviser, you should check that they are:

- regulated by the Financial Conduct Authority;
- independent of any particular product or provider so that you get impartial advice;
- specialists in retirement advice.

A financial adviser will usually charge a fee for their services.

5 | Making a decision



Once you've made your decision, you will need to complete the forms we have sent you.

If you have pension savings with other providers, you will need to follow their processes.

Remember, if you're not ready to take your pension, you don't have to, so please take your time. We just ask that you keep us updated.



TPT is here to help you make the most of your pension savings.

If you have any questions about your pension with us, please contact us using the details below.



'Get in touch' at members.tpt.org.uk and select Contact TPT to send us a message



0345 072 6780 - lines open 8.30am to 5.30pm



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