Your pension profile

Date you created your profile **02 December 2014**

Filling out this pension profile helps you understand what you can do with your pension pot and how much money different options might give you.

For this profile to work you should have a 'defined contribution' pension. This is a pension based on how much has been paid into your pension pot. Check with your provider if you're not sure what type of pension you have.

Follow each step and fill out the fields where prompted

Your pension

Step 1: Check how much you have in your pension pot. Enter the information below. Your total pension value will be calculated for you.

Read: Checking the value of your pension pot

If you're not sure, you can: Find a lost pension

1

Provider

Value of pension pot

£ 0.00

2

Provider

Value of pension pot

£ 0.00

3

Provider

Value of pension pot

£ 0.00

4

Provider

Value of pension pot

£ 0.00

5

Provider

Value of pension pot

£ 0.00

6

Provider

Value of pension pot

£ 0.00

The total value of your pension is

£ 0.00

Other income might be:

State pension
From work
Benefits *(e.g. pension credit, council tax benefit)*
Rental income
Interest from savings or pensioner bonds
Dividends from investments
Income from downsizing your property
Equity release from your property

Step 2: If you have any other income for your retirement, enter the information below. Your total income value will be calculated for you.

Read: Calculate your retirement income

You can: Estimate your state pension amount

1 **Income type**

Amount

£ 0.00

2 **Income type**

Amount

£ 0.00

3 **Income type**

Amount

£ 0.00

4 **Income type**

Amount

£ 0.00

5 **Income type**

Amount

£ 0.00

6 **Income type**

Amount

£ 0.00

Your total income is £ 0.00

Your options

There are different ways you can take money from your pension pot. Read the information below and fill in the form. It will calculate what the different options mean for your situation.

All calculations are estimates. Before you make a decision you should always speak to your pension provider. You might also want to speak to a financial adviser.

Step 2: Understand what you can do with your pension pot

a) Do nothing

You can leave your pension pot untouched and let it grow until you need the money. You can also still pay into and decide when you want to take the money from your pot.

Based on what you told us

If you were to leave your pension pot invested for 0 years, your pension could be worth * £ 0.00 – an increase of £ 0.00

If you were also to pay in ______ each month, it could be worth * £ 0.00 – an increase of £ 0.00

*based on an assumption of 5% growth each year

What this could mean for you

You have other income and don't need the money from your pension pot now.

You plan to carry on working for a while and don't need the money from your pot now.

You still want to pay into your pot to have more money to take when you retire.

You want to wait and let your pot grow further.

Read: What you can do with your pension pot

Questions to ask your provider

Ask for an estimate of how much your pot could grow in the next X years

Decide if you want to leave your money invested

Tell your provider you still want to pay into your pot

Contact your pension provider to get an estimate of how much your pot could grow in the next X years

b) Taking your whole pot as cash

You can take 25% tax free. On the other 75% you might have to pay tax, depending on how much other income you have. If you cash in your whole pot, think about how you want to use the money and if you need it as income in your retirement.

Based on what you told us

If your income is ______________ and you were to take all your pension pot as cash, the first 25%, (______________) would be tax-free. You would then pay ______________ in income tax on the remaining 75% , giving you ______________ .

What this could mean for you

You might want to think about this option because you have a smaller pension pot. Often providers don't offer other options.

You want to leave money to someone after you die. You should think what you do with your cash payment to make this possible.

You should check how much tax you might pay if you cash in your pot. When you add a large sum to your annual income in one tax year you might pay higher tax.

If you want to re-invest the money make sure any company you go with is registered with the Financial Conduct Authority.

Read: What you can do with your pension pot

Questions to ask your provider

Talk to your pension provider and check if you can take 25% tax free

Ask your provider to start the paperwork

c) Take smaller sums and pay in

You can leave your pension pot invested in its current fund and take smaller sums from it. 25% of each sum you take would be tax free. You might pay tax on the other 75%, depending on how much other income you have. You can also still pay into your fund.

Based on what you told us

If you were to take out ____________ every month, you would get ____________ tax free and pay tax on the other ____________

What this could mean for you

You want flexibility and take money from your pension pot when you need it.

You want flexibility because this won't be your main source of income in retirement.

You have a smaller pension pot so this option might not be for you. This is because you'll have to pay charges to the provider for maintaining your fund.

You should check how much you have to pay in charges to your provider for maintaining your fund.

You're comfortable managing your own money or using a financial adviser. You should be keeping an eye on how your investment are doing.

