

# Pension claim application

## Important notes



This document is updated regularly. Please ensure you're referring to the latest documents, by downloading them from [www.xafinityssas.com](http://www.xafinityssas.com).

**Taking benefits can be confusing.** There are lots of options open to you although not all of them will be right for you. We can't advise you and that's why we strongly recommend you talk to a financial adviser before taking any benefits, particularly if you don't understand some of the terms in this document.

We'd also recommend that you shop around and see what else is available. Other providers might offer options which are more suited to your needs and may offer higher income or may be cheaper.

- **Tax Free Cash Protection.** If you were a member of an occupational pension scheme prior to 6 April 2006 then you may be entitled to a Pension Commencement Lump Sum (also known as Tax Free Cash) of more than 25% of the value of your benefits. We recommend that you talk to your financial adviser if you are in any doubt over whether this applies to you. If you think that you are entitled to a Pension Commencement Lump Sum of over 25% of the value of your benefits then you should answer Yes to the question "Do you wish to claim Automatic Tax Free Cash Protection?" We will then calculate the amount of Tax Free Cash available. Please note that these calculations can be complex and there will be a charge for carrying them out.

## Find out more about your benefit choices

- There's more information about your benefit choices in your SSAS Member Trustee Guide but we'd like to remind you that you can't normally claim benefits before age 55.
- If 'protection' applies to you, you'll need details of this when completing this form (protection is also explained in your SSAS Member Trustee Guide).
- Please also read the "Taking benefits from your SSAS: what you should know" leaflet at the end of this form. It explains your options in more detail.

## The benefit crystallisation process

There are three stages to taking your benefits (also known as 'benefit crystallisation'):

### Stage 1

This application is stage 1. It's a formal request for us to pay you some or all of your benefits from your SSAS. The information we ask for in this form enables us to provide you with a formal statement of your benefits and also to provide you with further information about your options.

### Stage 2

We'll issue:

- A Member Benefit Statement which includes an acceptance declaration for completion and return;
- A leaflet from the Money Advice Service (an independent body set up by the government);
- Details of our fees and charges so that you can work out how much various options cost;
- Details of the things you need to think about when making your decision, including some of the risks you need to think about if you've not taken advice.

If you don't return the acceptance declaration, your application won't be processed any further. This means that you can still change your mind if you're unsure about how to proceed.

If you are looking to take a regular income from your SSAS and don't currently hold a Metro bank account then an account with Metro will need opened before we are able to pay regular income, please speak to your consultant if you have any queries on this.

### Stage 3

We pay the benefits and we'll issue a statement of the benefits claimed together with a statement of the Lifetime Allowance used.

If you're taking drawdown or a UFPLS payment we'll also issue you with a revised Member Benefit Statement (if anything has changed since stage 2), and where applicable a formal schedule confirming your drawdown.

## Keeping an eye on your SSAS

Should you decide not to withdraw all your funds and as your circumstances and needs may change in future and so you'll need to review your pension investments and benefits.

Every year we'll send you details and values of how your remaining fund is invested and an illustration of what projected benefits may be available to you in the future. We strongly recommend you use this as an opportunity to talk to your financial adviser to help you.

## Your personal information

The information you give us in this form will be used as set out in our earlier Privacy Notice to you. If you'd like a copy, just ask your SSAS Consultant or you can also find a copy on our website.

# Pension claim application

## Your details

Your name

SSAS name

## Financial advice

**We strongly recommend you seek financial advice before taking benefits from a SSAS.**

Have you taken advice from a financial adviser **and is that adviser submitting this application on your behalf?**

Yes

No

**If you answered NO to the above question please complete the questionnaire section relevant to your benefit choice at the back of this form. Your answer will allow us to identify any risks of which you need to be aware. If you don't complete these sections, payments could be delayed.**

Name of adviser

Name of adviser firm

Address

FCA Authorisation Number

Contact phone number

E-mail

## Getting advice

There are a number of sources of help, advice and information available to you:

- [www.unbiased.co.uk](http://www.unbiased.co.uk) will be able to give you details of a financial adviser in your area and whether they have specialist pensions qualifications. We also recommend that you check to see the adviser you select is properly authorised by the Financial Conduct Authority (FCA) and this information can be checked on their website [www.fca.org.uk/register](http://www.fca.org.uk/register).
- Pension Wise is an impartial, free service that provides guidance rather than advice. You can access it online at [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk). If you prefer to speak to someone either face-to-face or over the phone, you can book an appointment by calling 0800 138 3944 (local telephone charge rates apply). Phone appointments are with The Pensions Advisory Service and face-to-face appointments take place at the Citizens Advice Bureau.
- The Money Advice Service ([www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)). This is an online service which gives useful information about managing your finances.

