

The FundsNetwork Pension

Withdrawal options

The value of investments and the income from them can go down as well as up and clients may get back less than they invest. Tax treatment depends on individual circumstances and all tax rules may change in the future. The value of your client's pension pot will reduce over time if investment growth is less than the value of withdrawals.

Our Pension offers several withdrawal options. The following table outlines the features of these options.

	Flexi-access drawdown	Uncrystallised Funds Pension Lump Sum (UFPLS)	Capped drawdown*
Age limit		Anytime from age 55	
Minimum income	No minimum	N/A	No minimum
Maximum income	Value of the pension account at the time of withdrawal.	Value of the pension account at the time of withdrawal.	150% of the GAD rate per pension year.
Tax Free Lump Sum	25% of the amount being crystallised. Members with protected tax-free cash rights may be entitled to tax-free cash in excess of 25%.	25% of the withdrawal amount.	25% of the amount being crystallised. Members with protected tax-free cash rights may be entitled to tax-free cash in excess of 25%.
Review of income limits	No reviews	No reviews	Every three years before age 75. Annually from the first anniversary after age 75.
Ongoing contributions	Subject to the money purchase annual allowance of £4,000 if any taxable income has been taken (annual allowance remains at £40,000 if only PCLS taken). High earners may also be subject to the tapered annual allowance.	Subject to the money purchase annual allowance of £4,000 if UFPLS has been taken.	Subject to the annual allowance of £40,000. High earners may also be subject to the tapered annual allowance.
Taxation of income	Income taxed at the member's marginal rate.	75% of the withdrawal amount taxed at the member's marginal rate.	Income taxed at the member's marginal rate.
Condition of access	Member must have received advice. Minimum fund value of £50,000 before the first crystallisation event. If it's a drawdown to drawdown transfer, then the minimum transfer value is £10,000. Minimum additional crystallisation of £1,000	Member must have received advice. Member must have some lifetime allowance remaining. Member's benefits must hold PCLS rights. Member must not hold PCLS rights in excess of 25%. Minimum individual withdrawal amount of £1,000	Member must have received advice. Member must designate additional funds into an existing capped drawdown account. If it's a drawdown to drawdown transfer, then the minimum transfer value is £10,000. Minimum additional crystallisation of £1,000.
Lifetime allowance test	At each crystallisation and on all pension savings at age 75.	At each crystallisation and on all pension savings at age 75	At each crystallisation and on all pension savings at age 75.

	Flexi-access drawdown	Uncrystallised Funds Pension Lump Sum (UFPLS)	Capped drawdown*
Death benefits before 75	Lump sum or income can be paid out to beneficiaries tax free subject to the member's lifetime allowance		
Death benefits after 75	A lump sum or income can be paid out to beneficiaries subject to their marginal tax rate.		
Moving into other types of drawdown	Cannot move to capped drawdown. Can take UFPLS from uncrystallised benefits.	Cannot move to capped drawdown. Can designate uncrystallised benefits to flexi-access drawdown.	Can request to move to flexi-access drawdown or their account will automatically move to flexi-access drawdown if more than 150% of GAD is taken in a given tax year.
Inheritance Tax (IHT)	Ordinarily no IHT payable on pension death benefits		
Annuity	Can use all or part of the remaining account value to buy an annuity		
Transfers out	Can usually be transferred out to another UK registered pension scheme or QROPS flexi-access drawdown provider.	Any remaining funds can usually be transferred out to any UK registered pension scheme or QROPS.	Can usually be transferred out to another UK registered pension scheme or QROPS capped drawdown provider.

*Capped drawdown – we will continue to support capped drawdown for existing customers' accounts in place before 6 April 2015. This includes the ability to designate further funds to these accounts and we will also accept capped drawdown transfers from other schemes.

To find out more please visit fundsnetwork.co.uk/pension where you can find a range of disclosure and support material. Alternatively, give us a call on **0800 41 41 81**.

