

FLEXIBLE DRAWDOWN

Withdrawing any amount of money from your pension pot

Flexible drawdown is a special form of drawdown under which any amount of money can be withdrawn from the pension pot. There are two requirements you have to meet before undertaking this option: you must meet the minimum income requirement (MIR) and you must have stopped contributing to any pensions. As the name suggests, this option is more flexible than income drawdown. Qualifying for this option removes the cap on the income you can take.

MARKET FLUCTUATIONS

There are no income limits at all and you can draw as much income as you like when you like. The more you withdraw now, the less you will have available to use as income in the future. You continue to choose where your pension is invested, and your money remains subject to market fluctuations. The amount you will have available to withdraw in the future will therefore also rise or fall depending on investment performance.

CERTAIN CRITERIA

Flexible drawdown will not be available to everyone and there are certain criteria that must be met before you can choose it. It is also worth remembering that any income is subject to tax at your highest rate.

The following criteria have been set out by the Government to ensure investors can enter flexible drawdown with sufficient secure income in place to help prevent money running out later in retirement.

You must already have a secure pension income of at least £12,000 a year in place. This can include your State Pension, a pension annuity or a company pension. Investment income and money from income drawdown don't count. Pension pots not needed to provide the £12,000 could be taken as flexible drawdown. Pensions can be split, with part used to buy an annuity to secure the necessary income and the remainder taken as flexible drawdown. You must receive at

least £12,000 of pension income in the tax year you enter flexible drawdown.

Flexible drawdown can only be taken once you have finished saving into pensions. If pension contributions have been made to any pension in the same tax year, or if you are still an active member of a final salary scheme, it isn't possible to start flexible drawdown. Once in flexible drawdown, it effectively isn't possible to make further pension contributions.

Flexible drawdown is a complex product. If you are at all uncertain about its suitability for your circumstances you should seek professional financial advice. Your income is not secure. Flexible drawdown can only be taken once you have finished saving into pensions. You control and must review where your pension is invested, and how much income you draw. Poor investment performance and excessive income withdrawals can deplete the fund. The value of the investments in your pension fund can go down as well as up. Although endeavours have been made to provide accurate and timely information, Goldmine Media cannot guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough review of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions.

PROFESSIONAL FINANCIAL ADVICE YOU CAN TRUST

When you want to access your pension pot, you'll have a number of different choices. The right choice for you depends on a lot of things, such as your tax position, whether you have a partner, your attitude to risk and even your health. To discuss how we can help you make the right decision, please contact us today.