

# Small pots lump sum

## Payment instruction

### Why do I need to fill in this form?

This form instructs us to pay you a small pots lump sum (SPLS) from your plan, subject to the conditions described in full in the declaration on **page 10**.



This form should take about 20 minutes to complete and you'll have to complete five sections. Words in **bold** are described in more detail in the definitions section at the end of this form. You can also complete this form any time at [aegon.co.uk/onlineform](https://aegon.co.uk/onlineform)

#### You should complete this form if...



- you'd like to take up to three lump sums from your **non-occupational pension scheme** pension pot, each worth no more than £10,000;
- you've received a quote from us in the last 12 months telling you the:
  - retirement options available to you
  - current cash-in/surrender value of your plan
  - amount of tax payable.

These are known as small pots lump sums (SPLS).

Before completing this instruction, please read the conditions on page 2 to make sure you're eligible for this option.

- ! Be aware that this option has no cancellation rights – once we've made the payment to you, it can't be reversed and paid back to us.

#### You shouldn't complete this form if...



- you want to take out your pension a bit at a time, leaving some funds invested;
- you want to take some of your pension as cash then use the rest to provide a flexible income;
- you want to take some of your pension as cash and use the rest to provide a guaranteed income;
- you have previously received three small pots lump sums from **non-occupational pension scheme(s)**;
- you have protected tax-free cash on your plan;
- you have enhanced protection or fixed protection 2016, applied for after 15 March 2023;
- you don't meet the conditions on page 2, or
- you're planning on taking guidance and/or regulated advice and haven't received this yet.

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 visit [aegon.co.uk/additionalsupport](https://aegon.co.uk/additionalsupport) or call 03456 10 00 10 (call charges will vary).

# Small pots lump sum conditions

To qualify for this option, at the time of payment you must have a fund of £10,000 or less in an arrangement under a [non-occupational pension scheme](#).

The fund can be paid to you as a SPLS, provided that at the time of payment:

- you've reached the normal minimum pension age, currently 55 (increasing to 57 on 6 April 2028) (or your protected pension age if you have one ) or the [ill-health condition](#) is met;
  - you've not previously received more than two such other payments in respect of an arrangement under any such scheme. This includes any similar payments made to you in the period 6 April 2012 to 26 March 2014, which are subject to a £2,000 limit per arrangement; and
  - the payment extinguishes your entitlement to benefits under the arrangement.
- Provided the above conditions are met, these payments can be made regardless of the value of your total pension savings and can be made in addition to any other type of trivial commutation lump sum you may have received.

When we pay you the SPLS, the cash-in value of your plan must be no more than the limits shown below. The limit that applies to your plan will depend on the number of SPLS payments that you've received previously.

We'll create or amalgamate arrangements under your plan as necessary to pay the SPLS(s) if the cash-in value of your plan is more than £10,000 and no more than £30,000.

|                                    |         |         |         |
|------------------------------------|---------|---------|---------|
| Number of SPLS received previously | 0       | 1       | 2       |
| Cash-in value must be no more than | £30,000 | £20,000 | £10,000 |

**Tax** – We'll pay 25% of the lump sum as a tax-free amount. The balance of the lump sum is chargeable to income tax at your highest marginal rate, however, we will have to tax the balance at the UK basic rate of tax under Pay As You Earn (PAYE), unless we hold a tax code on file for you. Where we tax you at the basic rate of tax, HM Revenue & Customs (HMRC) will contact you at the end of the tax year if you haven't paid the correct amount of tax.

This information is based on our understanding of current taxation law and HMRC practice, which may change. The amount of tax you pay will depend on your individual circumstances.

## Guidance or regulated advice

We strongly recommend you take guidance from Pension Wise. The purpose of this guidance is to help you make an informed decision about your pension savings and the different options available to you.

Pension Wise, a service from MoneyHelper, is a free and impartial government service offering guidance about your retirement options. Appointments with an independent pension specialist are available by phone or face-to-face.

