PERSONAL PENSION NO.1
GROUP PERSONAL PENSION NO.1

ACCESSING YOUR PENSION POT.

We've put together some information to help you understand the options available to you and things you need to consider. You should think about this information for all of your pensions.

From age 55 you have a number of options available for your defined contribution (money purchase) pension pot. You can:

- Leave your pension pot invested.
- Buy a guaranteed income for life.
- Take a flexible income from your pension pot.
- Take a cash lump sum from your pension pot.

Not all options are available with your existing:

Legal & General Personal Pension No.1 Plan (PP No.1) or,
Legal & General Group Personal Pension No.1 Plan (GPP No.1)

This brochure should be read with the accompanying **Your Questions Answered** booklet. Please read all the items in this pack carefully and keep these for future reference.

Legal & General

THINGS TO CONSIDER - SHOPPING AROUND, ADVICE AND SCAMS

Before you decide how you want to access your pension pot, we strongly recommend you get guidance or financial advice so you're fully aware of all the options available to you and any associated risks. You can combine options to best meet your circumstances and needs. You can also choose to transfer to another provider to take your chosen option(s) rather than stay with us.

If you have other defined contribution pension pots, you may want to review all of these at the same time. It's important to remember that with some options, once you've chosen them, you can't change your mind later.

REMEMBER TO SHOP AROUND

It's always worth checking what's available in the wider market as you may get a better deal elsewhere, or find that we're offering the best deal. Unless you shop around you won't know.

FURTHER INFORMATION AND ADVICE

MONEY ADVICE SERVICE	The **Money Advice Service** can provide you with detailed information about the pension freedoms and options in their brochure: **Your pension: it's time to choose**, which is included in this pack and can also be found on their website: **moneyadviceservice.org.uk**
PENSION WISE	We strongly recommend you contact **Pension Wise**, the free and impartial guidance service offered by the Government, or visit their website: **pensionwise.gov.uk**
SEEK FINANCIAL ADVICE	We strongly recommend you speak to a financial adviser before you make any decisions. If you don't have a financial adviser, you can find one at: **unbiased.co.uk**

HOW TO SPOT PENSION SCAMS

Beware of firms claiming to be approved government advisers or trying to persuade you to take money out of your pension. In particular, beware of people contacting you unexpectedly about your pension.

The Money Advice Service guide explains this in more detail and how to spot a possible scam. We strongly recommend you read this. The Pension Wise service will never contact you unexpectedly to offer a pension review - and it only has one website: **pensionwise.gov.uk**

For further information on pension scams visit:
thepensionsregulator.gov.uk/pension-scams or **fca.org.uk/scamsmart**
You can also contact **The Pensions Advisory Service (TPAS)** on: **0300 123 1047**.

THINGS TO THINK ABOUT BEFORE ACCESSING YOUR PENSION POT

We've identified some important points you should consider when accessing your pension pot. These may impact you no matter which option(s) you choose:

Tax implications

You should consider carefully how much tax you will pay as a result of your choice. The amount you pay depends on your personal circumstances and how you access your pension pot. For example, if you take all your pot in one go, you may pay more tax than if you took it in stages spread over different tax years. For further details on tax, please read the enclosed **Your Questions Answered** booklet.

Tax-free cash lump sum

If you take your tax-free cash lump sum, you'll also need to decide what to do with the rest of your pension pot.

You can't leave it invested in your current plan, unless you take a flexible income. Your options are detailed on the following pages.

Providing for any dependants

If you leave any money in your pension pot, on your death it will usually pass to your beneficiaries free of inheritance tax. If you take money out of your pension pot it becomes part of your estate and may become subject to inheritance tax.

Taking money out of your pension pot may mean there isn't enough money left to provide for your dependants should you die before them.

State benefits

Cash or income taken from your pension pot may impact your pension credit and State benefits now, or in the future. To find out more visit: **gov.uk**

Sustainability of income

If you don't have any other source of income or savings once your pension pot is gone, you may only have what the State will provide to live off. This may not be enough to fund the kind of lifestyle you want in the future.

Investment choice

If you're leaving some or all of your pension pot invested, it's important you consider the funds you're invested in, to make sure they're still the right choice for you, especially if you're invested in a lifestyle profile.

With profits

We may apply a Market Value Reduction (MVR) if you're invested in the With Profits Fund and you decide to leave this fund before your selected retirement date. This may reduce the value of your pension pot. You may also lose valuable guarantees. For more information about the With Profits Fund, please visit:
legalandgeneral.com/existing-customers/with-profits-support

You can find more information about retirement products and options by visiting our website: **legalandgeneral.com/retirement**

You will also find case studies which allow you to see different retirement scenarios.

LEAVING YOUR PENSION POT INVESTED

There is no need to access your pension pot until you wish to. Your pension pot will remain invested until you decide to take action.

With this plan you can choose to access your pension pot at any time up until you reach age 75 when your plan will close. At age 75 you will need to either access all of your pension pot or transfer to another pension plan. If you're already taking a flexible income and you decide to transfer, your new provider will need to allow you to continue with it.

If you wish to take a flexible income from your plan, you will need to do this by age 74. After age 74 this option will not be available and you will need to transfer to a suitable pension plan that allows you to do this.

This section explains the main risks associated with leaving your pension pot invested:

- Your pension pot will remain invested until you decide what to do. As long as it remains invested the value of your pot can go down as well as up, which may mean you have less money than you do now.
- If you decide to delay and then choose to buy a guaranteed income for life later on, the income you receive might be lower or higher than it would be now.

You can see the value of your pension pot and the funds you're invested in by using our online service, My Account.

