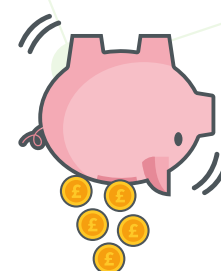
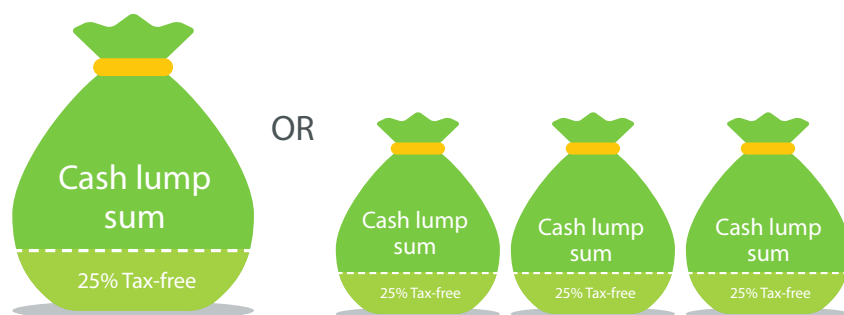


THE CHEVIOT PENSION

ACCESSING YOUR SAVINGS: AS ONE OR MORE CASH LUMP SUMS



From the age of 55, you can take one or more cash lump sums from your Cheviot account, which can be all or part of your retirement savings.



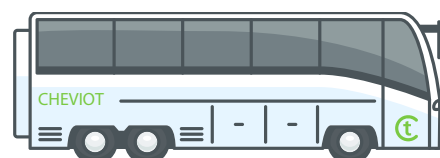
Normally, under current legislation, 25% of the lump sum will be tax free and you will pay tax on the rest at your marginal tax rate. You do not need to stop working to take this option, but you need to plan how you will provide an income when you stop earning.

On average, people aged 55 today will live to their mid-to-late 80s. It's important not to underestimate your own life expectancy.

You should think about how to use the money to provide an income throughout retirement, and not use it up too quickly.

Top 5 facts

- Taking your retirement savings flexibly can limit how much you can save into a pension in future.
- If you take lump sums which are more than 25% of your savings, some of it will be taxable and may increase the rate of tax you pay in that year.
- If you leave some of your account invested, it can go up or down in value.
- Taking cash can affect any means-tested benefits you receive.
- Your pension provider might charge you every time you make a withdrawal, so make sure you understand the charges as they can reduce how much you get.



Charges

Please see our latest [Summary of Charges Factsheet](#) for taking an adhoc payment. You will also continue to pay charges on any money that remains invested, in the same way you do now. If you want to transfer your savings to another provider, check what their charges are.

Tax

Most people can take 25% of their savings tax free. The amount of tax you pay on each withdrawal will depend upon your individual circumstances. You should consider the possibility that you may have to pay a higher rate of tax than normal – for example, if your cash sum pushes your income into a higher tax bracket. This means, instead of paying 20% tax on your withdrawal, you may end up paying 40% or even 45%.

Investments

Any money left in your account will remain invested, which may give your fund a chance to grow, but it could go down in value too. Think about the impact that inflation could have on its value, if you just left it invested in cash. [Investment factsheet 3](#) provides an overview of your Cheviot investment options.

Other issues

Taking cash withdrawals may have implications for people with debt or who may be entitled to means-tested benefits. People who are concerned about this aspect can contact the [Citizens Advice Bureau](#) or the [Money and Pensions Service](#).

Also, if you plan to continue working and paying into a pension, taking a cash lump sum will restrict how much you and your employer can pay in (currently a maximum of £4,000 a year). You can find out more [here](#).

Where to find out more

Visit our [investment page](#) to find out more about your investment options.

Visit [Pension Wise](#), the free guidance service provided by the Government for people with defined contribution/ money purchase retirement savings.

If you feel you need financial advice, you can find a local independent financial adviser in your area on www.unbiased.co.uk or www.vouchedfor.co.uk

The information on this factsheet is provided as a high level overview in good faith but is not legal or financial advice or binding on the Trustee. The trust deed and rules will override in the event of any inconsistency. Talk to Pensions Wise, a free Government service, before making a decision or take your own financial advice.