If you'd like us to book you an appointment with Pension Wise, please call 03456 10 00 10 or you can book one yourself at [moneyhelper.org.uk/pensionwise](https://moneyhelper.org.uk/pensionwise) or by calling 0800 138 3944.

We also recommend you seek regulated advice from a financial adviser. There will be a cost for this service. If you don't have a financial adviser, you can visit [moneyhelper.org.uk/choosing-a-financial-adviser](https://moneyhelper.org.uk/choosing-a-financial-adviser) to find the right one for you.

If you want to take guidance from Pension Wise and/or regulated advice from a financial adviser, you need to have had this guidance and/or advice before you can complete this form. If you don't want to use Pension Wise, you need to opt-out of this service in Section 4 'About the risks'.

If you've already received guidance or regulated advice, you may want to do this again if there's been any significant change to your pension fund or personal circumstances.

## How to complete this form

- In BLOCK CAPITALS using a ballpoint pen.
- Check which documents you must send with your form to prove your identity on page 5 (non-UK residents only).
- Find definitions for highlighted terms on page 12.
- Read more about the SPLS option by visiting Your Retirement Planner at [aegon.co.uk/retirementplanner](https://aegon.co.uk/retirementplanner)

**Return your completed form  
and identity documentation to:**

Freepost RUCB-LJKR-HHBU  
Aegon  
SUNDERLAND  
SR43 4DU





## 1 About me

Title (Mr/Mrs/Miss/Ms/Other – please specify)

Full forename(s)

Surname

Date of birth (dd/mm/yyyy)

Contact phone number

National Insurance number

Email address

Plan number

We'll only use your phone number and email address to contact you about your plan.

Have you taken any small pots lump sums from a [non-occupational pension scheme](#) before?  
(see the Small pots lump sum conditions on page 2 for more information)

☐

No

☐

Yes, please tell us how many:

☐

1

☐

2



We can only pay benefits directly to a UK bank or building society. If you're unable to set up a UK bank or building society, please contact us.

## 2 Bank details

Bank/Building society name

Address

Postcode

Sort code

-

Account number

Name of account holder(s)

Building society roll number (if applicable)



### 3 Identity checks

We must confirm your identity when you take your pension benefits – we can't process your payment instruction without doing this.

#### UK residents

We'll try to complete our identity and verification checks electronically. Where this isn't possible we'll contact you and ask you to send us certified copies of two identification documents.

#### Non-UK residents

We require two items to confirm your identity. Please tick the documents that you're sending us.

- ☐ A postal bank statement or a bank statement obtained from your branch for the account we're paying benefits to. The bank statement must show your home address and have been received in the last three months. (The postal statement must have been sent to your home address. The bank statement obtained from your branch must show it was printed or stamped in branch.)



One of the following items (please tick your choice)

- |   |  |
|---|--|
| <input type="checkbox"/> Current passport   | <input type="checkbox"/> National identity card  |
| <input type="checkbox"/> Current photo card driving licence (full or provisional) | <input type="checkbox"/> Identity card issued by the Electoral Office for Northern Ireland |

If you can't provide one of the four items shown in the box above, then we require one document from list A and one from list B.

#### List A (tick one)

- ☐ Current (old pre-photo card style) full UK driving licence
- ☐ Proof of benefit entitlement in the last three months
- ☐ HMRC tax notification quoting National Insurance number sent to your home address in the last three months

#### List B (tick one)

- ☐ Current council tax demand letter or statement (valid for the current tax year)
- ☐ Credit card statement received in the last three months
- ☐ Mortgage statement received in the last 12 months
- ☐ Local authority rent card or tenancy agreement received in the last three months



### 3 Identity checks – continued

#### ? Who can certify a document and how do they do it?

Copies of documents can be certified by one of the following people:

- solicitors
- doctors/dentists
- ministers of religion
- social workers
- teachers
- Post Office official (through the Post Office's certification service)
- accountants
- bank/building society employees
- barristers/solicitors/paralegals
- councillors
- FCA regulated financial advisers
- justice of the peace
- serving police officer
- member of Parliament

The person certifying your document should write the following on the copy document:



- their name in block capitals;
- the name of the company they work for and their occupation;
- their contact telephone number;
- their signature and date; and
- for documents with a photo, the following statement:

'I certify this to be a true likeness of 'individual's name' and that this document is certified to be a true copy of the original seen by me.'

