

# Rothesay

Purpose-built to protect pensions



getting ready

**Taking Your Pension Benefits**

An aerial photograph of a dense forest with a winding path. The trees are mostly green, with some yellowing, suggesting autumn. The path is a light grey color and curves through the center of the forest.

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# For policyholders approaching their normal retirement date

This guide is designed to help you understand your options and what you need to do as you approach your normal retirement date (NRD).

## When you can take your benefits

You do not have to start taking your pension benefits when you reach your NRD – you can take them at any time. However, please note that if you take your pension benefits:

- **'Early'** (before your NRD), they will usually be reduced to be paid for a longer period
- **'Late'** (after your NRD), they will be increased to allow for them being paid for a shorter period

## Your retirement date

Although the date you start to take your benefits is generally referred to as your 'retirement date', there is no requirement for you to stop working beforehand.

# Your options

You can either take your pension benefits directly from Rothesay or transfer the value of your benefits to another pension arrangement.

## Taking your pension benefits directly from Rothesay

The options available to you will depend on your policy. Full details will be provided in your options pack (see page 6). The most common options are summarised below.

### Your options if you take your benefits directly from Rothesay

#### Full pension

Receive regular pension payments for the rest of your life.

#### Lump sum and reduced pension

Receive a tax-free lump sum plus reduced regular pension payments for the rest of your life.

#### Things to consider

Choosing this option will reduce your future regular pension payments, but in most cases any pensions payable to your dependant(s) on your death will not be reduced. Your options pack will provide details.

#### Lump sum only

If the value of your benefits is below £30,000, it may be possible for you to take all of this as a lump sum. 25% of this lump sum would be tax-free.

If you take this option, you and your dependant(s) will receive no further payments from us once the lump sum is paid.

#### Things to consider

Do you need to rely on your Rothesay policy for future income? What other sources of income do you have?

Receiving the lump sum may move you to a higher income tax bracket for that tax year. This may result in you paying more tax than if you had received your benefits as regular pension payments.

## Transferring to another pension arrangement

If you are under 65, you may be able to transfer the value of your pension benefits under your policy (your 'transfer value') to another pension arrangement. This may give you access to additional options.

### Your options if you transfer

If you transfer to a defined contribution (DC) arrangement you would have a 'pot' of money to be used on one or more of the options below:

- A guaranteed income for life (an annuity)
- One lump sum (25% tax-free)
- Multiple lump sums (take each when you choose; each 25% tax-free)
- A flexible income (up to 25% as a tax-free lump sum and then further ad-hoc lump sums) and/or regular payments, both of which would be taxable

When choosing an annuity from another provider you have options around:

- The way your pension increases (or not) each year
- The amount of any pensions payable to your dependant(s) on your death
- The length of any guarantee period

Also, if you have a medical condition, you may be able to get a higher income by answering a medical questionnaire and buying an 'enhanced annuity'.

### Beware of scammers

Scammers try to persuade pension savers to transfer their entire pension savings, or to release funds from it, by making attractive sounding promises they have no intention of keeping.

Read more about how to stay safe from scams:

- > [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)
- > [www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam](http://www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam)

# Taking your pension benefits directly from Rothesay

The process usually starts 6 months before your normal retirement date.

Although you do not have to take financial advice, we strongly recommend you consider doing so.



## Receive an options pack

This includes details of your options and an estimated transfer value.

This pack includes a form for you to complete - please see page 10 for more information.

Please let us know if you want to bring forward or delay taking your pension benefits.

## Complete forms

We will send you another options pack. Except for the estimated transfer value, and any AVCs you may have, the figures in this pack are guaranteed.

If you want to start taking your benefits on your NRD, please complete the forms enclosed in the pack as soon as possible.

## You take your benefits

We will send you a letter confirming your benefits have been settled. Your pension and/or lump sum will be paid directly to your bank account.

Any original certificates you send to us will be returned by recorded delivery.

## Living abroad?

We can usually arrange to pay your pension and/or lump sum into a bank account in the country that you are living.

As it takes longer to set up overseas pensions, we would appreciate it if you could give as much notice as possible. We will ask you to complete a bank mandate form which requests specific information for an international payment, but further information may be required.

Payment will be made in pounds sterling unless specified otherwise, and you will need to pay for any charges incurred due to set up and currency conversion.