**Have you contacted Pension Wise about this benefits claim?**

Yes

No

There are four questionnaires towards the back of this application:

1. a flexi-access drawdown questionnaire,
2. a UFPLS questionnaire,
3. a small pots questionnaire, and
4. an annuity questionnaire.

**Please only complete the questionnaire relevant to your choice if your financial adviser is not submitting this application on your behalf.**

Your choices now could have a life-changing effect. The government requires all providers, including Xafinity, to ask you about your circumstances. Please complete all questions as we want to make sure you're given the information that allows you to make an informed choice.

# Your benefit choices

Where relevant please provide details in respect of all registered pension schemes of which you are a member. A “crystallisation event” is simply a date at which you decide to take some or all of your benefits.

## Ill health benefits

*Only complete this section if you want to take ill health benefits, otherwise please continue to the next section.*

### Serious Ill-Health Lump Sum

*Note: A Serious Ill-Health Lump Sum will be free of tax if you are under age 75. If you are over age 75 then it will be taxed at your marginal rate of tax. A Serious Ill-Health Lump Sum is only available if certain conditions are met. These conditions include the requirement for evidence from a medical practitioner that you are expected to live for less than one year. The evidence should be returned with the completed pension claim form.*

Please tick this box if you want a Serious Ill-Health Lump sum

(Expected date to be paid)

### Ill health early retirement

If you are claiming benefits before age 55 due to ill health you will need to send us medical evidence that you are incapable, due to physical or mental impairment, from carrying on your occupation *and* that you have ceased that occupation. You will also need to continue to complete the rest of this form telling us how you want your benefits paid.

### Consent to process medical data

*Please also complete the additional ‘consent to process medical data’ section at the back of this form.*

## Crystallisation date

What date do you want us to calculate your benefits at?

*If blank, we’ll use the date we receive the form as the calculation date*

## How much is to be crystallised?

How much money do you want to use towards paying your benefits?

*When assessing how much to use, remember that any SEDOL related funds must be valued on a “statutory market valuation” as required by current legislation.*

### Small pots payment

Note that a small pot is a fund of less than £10,000. If paid from crystallised funds, this will be taxed at your normal rate of income tax. If paid from uncrystallised funds 25% is tax free and the balance is taxed at your normal rate of income tax.

Small Pot Payments are subject to other conditions. Please contact your financial adviser if you are unsure whether you are eligible to take one.

Please tick this box if you want to take a small pots payment

<input type="checkbox"/>	DD/MM/YY
(Expected date to be paid)	

### Uncrystallised Fund Pension Lump sums (UFPLS)

Note: Normally 25% of the lump sum will be free of tax and the remaining amount will be taxed as income.

Please tick this box if you want to take an UFPLS

<input type="checkbox"/>	DD/MM/YY
(Expected date to be paid)	

### Pension Commencement Lump Sums (PCLS)

Note: For every £1 crystallised as pension commencement lump sum (i.e. 'tax free cash') a further £3 must be crystallised in respect of pension benefits. (Where there is protection in place this may not be the case).

If you are taking a UFPLS then normally 25% will be paid tax free and you do not have to complete this section unless you wish to take additional benefits over and above the UFPLS.

Do you wish to receive a PCLS?

Date to be paid?

Do you wish to claim Automatic Tax Free Cash protection? Please see "important notes" on page 1 for more information.

How much PCLS do you require?

Yes / No
DD/MM/YY
Yes / No
Maximum entitlement? Yes / No If no to the above, £..... of fund

### Pension benefits

#### Flexi-access drawdown

Please confirm how much pension you need under flexible drawdown rules.

\*Note that regular income payments will commence the 1st of the month following receipt of quote acceptance. Any one off income payments will be received 5-7 working days from the date the acceptance is processed.

If this is your first income payment from Xafinity, Emergency Tax will be applied to the payment.