You want to leave money to someone after you die. If you don't run out of money this might be possible.

Read: What you can do with your pension pot

Questions to ask your provider

For pots of up to £10,000 contact your pension provider to cash in the fund

If you want to reinvest the money you might want to talk to a financial adviser first

You can find an adviser on the **Financial Services Register**

Read our guide **'Tax you pay on your pension'** to check how much tax you'll pay before you cash in your pot

d) Get a guaranteed income

Annuity

You can use your pension pot to buy an insurance policy that pays you an income for the rest of your life. This is called an annuity. How much you get depends on the size of your pot, your age, health, interest rates etc.
You can use your whole pot or just part of it. The insurance company would charge you a fee to manage your annuity.

Based on what you told us

If you were to take a 25% tax free lump sum of ______, you could use the rest to buy an annuity which could give you ______ a month, for life.

What this could mean for you

You want to leave money from your pension pot to someone after you die. This isn'tpossible if you use your whole pot for an annuity.

You can take 25% of your pot tax free and buy an annuity with the rest.

You want to protect yourself against the risk of inflation.

You don't want your investments exposed to the risks of the market.

You don't want to manage your investments yourself.

You're interested in a secure income.

You want to provide your spouse or partner with the same guaranteed income after you die. You would have to buy a joint annuity.

Read: What you can do with your pension pot

Questions to ask your provider

Use the **Money Advice Service annuity comparison tool** to check more options

Make sure you shop around for an annuity

Read our guide **'Shop around for the best deal'** - you don't have to stay with your current provider

e) Re-invest your pot and take money out

Income drawdown

You can move your pension pot into a fund that allows you to take money out when you need it. This is called income drawdown. Where your money is invested is up to you but an investment company would manage the fund. Your fund might grow or fall, depending on how well your investments do. You can't pay into your fund anymore if you use income drawdown. The company would charge you a fee to manage your fund.

Based on what you told us

If you were to take a 25% tax free lump sum of ________ , you would have ________ left, which, at 5% growth per year, would give you ________

What this could mean for you

You can take 25% of your pot tax free and buy an income drawdown product with the rest.

You have a larger pension pot and this is one of the options you want to use.

You want to be involved in managing your fund so you don't run out of money.

You want flexibility when taking money from your pension pot.

You want to manage your own investment.

You want to use a financial adviser to manage your investments.

You have other income and want to use this as one source of income in retirement.

Read: What you can do with your pension pot

Questions to ask your provider

Speak to at least 5 providers and get an estimate of how much you would get

You can get estimates from providers by filling in a short form on their website

You can find providers on the **Financial Services Register**

Read our guide **'Shop around for the best deal'** - you don't have to stay with your current provider

f) Mixing your options

You can mix different options when taking money from your pension pot.
For example you can take some as cash and buy an annuity with the rest later in life. Mixing your options is usually only possible if you have a larger pension pot. You should talk to a financial adviser if you're considering this.

Read: What you can do with your pension pot

Questions to ask your provider

Talk to an IFA to check what the best way it to mix your options

This is usually only an options if you have a larger pension pot

Step 4: Estimate your costs in retirement. Enter the information below. Your total expenses will be calculated for you. Think about your plans for the future.

Things you'll have to pay for might include:

Living costs, eg food, clothing
Mortgage payments or rent
Energy and water bills
TV, phone, internet
Interest on loans
Care costs
Travel
Leisure

Read: Calculate your retirement income – costs in retirement

1 **Expense type**

Amount

£ 0.00

2 **Expense type**

Amount

£ 0.00

3 **Expense type**

Amount

£ 0.00

4 **Expense type**

Amount

£ 0.00

5 **Expense type**

Amount

£ 0.00

6 **Expense type**

Amount

£ 0.00

7 **Expense type**

Amount

£ 0.00

8 **Expense type**

Amount

£ 0.00

Your estimated total expenses are £ 0.00

Future plans

Tax

Step 6: Don’t forgot tax! Understand about tax you pay on your pension

Your income in retirement is taxed, just like it was when you were working. You have a tax-free Personal Allowance of £10,500. For everything above that you’ll pay Income Tax.

Once you’ve added up all your income you’ll need to take tax away.

Read: Tax you pay on your pension

Next steps

Shop around for the best deal

Watch out for pension scams

Book a free guidance appointment with a pensions expert

Useful websites

Useful websites for more information

moneyadviceservice.org.uk/pensions
pensionsadvisoryservice.org.uk
citizensadvice.org.uk