Registering and using My Account is fast and simple – just visit: **legalandgeneral.com/login** select 'Register Now' and follow the simple instructions.

BUY A GUARANTEED INCOME FOR LIFE (A LIFETIME ANNUITY)

You can use your pension pot to buy a guaranteed income for life. This is known as a 'lifetime annuity'. A lifetime annuity provides you with a guaranteed amount of money for the rest of your life.

You can normally take up to 25% of your pension pot as a tax-free cash lump sum and use the rest to buy a lifetime annuity.

The income you receive from your lifetime annuity will be taxed in the same way as earned income.

You can buy an annuity from a provider of your choice, you don't have to buy it from Legal & General. There are different types of annuities, such as enhanced annuities, which pay an increased level of income if you have a certain lifestyle or medical condition, investment-linked annuities and flexible annuities. All have different options, so it's important you shop around to find the annuity that is best suited to your personal circumstances.

Is this option available:	with Legal & General?	in the wider market place?
	YES	**YES**

This section explains the main risks associated with buying a guaranteed income for life (a lifetime annuity):

- Once you've bought a lifetime annuity, you cannot change your mind after the cancellation period. You should think carefully about the following before making your decision:

  -Your personal circumstances might change after you've made your decision.

  -The cost of buying an annuity can go up and down, which will affect the level of income you'll be paid at the time you buy.

  -Once you use all of your pot to buy an annuity, no other options for accessing your pension pot are available to you.

TAKE A FLEXIBLE INCOME (FLEXI ACCESS DRAWDOWN)

You can take a flexible income from your pension pot, typically known as Flexi-Access Drawdown. With this option your pension pot remains invested.

You can normally take up to 25% of your pension pot as a tax-free cash lump sum and the rest as regular and/or ad hoc income payments, which will be taxed in the same way as earned income. You don't have to take an income, but if you do you can vary the amount you take and when you take it.

Is this option available:	with my existing Legal & General PP No.1 /GPP No.1 plan?	in the wider market place?	with an alternative Legal & General product?
	YES*	**YES**	**YES**

* If you haven t already used your pension pot for income drawdown you can only start if you have at least £50,000 invested and you re under age 74. Any available tax free cash must be taken at the time you first use an arrangement for Flexi Access Drawdown and not at a later date. At age 75, any income payments will stop and you will have to decide what you want to do with your remaining pension pot.

This section explains the main risks associated with taking a flexible income:

- Your pension pot remains invested which means the value can go down as well as up.
- There is no guarantee that your pension pot can provide you with the level of income you choose for the rest of your life and your pension pot might run out. You should regularly review the value of your pension pot together with the level of income you're taking and the funds you're invested in.
- If you take Flexi-Access Drawdown income, this could affect your Annual Allowance if you make further contributions to other arrangements or plans you may hold. For further information, please read the enclosed **Your Questions Answered** booklet.
- If you're invested in the With Profits Fund, you'll need to switch your investments into another fund(s) before you can take this option. Please see the **With profits** section on page 3 for more information. To choose a different fund, please visit: **legalandgeneral.com/pensionoptions**

Capped Income Drawdown

If you're already using your pension pot for Capped Income Drawdown you can continue with it. You can change your existing Capped Income Drawdown into Flexi-Access Drawdown at any time but once you've done this, you can't go back to Capped Income Drawdown. Taking an income under the Capped Income Drawdown rules will not affect your Annual Allowance. For further information, please read the enclosed **Your Questions Answered** booklet.

TAKE CASH FROM YOUR PENSION POT

You can take part or all of your pension pot as a cash lump sum. This is known as an 'uncrystallised funds pension lump sum' or UFPLS. The first 25% of each payment will usually be tax free and the rest will be taxed in the same way as earned income.

A **full UFPLS** means you take your entire pot as a cash lump sum.

A **partial UFPLS** allows you to withdraw cash lump sums as and when you like, leaving your remaining pension pot invested.

Is this option available:	with my existing Legal & General PP No.1 /GPP No.1 plan?	in the wider market place?	with an alternative Legal & General product?
Full UFPLS	**YES**	**YES**	**YES**
Partial UFPLS	**YES***	**YES**	**YES**

*You can take up to two partial lump sums of at least £5,000 each in any calendar year providing you leave at least £5,000 remaining invested in your pension pot.

At age 75, your plan will close and you will have to decide what to do with your remaining pension pot.

This section explains the main risks associated with taking cash from your pension pot:

- Once you've taken the cash from your pension pot, you can't change your mind.
- If you take a full UFPLS and you don't have any other source of income or savings, once your pension pot is gone you may only have what the State will provide to live off. This may not be enough to fund the kind of lifestyle you want in the future.
- If you take a partial UFPLS, part of your pension pot remains invested which means the value can go down as well as up.
- If you take a partial UFPLS, there is no guarantee that your remaining pension pot can provide you with the level of income that you require. You should regularly review the value of your pension pot, the money you're taking out and the funds you're invested in.
- Once you take a UFPLS, this could affect your Annual Allowance if you make further contributions to this or other arrangements or plans you may hold. Please read the enclosed **Your Questions Answered** booklet.

Small Pension Pots

If your pension pot is £10,000 or less, you may be able to take this as a 'small pension pot'. You can take up to three small pension pots in your lifetime. Taking a small pot will not affect your Annual Allowance. For more information, please read the enclosed **Your Questions Answered** booklet.

CONTACT US.

Call us on 0370 060 0784
Open Monday to Friday, 9am to 5pm. Call charges will vary. We may record and monitor calls.

legalandgeneral.com

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