<b>Regular income</b>			
Gross Amount	£..... (per frequency)		
Frequency:			
Monthly <input type="checkbox"/>	Quarterly <input type="checkbox"/>	Half-yearly <input type="checkbox"/>	Yearly <input type="checkbox"/>
Date to commence*	.....		
<b>One off income payment</b>			
Gross amount	£.....		
Date to be paid*	.....		

### Capped drawdown

**Do you wish to receive Capped Drawdown?**

**Only** available if you were taking this before 6 April 2015. We can tell you if this option is available to you.

Please confirm if you want to put further funds into capped drawdown. When we issue the quote we will assume that the maximum available drawdown is to be taken. You can then select that or a lesser amount.

Yes / No

### Annuity purchase

Please confirm how much is to be used towards annuity purchase, the name of the annuity provider and also enclose the completed annuity proposal form (if available)

£..... OR  
.....% of designated fund  
.....name of annuity provider

## Protection

Please detail below any protection that applies to your benefits. Please provide protection reference numbers, protection certificates (where applicable) and any correspondence you have on the subject of protection. Without sufficient supporting evidence we must assume there's no protection. Please continue on a separate sheet if necessary.

Type	Tick if applicable	Certificate / Reference Number
Primary Protection		
Enhanced Protection		
Fixed Protection		
Fixed Protection 2014		
Fixed Protection 2016		
Individual Protection 2014		
Individual Protection 2016		

## Primary protection lump sums

*Please provide details of any lump sums already taken and the date (or confirm 'none'). If the Primary Protection certificate includes protection for lump sum rights of more than £375,000 (at 5 April 2006) we'll need details of the amount(s) of PCLS or stand-alone lumps sum taken, together with the date of the relevant Benefit Crystallisation Event(s).*

Amount	Date	Amount	Date
£.....	DD/MM/YYYY	£.....	DD/MM/YYYY
£.....	DD/MM/YYYY	£.....	DD/MM/YYYY
£.....	DD/MM/YYYY	£.....	DD/MM/YYYY

## Other protection

Please give details and include certificate numbers.



### Prior Crystallisation Events

Have there been any other crystallisation/retirement benefit events before this event including any transfers to qualifying recognised overseas pension schemes (QROPS)?

(If yes please provide details, otherwise go to next section).

Date	Event	Value of fund for event	Percentage of LTA used at event	Benefits taken after age 75 (Yes / No)
DD/MM/YYYY		£	%	Yes / No
DD/MM/YYYY		£	%	Yes / No
DD/MM/YYYY		£	%	Yes / No
DD/MM/YYYY		£	%	Yes / No
DD/MM/YYYY		£	%	Yes / No
DD/MM/YYYY		£	%	Yes / No
DD/MM/YYYY		£	%	Yes / No
DD/MM/YYYY		£	%	Yes / No

Please provide copies of all previous LTA statements supporting the above events.

### First Crystallisation Event

If you were in receipt of any type of pension on 5 April 2006, please provide details below. Otherwise answer 'No' and go to next section.

Were you in receipt of a pension on 5 April 2006 (pre-commencement pension)?

Yes / No
----------

Is this your first benefit crystallisation since 5 April 2006?

Yes / No
----------

If Yes, please provide confirmation of the maximum annual pension at your chosen benefit crystallisation date.

£.....p.a.
------------

If No and your first BCE since 5 April 2006 was under this scheme no further action or;

Tax year of your 1 <sup>st</sup> BCE e.g. 2012/13
£.....p.a. (maximum annual pension as at your 1 <sup>st</sup> BCE)

If No and your first BCE was under another scheme, please complete this box and provide lifetime allowance statement or calculation of your pre-commencement pension from this BCE.

# Payment details

## Where do we pay benefits?

Please tell us the bank or building society account where we should pay your PCLS, UFPLS or drawdown benefits. As Xafinity does not offer annuities this payment will be paid to the annuity provider.

