



For members

When was the last time you looked at your pension?

10 years from retirement



Our records show that you intend to take benefits from your pension pot in 10 years' time. If you're planning to take benefits at a different time, you can change your target retirement date at aegon.co.uk/targetplan or by contacting us.

You may think that 10 years is a long way away, but if you haven't thought about how you'd like to use your pension pot, now is the time to think about what you'd like to do.

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

There's a great deal of choice as to how you can use your pension pot and that might determine how you invest it in the years before you retire.

There are different ways that you can take 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, your pension pot remains 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.

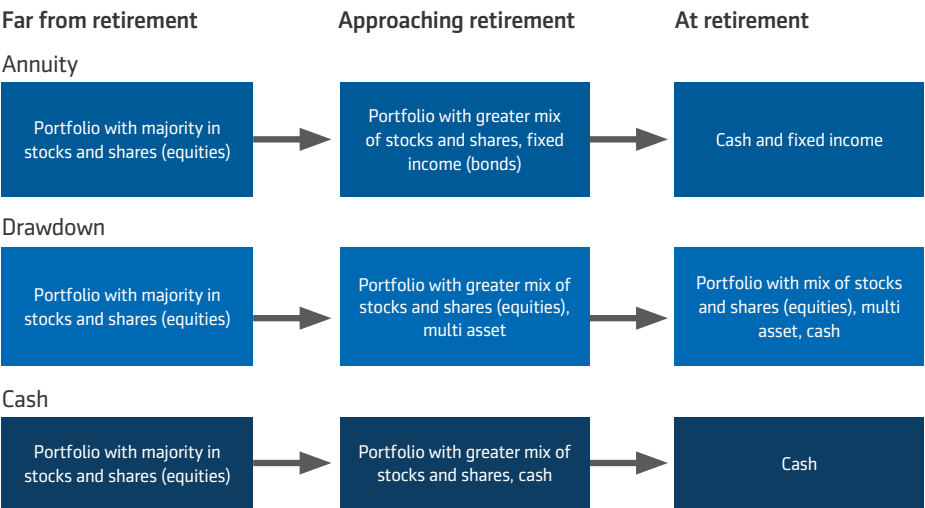
Alternatively, you can also take some or all of your pension pot as a cash lump sum, but only the first 25% of the payment is tax free and the remaining 75% is subject to income tax.

You can even choose to have a combination of these.

This information is based on our understanding of current taxation law and HMRC practice, which may change.

Why should I be looking at my pension pot now?

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



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 that 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 in to your account at 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 can also change your target retirement date 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. For details of local financial advisers visit moneyhelper.org.uk/choosing-a-financial-adviser.

For free and impartial guidance to help you understand what you can do with your pension pot visit [Pension Wise](#), a service from MoneyHelper which is backed by the government. If you're over age 50, you can arrange an appointment with Pension Wise - this can be face-to-face or by telephone.

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/support/faq/Keeping-you-safe/pension-scams.html

What else can I do?

- 1 Sign in to TargetPlan at 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've 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 it at 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 will receive it. You can request a forecast of how much it will be at 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 with:
 - An annuity and/or
 - Income drawdown
 - A cash lump sum
 - Or a combination of the above
 - 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, or perhaps
- To align your investments with your financial goals 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 - appointments are available by 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) 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've opted out of taking guidance.

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

Want to know more?



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Aegon UK



aegon.co.uk/targetplan

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

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