For documents without a photo, the following statement: 'I certify this to be a true copy of the original seen by me.'

## 4 About the risks

! We can't progress your claim unless this section is completed.

Before you make a decision about taking your benefits, it's important to understand the main risks related to withdrawing money from your pension pot. You can also visit '**Your retirement planner**' where you'll get tailored risk warnings specific to you by answering the questions on the 'Make it happen' section. If you want to take guidance from Pension Wise and/or regulated advice from a financial adviser, you need to have had this guidance and/or advice before we can progress your claim.

### 4.1 Have you received guidance from Pension Wise?

- ☐ Yes – go to 4.2    ☐ No – if you don't want to use Pension Wise you need to opt-out below:  
☐ Please tick this box if you want to opt-out of taking guidance from Pension Wise.

! There's a risk you may choose an option that doesn't suit your needs. Accessing your pension savings is an important decision and we would always recommend that you seek guidance.

### 4.2 Have you received advice from an adviser?

- ☐ Yes    ☐ No

! We recommend that you seek advice from a financial adviser if you aren't sure if this is the right option for you.

### 4.3 Are you aware that taking your full pension fund as a lump sum will use up all the benefits under your plan and you won't get any further payments from it?

- ☐ Yes    ☐ No

! Taking a full lump sum from your pension plan means that no further benefits can be paid from it at a later date when you may require it. You should consider the impact this could have on your retirement plans.

### 4.4 Are you aware that any guarantees attached to your existing plan would be lost?

- ☐ Yes    ☐ No

! There's a risk that you'll lose your right to any guarantee which may reduce the level of income you receive in retirement. You should make sure that you understand the conditions of any guarantee before making a decision.

## 4 About the risks – continued

- 4.5 Are you aware that you'll pay tax if you take a lump sum from your pension savings and this may take you into a higher tax bracket?

☐ Yes ☐ No

! There's a risk that after tax is deducted you may not get as much as you were expecting. The amount you withdraw and any other income that you receive may result in you paying higher rate tax or even owing additional tax.

- 4.6 Are you confident that withdrawing money out of your pension pot will still let you have your desired lifestyle in retirement?

☐ Yes ☐ No

! There's a risk you may run out of money, so you must make sure that you invest wisely or budget effectively. You should also consider any state pension you may be entitled to – you can find details of this at [gov.uk/new-state-pension](https://gov.uk/new-state-pension)

- 4.7 Are you aware of the impact withdrawing money from your pension plan may have on any outstanding debts?

☐ Yes ☐ No

! If you owe money there's a risk that your lender may be entitled to your pension savings when you take it as income.

- 4.8 Are you aware that pension scams are on the increase following the pension freedoms?

☐ Yes ☐ No

! Your pension is one of your most valuable assets. Like anything valuable, your pension can become the target for illegal activities, scams or offers of inappropriate and high risk investments. Find out more about the steps you can take to protect yourself from pension and investment scams and how to avoid them – visit [fca.org.uk/scamsmart](https://fca.org.uk/scamsmart) and [pension-scams.com](https://pension-scams.com)





## 4 About the risks – continued

4.9 Are you aware that taking cash from your pension pot may impact means tested benefits?

☐ Yes ☐ No

! There's a risk that taking your income may result in the loss of any means tested benefits you currently receive or may be eligible for at some point in the future.

4.10 Have you investigated fully any charges associated with any planned investment?

☐ Yes ☐ No

! There's a risk that any charges payable on future investments may be more than those you're currently paying on your pension savings.