Bank or Building Society Name	
Bank or Building Society Address	
Account holder's name	
Sort Code	
Account number or reference number	

# Expression of wish for death benefits

Your SSAS Member Trustee Guide explains how death benefits are paid. Where funds are to remain in the SSAS, please complete and return this form to us to tell us about your beneficiaries. You can also complete another form at a later date and ask us to destroy older copies. **We suggest you keep a copy of this with your Will.**

## SSAS details

SSAS Member Name	
SSAS name	

## Your chosen beneficiaries

Full name			
Address			
Relationship to you			
% death benefits			
E-mail			

## Charitable beneficiaries

(To be used if you have no other beneficiaries or dependants. Must be allocated to a charity.)

Charity name			
Charity address			
Charity registration no			
% of fund to be used	%	%	%

## Further information on your wishes

Help us better understand who you'd like to benefit (or not) from your pension savings on your death.

I understand that in exercising their discretion in the disposal of the benefit, the Member Trustees will not be bound by this expression of my wishes, but I request that they be borne in mind.

This form will be retained by the Trustees and not disclosed to any party until my death, when appropriate privacy information as required under the General Data Protection Regulation (GDPR) will be provided to the above named beneficiaries.

# Flexi-access drawdown questionnaire

Please **only** complete this section if you're planning to take flexi-access drawdown **and your financial adviser is not submitting this application on your behalf.**

## Your choices

Do you understand the difference between annuity, flexi-access drawdown, UFPLS and small pension pots? Yes  No

Before choosing Xafinity, did you shop around? Yes  No

Do you understand how charges will work with your Xafinity SSAS when you take withdrawals? Yes  No

Do you know that drawdown amounts are not guaranteed? Yes  No

## Paying your benefits

Are you intending to take your entire fund as a flexi-access drawdown payment? Yes  No

Do you know that if we have to encash investments, you could incur charges levied by the investment provider? Yes  No  N/A

Do you know that if we have to encash investments, there may be a delay in paying your benefits? Yes  No  N/A

Do you know that after 30 days of starting drawdown you won't be able to change your mind? Yes  No

## Investing your benefits

If you intend to invest your tax free cash or income, are you being advised on your investment by an FCA regulated adviser? Yes  No  N/A

If you're investing your tax free cash or income, do you know what you'll be charged for making the investment? Yes  No  N/A

## About tax

Do you know that drawdown payments are taxed as income? Yes  No

If you are married, did you know that your married couple's allowance is reduced by £2 for every £1 you receive over £27,700 down to the single person's allowance? Yes  No  N/A

Once you've taken a flexi-access drawdown payment, do you know how the money will be taxed if you were to then die? Yes  No

## Your future

Do you have any other pension plans to rely on in your retirement?

Yes  No

If you're planning to take regular drawdown payments have you worked out how long you can keep taking payments before your funds run out?

Yes  No  N/A

Have you considered how your investments need to perform to maintain the withdrawals you plan to take?

Yes  No  N/A

Are you intending to pay contributions after you start drawdown?

Yes  No

Are you intending to transfer your pension after you commence drawdown?

Yes  No

Are you receiving any means-tested benefits

Yes  No

Are you planning to buy an annuity at any point in the future with the remainder of your fund?

Yes  No

Are you planning to leave your pension fund to someone else if you die?

Yes  No

Do you have a spouse or dependants who rely on your income?

Yes  No

Are you subject to a Bankruptcy Order?

Yes  No

Are you in good health and do you expect this to continue for the foreseeable future?

Yes  No

# UFPLS questionnaire

Please **only** complete this section if you're planning to take an uncrystallised funds pension lump sum **and your financial adviser is not submitting this application on your behalf.**

## Your choices

Do you understand the difference between annuity, flexi-access drawdown, UFPLS and small pension pot?

Yes  No

Do you understand the costs of taking a UFPLS from your Xafinity SSAS?

Yes  No

## Paying your benefits

Are you intending to take your entire fund as a UFPLS payment?

Yes  No

Do you know that if we have to encash investments, you could incur charges levied by the investment provider?

Yes  No  N/A

Do you know that if we have to encash investments, there may be a delay in paying your benefits?

Yes  No  N/A

Do you know that once you've received a UFPLS it can't be paid back into your pension?

Yes  No

## Investing your benefits

If you are planning to invest your UFPLS payment, are you being advised on your investment by an FCA regulated adviser?

Yes  No  N/A

If you are planning to invest your UFPLS payment, do you know what you'll be charged for making the investment?

Yes  No  N/A

## About tax

Do you know that part of your UFPLS payment is taxed as income?

