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:

Company Pension Plan
Company Sponsored AVC
Directors Pension Plan
Executive Investment Retirement Plan
Executive Pension Plan
High Performance Pension Plan
Private Income Plan for Executives
Money Purchase Plan

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.
Before you decide how you want to access your pension pot, we strongly recommend you seek 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

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: www.moneyadviceservice.org.uk

We strongly recommend that you contact Pension Wise, the free and impartial guidance service offered by the Government, or visit their website: www.pensionwise.gov.uk

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: www.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 that you read this. The Pension Wise service will never contact you unexpectedly to offer a pension review - and it only has one website: www.pensionwise.gov.uk

For further information on pension scams visit: www.thepensionsregulator.gov.uk/pension-scams or scamsmart.fca.org.uk
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.

**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: [www.gov.uk](http://www.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. If you have a High Performance Pension Plan, a Private Income Plan for Executives or a Money Purchase Plan, there is no option to change your investment choice.

**With profits**
If you’re invested in the With Profits Fund and you access your pension pot before your selected retirement date, the value of any money invested in the With Profits Fund may be reduced to reflect current market conditions. You may also lose valuable guarantees, such as contractual additions or guaranteed annuity rates.

You can find more information about retirement products and options by visiting our website: [www.legalandgeneral.com/retirement](http://www.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.

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 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

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)

This option is not available with your existing Legal & General plan.

Taking a flexible income from your pension pot is typically known as Flexi-Access Drawdown. With this option your pension pot remains invested.

You can 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 can vary the amount of income you take and when you take it without being locked in.

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<tr>
<th>Is this option available:</th>
<th>with my existing Legal &amp; General plan?</th>
<th>in the wider market place?</th>
<th>with an alternative Legal &amp; General product?</th>
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<td>NO*</td>
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* You will need to discuss your options with the Trustees of the Scheme if you want to take income directly from your pension pot as you will need to transfer to another suitable product.

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.
You can take all of your pension pot as a cash lump sum but if you want to take part of your pot you will need to transfer to another suitable product.

Taking a cash lump sum from your pension pot 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.

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<tr>
<td>Full UFPLS</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
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<tr>
<td>Partial UFPLS</td>
<td>NO*</td>
<td>YES</td>
<td>YES</td>
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* You will need to discuss your options with the Trustees of the Scheme if you want to take a partial UFPLS. This cannot be taken from your existing Legal & General plan and you will need to transfer to another suitable product.

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

- Once you’ve taken 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 other arrangements or plans you may hold. Please read the enclosed Your Questions Answered booklet.
**TAKE CASH FROM YOUR PENSION POT continued**

**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.

**Protected Tax-Free Cash and Trivial Lump Sum**
If your plan has a protected tax-free cash amount and after this is taken your remaining pot is £10,000 or less, you may be able to take this as a ‘trivial lump sum’ payment. The full amount of the trivial lump sum will be taxed in the same way as earned income. If the remaining amount is more than £10,000 then this must be used to buy an annuity.