

For members



When was the last time you looked at your pension?



If you've changed your target retirement age, you can update it at aegon.co.uk/targetplan or by contacting us.

You may think that retirement is a long way away, but if you haven't thought about how you'd like to use your pension pot you really need to think about what you'd like to do now.

The earliest you can access your pension under current legislation is age 55 (increasing to age 57 on 6 April 2028).



There are different ways that you can take your benefits from your pension pot when you retire:

Tax-free cash lump sum: Most people are able to take up to 25% of their pension pot as tax-free cash. You can take the remaining pot as:

- 1. Annuity:** With an annuity, you give your pension pot to an annuity provider who in turn pays you a guaranteed income until your death. You can add on extras like index linking, where the income goes up each year, or a pension for your spouse that would be paid if you die before them. As annuity rates can change substantially and rapidly, there's no guarantee that when you do purchase an annuity the rates will be favourable. This could mean that your pension thereafter may be less than you hoped for.
- 2. Income drawdown:** With income drawdown, you keep your pension pot, and keep it invested. Any money generated from those investments or the capital itself can provide you with an income. The value of an investment, and any income you take from it, can fall as well as rise and isn't guaranteed. You could get back less than has been paid in.
- 3. Cash:** You can also take the remainder as a cash lump sum which will be subject to income tax.

You can even choose to have a combination of these.

This information is based on our understanding of current taxation law and HM Revenue & Customs' practice, which may change.

Why should I be looking at my pension pot now?

As there’s so much flexibility as to how you can use your pension benefits, you need to decide how you invest your pot in the years before you take your benefits. The diagram below shows you examples of different investment approaches, for some different circumstances and benefit options:

Far from retirement	Approaching retirement	At retirement
Annuity		
Portfolio with majority in stocks and shares (equities)	Portfolio with greater mix of stocks and shares, fixed income (bonds)	Cash and fixed income
→		
Drawdown		
Portfolio with majority in stocks and shares (equities)	Portfolio with greater mix of stocks and shares (equities), multi asset	Portfolio with mix of stocks and shares (equities), multi asset, cash
→		
Cash		
Portfolio with majority in stocks and shares (equities)	Portfolio with greater mix of stocks and shares, cash	Cash

These examples aren’t recommendations and only aim to show a range of different investment options. Please speak to a financial adviser if you’re unsure which option is right for you.

If you’ve previously selected a LifePath or Lifestyle fund, the transition of your investments from far from retirement to approaching retirement is done automatically. You also have the option to decide yourself by selecting your own funds.

It's important you look at where your pension pot is currently invested and see if it matches your future plans. For advice as to whether a fund is suitable for you, please speak to a financial adviser.

Where can I get more information?

Sign into your account at [**aegon.co.uk/targetplan**](https://aegon.co.uk/targetplan) where you can get information about funds, how you can take your pension pot, and a pension calculator which can help you answer all of these questions. You may also be able to change your retirement age online, but please remember that we can't give you advice so you may want to speak to a financial adviser before doing so - there may be a charge for this. If you don't have a financial adviser, you can find one in your area by visiting [**moneyhelper.org.uk/choosing-a-financial-adviser**](https://moneyhelper.org.uk/choosing-a-financial-adviser), or find out more about advice services supported by Aegon by visiting [**aegon.co.uk/origen**](https://aegon.co.uk/origen).

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Pension Wise, a service from MoneyHelper, is a free and impartial government service offering guidance about your pension options at retirement ([**moneyhelper.org.uk/pensionwise**](https://moneyhelper.org.uk/pensionwise)).

If you're aged 50 or over you can book a free appointment to speak with someone at Pension Wise over the phone or face to face. They'll talk you through your options to help you make an informed choice when you access your pension savings. You can book your appointment online ([**moneyhelper.org.uk/pensionwise**](https://moneyhelper.org.uk/pensionwise)) or by calling them on 0800 138 3944

Please note: This leaflet can only give you a brief overview of pension benefit options, in general terms. Some options may require a minimum pot value, so may not be available to everyone. Not all schemes offer all of the retirement options and you may have to transfer out to another scheme to access some of the options.

Pension scams

Find out what to look for and how to protect yourself and your retirement savings at [**aegon.co.uk/online-security-and-fraud-protection/pension-scams**](https://aegon.co.uk/online-security-and-fraud-protection/pension-scams)

What else can I do?

- 1** Sign in to your online account at [**aegon.co.uk/targetplan**](https://aegon.co.uk/targetplan) and use the retirement planning tools to help you work out how much income you might need when you stop working. If you've never used your online account, you'll need to activate it first before signing in. It only takes a few minutes to get started – all you'll need is your account number, which you'll find on your annual statement, and your National Insurance number.
- 2** Once you have registered for TargetPlan, after 24 hours, you can download and register for the Aegon app. Thanks to the app you can check on your pension and make changes, wherever you are. Sign-in is quick and secure – you'll be able to use fingerprint or face recognition for added security. The **Aegon UK** app is free. Visit the iTunes App Store or Google Play Store to get started.
- 3** Is your target retirement age correct? If not, you can change your target retirement date at [**aegon.co.uk/targetplan**](https://aegon.co.uk/targetplan) or by contacting us.
- 4** List all of your existing pensions plans and their current value. Knowing what you've got now will help you to understand where your savings are versus where you want them to be.
- 5** Check your State Pension and find out when you'll receive it. You can request a forecast of how much it will be [**gov.uk/check-state-pension**](https://gov.uk/check-state-pension)

- 6** Think about whether you're saving the right amount to reach your required income figure.
- 7** Think about how you might like to take your pension pot, for example:
- Tax-free cash lump sum
 - Annuity
 - Income drawdown
 - Cash
 - A combination of the above

- 8** Check your funds and review your choices if necessary. Decide if you want to make changes:
- Due to fund performance
 - To change the level of investment risk
 - To align the funds to the way you want to use your pension pot at retirement

For advice as to whether a fund is suitable for you, please speak to a financial adviser – there may be a charge for this.

- 9** If you're aged 50 or over, you can book a free appointment to speak with someone at Pension Wise over the phone or face to face. They'll talk you through your options to help you make an informed choice when you access your pension savings. You can book your appointment online ([**moneyhelper.org.uk/pensionwise**](https://moneyhelper.org.uk/pensionwise)) or by calling them on 0800 138 3944.

The government want to encourage members to make use of this service and therefore when applying to take your benefits you'll be asked if you've either had guidance from Pension Wise or you're willing to opt out of having guidance.

- 10** Put a note in your diary to do this again in a year's time.

Want to know more?



0345 601 7721 (call charges will vary).



my.pension@aegon.co.uk



aegon.co.uk/targetplan

Our email system and the way we deal with data internally is secure. However, we're unable to ensure the security of emails before they reach us so please consider this and do not include any personally sensitive, financial or banking information that hasn't been appropriately secured.

If you have access to our online services, you may be able to log in and complete your action securely.

If your personal circumstances mean you need any additional support, or if you'd like a large print, Braille or audio version of this document, please call 0345 601 7721 (call charges will vary) or visit **aegon.co.uk/support**.

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