Yes  No

If you are married, did you know that your married couple's allowance is reduced by £2 for every £1 you receive over £27,700 down to the single person's allowance

Yes  No  N/A

Once you've taken a UFPLS payment, do you know how the money will be taxed if you were to then die?

Yes  No

## Your future

Do you have any other pension plans to rely on in your retirement?

Yes  No

Are you intending to pay contributions after you've taken a UFPLS?

Yes  No

Are you receiving any means-tested benefits?

Yes  No

Are you planning to buy an annuity at any point in the future with the remainder of your fund?

Yes  No

Do you have a spouse or dependants who rely on your income?

Yes  No

Are you subject to a Bankruptcy Order?

Yes  No

Are you in good health and do you expect this to continue for the foreseeable future?

Yes  No

# Small pots questionnaire

Please **only** complete this section if you're planning to take a small pension pot **and your financial adviser is not submitting this application on your behalf.**

## Your choices

Do you understand the difference between annuity, flexi-access drawdown, UFPLS and small pension pot?

Yes  No

Do you understand the costs of taking a small pension pot from your Xafinity SSAS?

Yes  No

## Paying your benefits

Do you understand a small pension pot will exhaust your pension fund completely?

Yes  No

Do you know that if we have to encash investments, you could incur charges levied by the investment provider?

Yes  No  N/A

Do you know that if we have to encash investments, there may be a delay in paying your benefits?

Yes  No  N/A

Do you know that once you've received a small pension pot it can't be paid back into your pension?

Yes  No

## Investing your benefits

If you are planning to invest your small pension pot, are you being advised on your investment by an FCA regulated adviser?

Yes  No  N/A

If you are planning to invest your small pension pot, do you know what you'll be charged for making the investment?

Yes  No  N/A

## About tax

Do you know that some or all of your small pension pot payment is taxed as income?

Yes  No

If you are married, did you know that your married couple's allowance is reduced by £2 for every £1 you receive over £27,700 down to the single person's allowance

Yes  No  N/A

Once you've taken a small pension pot, do you know how the money will be taxed if you were to then die?

Yes  No



## Your future

Do you have any other pension plans?

Yes  No

Are you receiving any means-tested benefits?

Yes  No

Do you have a spouse or dependants who rely on your income?

Yes  No

Are you subject to a Bankruptcy Order?

Yes  No

Are you in good health and do you expect this to continue for the foreseeable future?

Yes  No

# Annuity purchase questionnaire

Please **only** complete this section if you're planning to take an annuity open market option **and your financial adviser is not submitting this application on your behalf.**

## Your choices

Do you understand the difference between annuity, flexi-access drawdown, UFPLS and small pension pots?

Yes  No

Do you understand the costs of buying an annuity using your Xafinity SIPP funds?

Yes  No

## Paying your benefits

Are you intending to take your entire fund (after payment of PCLS, if applicable) as an annuity?

Yes  No

Do you know that if we have to encash investments, you could incur charges levied by the investment provider?

Yes  No  N/A

Do you know that if we have to encash investments, there may be a delay in paying your annuity?

Yes  No  N/A

Do you know that once you've purchased an annuity you may not be able to change your mind?

Yes  No

## Investing your benefits

If you intend to invest your tax free cash, are you being advised on your investment by an FCA regulated adviser?

Yes  No  N/A

If you're investing your tax free cash, do you know what you'll be charged for making the investment?

Yes  No  N/A

## About tax

Do you know that annuity payments from your chosen annuity provider will be taxed as income?

Yes  No

If you are married, did you know that your married couple's allowance is reduced by £2 for every £1 of annuity payment you receive over £27,700 down to the single person's allowance?

Yes  No  N/A

### Your future

Have you shopped around different annuity providers before choosing to buy your annuity?

Yes  No

Are you intending to pay contributions after your an annuity is set up?

Yes  No

Are you receiving any means-tested benefits

Yes  No

Are you planning to buy an annuity at any point in the future with the remainder of your fund?

Yes  No  N/A

Are you planning to leave your pension fund to someone else if you die?

Yes  No

Do you have a spouse or dependants who rely on your income?

Yes  No

Are you subject to a Bankruptcy Order?

Yes  No

Are you in good health and do you expect this to continue for the foreseeable future?

