



PENSION RELEASE: PROPOSED NEW RULES

BUDGET LEAFLET

Pension Type	Can I release cash NOW without taking income?	Can I get 100% cash in April 2015?	What should I do if I want 25% cash now?	What should I do if I want 100% cash in April 2015?
<p>Personal/Stakeholder, Group Personal Pension, some "defined contribution" company pensions.</p> <p>Definition: Money is paid by you / an employer usually to a pension company. The contributions are invested in a fund or funds and what you get will depend on investment returns and how much was paid in.</p>	<p>YES – If you are aged 55 or over you can release 25% of the money from your pension as a tax free lump sum now and leave the rest invested for a later date; although it is possible to take an income now if you prefer.</p> <p>There is generally NO OPTION to take 100% cash now apart from specific circumstances, if you are aged 60 or more.*</p>	<p>YES – If you are aged 55 or over you can release 100% of your pension pot as cash in April 2015.</p> <p>25% is tax free, which you may have already taken, the balance is taxable at your marginal rate depending upon your individual circumstances and may be subject to change in the future.</p>	<p>If you need money now then complete the Get Started form on our website. It is FREE to find out your options and you are under no obligation to proceed.</p> <p>We can also advise you about what you might need to do in April 2015.</p>	<p>The Government have said you will need advice / guidance before you access your cash.</p> <p>This advice is important – getting it wrong could result in you paying 45% tax – see over for details.</p> <p>Complete the form on our website, return the Enquiry Form, then we'll provide you with your options.</p>
<p>Unfunded Public Sector Final Salary pensions</p> <p>Definition: Known as Defined Benefit schemes, such as the NHS, Teachers', Police, Civil Service, Armed Forces etc.</p> <p>You are guaranteed a pension in retirement based on your length of service and final salary.</p>	<p>YES – If you are aged 55 or over and you act now then you can release the 25% tax free lump sum straight away without having to take an income.</p> <p>You would do this by transferring your money into a Personal Pension so you can take advantage of their more flexible rules.</p>	<p>YES – As long as you are aged over 55 – but you would need to act now and transfer into a Defined Contribution Scheme, such as a Personal Pension, before April 2015.</p> <p>25% is tax free, the balance is taxable – see over for tax details.</p> <p>The reason you must act now is because the Government is banning ALL transfers out of these schemes to Personal Pensions from April 2015.</p>	<p>If you need money now then complete the form on our website. It is FREE to find out your options and you are under no obligation to proceed.</p> <p>Transferring out will also enable you to get the rest as cash in April 2015, subject to tax – see over for details.</p>	<p>If you need to take a cash sum only, whether it's just the 25% tax free sum now or 100% of your money from April 2015 – subject to tax, see over for details – then you will need to transfer your pension before this deadline.</p> <p>This means you will have to act now as the process can take up to 6 months or more.</p>
<p>Private Sector and Funded Public Sector Final Salary pensions</p> <p>Definition: Also known as Defined Benefit schemes, these are typically provided by bigger employers, including Local Government.</p> <p>You are guaranteed a pension in retirement based on your length of service and final salary.</p>	<p>YES – If you are aged 55 or over and you act now then you can release the 25% tax free lump sum straight away without having to take an income.</p> <p>You would do this by transferring your money into a Personal Pension so you can take advantage of their more flexible rules.</p>	<p>YES – As long as you are aged over 55 – you would need to transfer into a Defined Contribution Scheme, such as a Personal Pension, to access 100% cash in April 2015.</p> <p>25% is tax free, the balance is taxable at your marginal rate depending upon your individual circumstances and may be subject to change in the future.</p>	<p>If you need money now then complete the form on our website. It is FREE to find out your options and you are under no obligation to proceed.</p> <p>Transferring out will also enable you to get the rest as cash in April 2015, subject to tax – see over for details.</p>	<p>The Government have said you will need advice / guidance before you access your cash.</p> <p>This advice is important – getting it wrong could result in you paying 45% tax – see over for details.</p> <p>Complete the form on our website, return the Enquiry Form, then we'll provide you with your options.</p>

* There is a special rule of Triviality for combined pension pots of less than £30,000. Contact us for further details.

PENSION RELEASE: NEW RULES - NEW RISKS

While it is possible to take cash from your pension from age 55, it must be made very clear that taking any pension benefit early is only suitable for a limited number of people and circumstances.

It should not be seen as an easy way of raising cash and it is likely to result in a reduction of what you would have otherwise got in retirement.

From April 2015, subject to legislation being passed, those taking 100% of their pension pot as a lump sum could see a significant tax bill of potentially up to 45%, or those on 'means tested' state benefits could lose them entirely.

Although you can release up to 25% of your pension pot tax free, all the balance is taxed at your marginal rate depending on your individual circumstances and may be subject to change in the future.

In addition:

- You will need to plan for any future changes to tax and benefit rules and your circumstances.
- Defined Benefit schemes have extremely valuable benefits that would be lost if you transferred out into a Personal Pension to access 100% cash.
- Taking your entire pension pot as cash may not be the most suitable option for you, particularly if you are likely to be dependent on the income it would have generated in retirement because there will be nothing left.
- The Government is proposing to increase the minimum age to 57 from 2028 and then link it to 10 years before state pension age.

Not 55 yet? Some individuals may be considering transferring their old unfunded Public Sector Final Salary pensions now, into a Personal Pension, just to make sure they will be able to take 100% cash when the time comes. The risks above still apply to you.

It is vital that you get professional advice. Grove are Professional Financial Advisers specialising in Pension Transfers. We have years of experience and have already advised thousands of people. We will tell you whether releasing your pension early is the right thing for you to do and how to minimise, or even eradicate, any tax charge or effect on State benefits. It costs nothing to find out your options.

"Clearly explained, including information about how my pension would work in the future and all implications of changing provider to a new company. Very pleased."

Mr S P S – Birmingham

"I was very impressed with the professionalism of the staff and the manner in which they completed my case. They always seem to have time to answer any questions. I am pleased with the results."

Mr I E S – Croydon

"Grove Pension Solutions Ltd were professional in dealing with my pension and all the staff I had contact with were polite and helpful. I was made to feel comfortable and given any information I asked for in a clear and understandable manner. I would definitely recommend Grove Pension Solutions Ltd to my friends and family."

Mr D N McC – Oxted

"A great company – fast, efficient and always kept me up to date at all times. All details were explained in layman terms which made things really easy."

Mr M G B-C – Manchester



Telephone: 01959 534 082 Email: info@groveps.co.uk
Website: www.grove-pension-release.co.uk