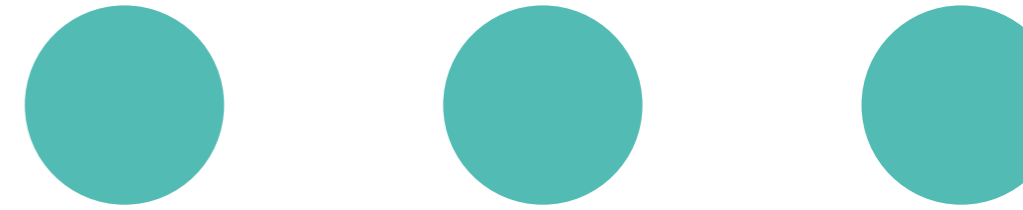
## Reducing the tax you pay

You may be able to reduce the tax you pay on your pension by taking advantage of any double taxation agreement between the UK and the country you are living in. We recommend that you take advice regarding your tax position.



# Transferring to another pension arrangement

You can request a transfer pack at any time up to your 65th birthday providing you have not already started to take your benefits.



## Step 1 Appoint a financial adviser

The advice and transfer process can take some time, so we recommend that you appoint a financial adviser before requesting a transfer pack.

If your transfer value is over £30,000, we must have proof that you have taken financial advice from an adviser authorised by the Financial Conduct Authority (FCA) before we can process a transfer request from you. If your transfer value is less than £30,000 then you are not required to take financial advice but we strongly recommend that you consider doing so.

If you do not have a financial adviser, you can use MoneyHelper's Retirement Adviser Directory to find a regulated and impartial adviser:

> [www.moneyhelper.org.uk/retirement-directory](http://www.moneyhelper.org.uk/retirement-directory)

## Step 2 Request a transfer pack

Our transfer values are calculated using assumptions based on market conditions. These affect transfer values, for example they affect the pension increases we expect to pay, which in turn affects the value of the policy.

We quote an **estimated** transfer value in all our options packs. However, if you are interested in transferring, you (or your financial adviser) should contact us to request a transfer pack. This will include details of your benefits, as well as a transfer value which will be **guaranteed** for 6 months.

**Please note, we will only issue one guaranteed transfer value in any 12-month period.**

## Step 3 Consider your options

Please consider carefully what the best approach for you would be. This will depend on your future plans as well as your personal and financial circumstances. There may be some good reasons why you might decide transferring the value of your benefits under your policy to an alternative pension arrangement is right for you. However, please bear in mind that according to the FCA and The Pensions Regulator, keeping a stable pension income is likely to be the right approach for most people.

## Step 4 Complete and return the forms

If you do decide to transfer to another pension arrangement, you should complete the forms included in your transfer pack. Please return them in plenty of time for us to process your transfer before the 6-month guarantee on your transfer value expires.

### Transferring overseas?

Please let us know if you are considering transferring to a Recognised Overseas Pension Scheme (ROPS) as we will need to send you our overseas transfer pack with different forms to complete. Overseas transfers tend to take longer, so you should send us all the documentation requested as quickly as possible to try to ensure the transfer is completed within the 6-month guarantee period.

# What you need to do now

To properly plan for taking your pension benefits, you will need to gather information from all of your pension arrangements. These might include company pension schemes, personal pensions and/or other insurance policies. This is information you will need before you can take your benefits anyway.

We include a form for you to complete with this information in our options packs as we need it for the checks that HM Revenue & Customs require us to make before you can take your benefits.

Visit the policyholders' section of our website for more helpful links and contacts.

> [www.rothesay.com/policyholders/helpful-links-and-contacts](http://www.rothesay.com/policyholders/helpful-links-and-contacts)

# Help & support

## **I need general information about pensions**

MoneyHelper:

- > [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)
- > 0800 011 3797

## **I need a financial adviser**

MoneyHelper's find a retirement adviser tool:

- > [www.moneyhelper.org.uk/retirement-directory](http://www.moneyhelper.org.uk/retirement-directory)

## **I want to check if a financial adviser is authorised by the FCA**

The FCA:

- > <https://register.fca.org.uk>

## **I have lost track of other pensions**

The Pension Tracing Service:

- > [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)
- > 0800 731 0193

## **I need to find out about my State Pension**

The Pension Service:

- > [www.dwp.gov.uk](http://www.dwp.gov.uk)
- > 0800 731 7898 (UK)

## **I have a question about tax**

HM Revenue & Customs:

- > [www.gov.uk/hmrc](http://www.gov.uk/hmrc)
- > 0300 200 3300 (UK)

Tax Help:

- > [www.taxvol.org.uk/index.php/rothesay](http://www.taxvol.org.uk/index.php/rothesay)
- > 0333 207 5652

## Rothesay

'Rothesay' is the trading name for Rothesay Life Plc, an insurance company established in the UK with company registration number 6127279.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Firm Reference Number 466067.