Yes  No

## Your declaration

By signing this form you are requesting that Xafinity pay the benefits as set out this form.

By signing below I confirm and accept that:

- I wish to proceed with the settlement of my benefits on the basis set out in this form;
- I understand that drawing an income payment from the flexi-access drawdown will trigger the Money Purchase Annual Allowance Rules and will be subject to a lower annual allowance;
- That if I have selected to take my full fund that I wish to resign as a Member Trustee of the scheme;  
 Yes  No
- If I am taking any tax free benefits, I have not taken any tax free cash from this Scheme, or in respect of benefits held within the Scheme, prior to 6<sup>th</sup> April 2006. I will not use any tax free element of my benefits as part of a tax free cash recycling exercise prior to age 75;
- I declare that I am not, and never have been, bankrupt;
- To the best of my knowledge and belief the information given in this form, whether in my handwriting or not, is correct and complete. I understand that I will be liable for any false declarations that may lead to any unauthorised transaction, and subsequent tax charges, on this pension scheme.

I understand that in exercising their discretion in the disposal of any future death benefits, the Trustees will not be bound by the expression of my wishes as detailed in this form, but I request that they be borne in mind.

Applicant's signature	
Applicant's name	
Date of signing	DD/MM/YYYY

If the applicant is under 18, please **also** complete the following

Legal guardian's signature	
Legal guardian's full name	
Date of signing	DD/MM/YYYY

## Adviser declaration

I confirm that I have advised this client to take benefits from this Xafinity SSAS as set out in this application form.

Adviser signature	
FCA Individual Reg No	

# Consent to process medical data

You should only read and complete this section if you are applying for ill health benefits.

## How we use your data

We have already provided you with information about how we use your personal information, including the details of who processes your information. If you need to review this, you can find information about 'your privacy' on our website.

Set out below is additional information about how we use medical information, together with your rights. We also ask for your consent to use your medical information.

Please read the statement below carefully and then sign to confirm consent.

## Why do we need medical information?

Pension law requires us to confirm that you are legally entitled to claim benefits on the basis of ill health. We therefore need to obtain your medical information to comply with the law.

Your medical data will only be used for the purposes of determining your eligibility to claim benefits as a result of ill health or serious ill health.

## Who will we share information with?

We will not share your medical information with any third party without your consent. However, this does not apply to any law enforcement agency who may require us to provide specific health information for the purposes of preventing fraud (including tax fraud).

**Please note that we will not share the information with any third party (including the SSAS Trustees) unless you specifically consent.**

## How long will we keep the information for?

Once your medical information has been obtained it will be kept securely and will not be used again.

The information will be stored by us only for the purposes of providing evidence that we have complied with pension laws relating to the payment of health benefits.

We will keep the information for 12 years following closure of your SIPP.

## What are my rights?

You have the right to ask us to stop using your medical information in a certain way or at all, to delete that information or to have any incorrect medical information corrected. However, you should be aware that because we need to keep medical information to demonstrate compliance with pension laws, your rights in this area may not apply.

## Your consent

**I consent to Xafinity SIPP Services Limited using my medical information** for the purposes of assessing my eligibility to claim ill health retirement benefits and to keeping that information solely to evidence compliance with pension laws.

Applicant's signature

Applicant's name

Date of signing

DD/MM/YYYY

# Taking benefits from your SSAS: what you should know



You can flexibly access your pension benefits in a number of ways. Your *SSAS Member Trustee Guide* gives full details of your options. Before making important and potentially life-changing decisions, talk to your financial adviser.

## You don't have an adviser?

You can find an FCA-registered adviser at [www.unbiased.co.uk](http://www.unbiased.co.uk). They will be able to give you details of a financial adviser in your area and if they have specialist pensions qualifications.

## You don't want an adviser?

In this case, we urge you contact **Pension Wise**, the free impartial guidance service set up by the government. They can explain your retirement options but cannot advise. You can access Pension Wise in the following ways:

- **online:** at [www.gov.uk/pensionwise](http://www.gov.uk/pensionwise);
- **face-to-face/by phone:** book an appointment by calling 030 0330 1001 (local telephone charges apply). Phone appointments are with The Pensions Advisory Service and face-to-face appointments are with Citizens Advice.

The Money Advice Service also provides information at [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk).

