

# case study 4: your journey to retirement – arriving.

## Arriving

### Your situation

As you are now past the age of 55, you can choose to start taking your pension benefits. When you choose to take your money out of your Defined Contribution pension savings (such as Your M&S Pension Saving Plan) there are a number of options available to you. You can normally receive up to 25% of your pension savings as a tax free lump sum and then decide how you would like to receive the remainder.



#### Cash

You can take all or some of your pension savings as a cash lump sum. Having received 25% tax free, any remaining cash lump sum would be subject to income tax at your marginal rate.

Exercise caution when taking large sums of cash as this is added to your income and could take you into a higher tax bracket, meaning you could end up with less money in your pocket.



#### Annuity

You can exchange your pension savings to buy a pension from an insurance company, this is called an 'annuity'. This is a guaranteed income that is taxable and will last for as long as you live.

The amount of income you receive will depend on the size of your pot, your age, health, lifestyle and the type of annuity that you choose.



#### Income drawdown

You can keep your pension savings invested and draw a regular taxable income. This is known as income drawdown, or 'flexi-access drawdown'. There is no minimum or maximum level of income, so you have flexibility to decide on the level of income that suits you.

Remember, it will be up to you to monitor your pension and make sure it lasts the length of your retirement.



### Financial advice

The world of pensions and retirement planning is complex and with lots of options you may want to consider the help of a regulated financial adviser. An adviser can help you make the right decisions for your individual circumstances. To book a free, no obligation consultation with a 'my wealth' Adviser go to the contact us page. You can also search for a local financial advisor at [www.register.fca.org.uk](http://www.register.fca.org.uk)



### Always remember

It is your responsibility to save for the future that you want. It's not too late to take control of your finances and retirement planning, the decisions that you make now will impact the type of retirement that you can achieve.

The information in this document is not intended to be used for financial planning and does not constitute personal advice.

# M&S

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## WEALTH at work

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