## 5 Declaration

In this declaration 'I' means the individual detailed in section 1 and 'you' means Scottish Equitable plc as Scheme Administrator of the Scottish Equitable Personal Pension Scheme, the Scottish Equitable Self-administered Personal Pension Scheme, the Scottish Equitable Stakeholder Scheme (the 'Scheme(s)'), a Retirement annuity contract, a section 32 Buyout policy and/or a Trustee Proposed section 32 Buyout policy (the 'Scheme').

- 5.1** I request that you pay the funds from the plan numbered in section 1 (the 'Plan') to me as a small pots lump sum(s). I declare that the following conditions for payment of the small pots lump sum(s) are met:
- a** I've not previously received more than two such payments in respect of arrangements under **non-occupational pension schemes**;
  - b** at the time of the payment, I'll have reached the normal minimum pension age, currently 55 (or my protected pension age, if I have one) or I will meet the **ill-health condition**; and
  - c** the payment will extinguish my entitlement to benefits under the Plan.
- 5.2** I acknowledge that the amount I'm paid may vary from that shown in the quote you've given to me and if the value of my Plan increases it may mean that I no longer meet the conditions for a small pot lump sum(s) at the time of payment.
- 5.3** I authorise you to create or amalgamate those arrangements under the Plan in any way you deem necessary to allow you to administer this request.
- 5.4** I acknowledge that a small pots lump sum(s) payment can't be made to me from the Plan if I've previously received three small pots lump sums from arrangements under **non-occupational pension schemes**.

- 5.5** I acknowledge that a small pots lump sum(s) payment cannot be made from the Plan to me:
- a** where I've previously received two small pots lump sums, if at the time of payment the fund value under the Plan is more than £10,000;
  - b** where I've previously received one small pots lump sum, if at the time of payment the fund value under the Plan is more than £20,000; or
  - c** where I've not previously received a small pots lump sum, if at the time of payment the fund value under the Plan is more than £30,000.
- 5.6** I acknowledge that you'll rely on this declaration, and confirm that if a small pots lump sum payment made to me in connection with this request results in you becoming liable for a scheme sanction charge and penalties and/or interest to HMRC, that I'll be responsible for, and be liable to pay to you a sum equal to the amount of that scheme sanction charge, any penalties and interest charged by HMRC and any **interest** charged by you.
- 5.7** I agree that any sum due may be deducted from any arrangements for or in respect of me under the Scheme(s).
- 5.8** I confirm that I've read the appropriate risk warnings related to my answers given in section 4 and still want to go ahead and take the option of small pots lump sum(s).

## 5 Declaration – continued

Date (dd/mm/yyyy)

Planholder's signature

|   |   |
|---|---|
| X | X |
|---|---|



### Before returning this form to us, please check:

- You've included the certified documents (if required).
- You've completed all of section 4 and accepted the risk warnings.
- You've signed and dated the Declaration above.



We can't process your instruction until you've met these requirements

## 6 Definitions

We've not covered the lump sum allowance, lump sum and death benefit allowance, and the various protections that could apply in detail in this form, but you can find out more at [gov.uk/tax-on-your-private-pension](https://gov.uk/tax-on-your-private-pension)

**Ill-health condition** – is met if we've received satisfactory medical evidence from a registered medical practitioner that you're (and will continue to be) incapable of carrying on your occupation because of physical or mental impairment. In addition, you must no longer be carrying on that occupation.

**Interest** – will be added on a daily basis to any amount due to the scheme administrator for any scheme sanction charge. It will be calculated daily from the date the payment of the charge was first due, at the Royal Bank of Scotland plc base rate plus 5%..

**Non-occupational pension scheme** – is a contract-based pension scheme, such as a:

- Personal pension;
- Group Personal pension;
- Stakeholder pension;
- Group Stakeholder pension;
- Group Self-invested Personal pension;
- Section 32 buyout, or
- Trustee proposed section 32 buyout.

If you have any questions, call us on 03456 100 010 (call charges will vary) or go online at [aegon.co.uk/onlineform](https://aegon.co.uk/onlineform)



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