## Are there risks to taking benefits?

- **You may run out of money!** Taking your benefits carries risks. Your pension fund is not bottomless and the more you take from it the less will remain for the future – you may risk running out of money just when you need it most (e.g. to cover care needs in older age).
- **Tax!** Taking income or lump sums might lead to significantly higher rate of income tax for you. This is a complex area and is why it's so important to talk to a financial adviser.

- **Impact on any means-tested benefits:** receiving income from a pension could lead to a reduction in your benefits. Also, taking tax free cash (often called a pension commencement lump sum) could increase your capital for means-tested benefits.

## Taking benefits: options and tax

Depending on the benefits you take, some will be taxable and some will be tax free. Below we've explained your options at retirement and how they're taxed. Each option has different features, different rates of payment, different charges and different tax implications.

If you're already taking benefits in some form or you need to know about death benefits in more detail, please see your SSAS Member Trustee Guide or contact us. Our website also gives information about past and current tax rates.

In this section we refer to 'crystallised' and 'uncrystallised' funds. This refers to whether you've taken some benefits ('crystallised') or not ('uncrystallised').

- **Annuities:** These can either be payable for life or for a shorter term and there are new variations being developed by insurance companies. Annuities are taxed as income and the rate of tax that applies will depend on the amount of income you receive from other sources. Xafinity does not provide annuities.
- **Capped drawdown:** Under capped drawdown the maximum amount of income you can take from your fund each year is subject to a maximum, based on rates determined by the Government Actuary Department. From April 2015 this form of drawdown is no longer available. But if you are already receiving some benefits under capped drawdown then you can continue to receive it.

You can also crystallise additional funds now and put these into capped drawdown as well, provided that all the funds are in the same arrangement. Alternatively you can convert your capped drawdown benefits to flexi-access drawdown.

Capped drawdown payments are taxed as income and the rate of tax that applies will depend on the amount of income that you receive from other sources. Capped drawdown benefits can be subsequently transferred to another arrangement.

- **Flexi-access drawdown:** This form of drawdown allows you to take as much or as little as you want. However, if you use this option your Annual Allowance (the amount you can contribute to your pension without incurring tax charges) will reduce once an income payment has been taken. This is known as the Money Purchase Annual Allowance and more information about this is on our website. Any lump sums you take are tax free (up to 25%) and the drawdown payments are taxed as income and the rate of tax that applies will depend on the amount of income that you receive from other sources.
- **Uncrystallised funds pension lump sum:** This allows you to take some or all of your pension pot as a lump sum (or series of lump sums). If you access funds in this way your Annual Allowance (the amount you can contribute to your pension without incurring tax charges) will reduce to the Money Purchase Annual Allowance, details can be found on our website. Normally 25% of each payment will be tax free and the remaining amount will be taxed as income and the rate of tax that applies will depend on the amount of income you receive from other sources.
- **Small pots (crystallised or uncrystallised):** If your pension fund is worth less than £10,000 you can take this as a lump sum. You can take this from crystallised or uncrystallised funds. A small pot

lump sum from uncrystallised funds is 25% tax free and the rest is taxed at your normal income tax rate. If you take the payment from crystallised benefits the whole amount will be taxed at your normal rate of income tax. To be eligible to take this lump from a SSAS you must not have transferred any funds out of the pension scheme in the last three years; you must not be a controlling director of the sponsoring or participating employer and if you belong to more than one company or public sector pension for the same job your total pension pots are worth £10,000 or less.

- **Transfer to another provider:** You can transfer your benefits to one or more other pension providers. Different pension providers may offer different flexible pension options, including the option to select an annuity. Any retirement benefit we give you will include an estimate of the amount that you could transfer from the scheme.

## A word about “pension fraud”

Fraudsters are targeting the unwary. Their aim is to get you to invest in scam investments or to access benefits before age 55. Sometimes they may offer a ‘free pension review’, spectacular returns or a ‘fee rebate’.

However, if you take your pension before 55, you can incur large tax penalties and scam investments can reduce your pension fund to nothing. As a responsible company, we’ll only transfer funds to a pension scheme that’s registered with HMRC, which doesn’t aim to release funds early and which does not appear to be involved in investment scams. We’ll investigate and report any schemes we spot to the relevant authorities and will refuse to make a transfer payment.