Taking all your pension money in one go

You can choose to take your whole pension pot in one go. The first 25% of your pension pot is usually tax-free and you'll normally pay income tax on the remaining money.

Taking all your pension money in one go could leave you with a large tax bill and less to live on in the future. Check to see if this is right for you first by reading our questions below and consider **Pension Wise** for more free guidance.

What do I need to think about?

Do I need all my pension money now?
It's a good idea to only take money from your pension when you need it. Consider using other savings, like money in ISAs or bonds first so your pension pot can continue to have the potential to grow.

Do I know how much tax I'll pay?
You could end up paying more tax than you need to, if your pension money pushes your income into a higher rate tax band. Take a look at how you can be tax savvy on the next page.

Do I plan to keep paying into my pension?
The amount you and your employer can pay into your pension plan without tax charges each tax year is called your **annual allowance**. This could be reduced to £4,000 and you'll lose any allowance carried forward from previous tax years once you have taken more than your tax-free cash.

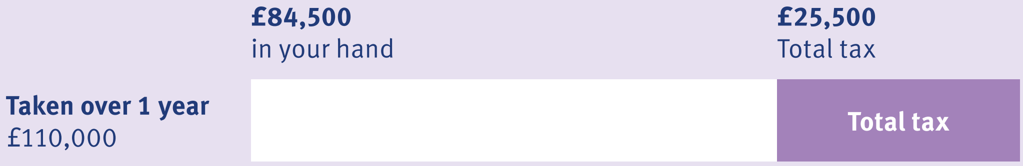
It can pay to be tax savvy

Take a look at the example below to see how a tax bill can be smaller by taking your pension pot over several years. This is based on the assumption that there's no other income earned during these years.

Taking your pension pot over 1 tax year

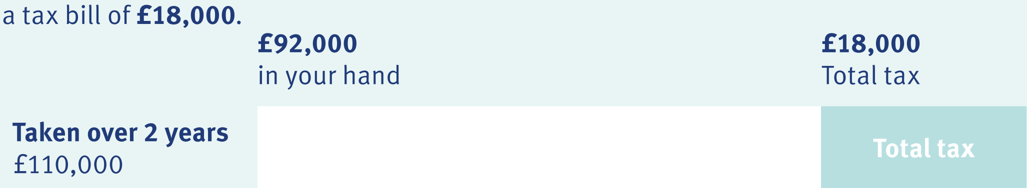
If your pension pot was worth **£110,000** and you decided to take your money out in the one tax year, a large amount of your pot would be taxed at the higher rate.

This works out at **£84,500** in your hand, including £27,500 tax-free cash. Taking the full £110,000 in one tax year means you'll pay a tax bill of **£25,500**. But you could reduce this if you take your pension money out over more than one tax year.



Taking your pension pot over 2 tax years

If you take your tax-free cash in year 1 and then the taxable part of your pension pot out over two tax years, less falls into the higher rate. You'd get **£92,000** in your hand and pay a tax bill of **£18,000**.



Taking your pension pot over 3 tax years

If you take the taxable part of your pension pot out over three tax years, even less falls into the higher rate. You'd get **£93,500** in your hand and pay a tax bill of **£16,500**.

Tax rules can change and what it means for you will depend on your individual circumstances and where you live in the UK.

Prepare for your next call with us

If you think taking all your pension money in one go is the right choice for you, please be prepared with answers to **the important questions** we'll be asking you on the call.

Need more help?

If you're unsure what's right for you, consider getting financial advice. Although there will be a cost for advice, it could save you money in the long run. If you don't have an adviser, we can help you find one at **standardlife.co.uk/1825*** or to find a financial adviser in your area visit **unbiased.co.uk**

You can also get free impartial government backed guidance over the phone or face to face with Pension Wise. For more information go to **pensionwise.gov.uk** or call **0800 138 3944**.

*'1825' is the brand for Standard Life Aberdeen Group's UK financial planning and advice business.