

# The important questions we need to ask

## Taking money from your pension is a big step and one we want to help you get right.

To help you prepare for your next call with us, please make sure you have answers to the important questions we'll need to ask you on your next call with us below.

### 1. You don't need to access your Standard Life pension with us. Have you shopped around with other pension providers?

YES  NO  UNSURE

When planning to access your pension pot, it's really important that you shop around to see who is offering the best deal for you and your needs in retirement. Check out comparison websites, contact companies directly and use **Pension Wise** before making your decision.

### 2. Once you have chosen how you'd like to take your pension money, do you know approximately how much tax you'll pay?

YES  NO  UNSURE

Whichever way you plan to take your pension money, there may be income tax to pay. You could pay more income tax than you need to if you don't take your pension money tax-efficiently. **Pension Wise** and **HMRC** can help you with this.

### 3. Are you aware that once you've started taking money out of your pension, the amount you can pay in normally reduces?

YES  NO  UNSURE

Taking more than your tax-free cash usually reduces the payments you or an employer can make to any of your pensions **from £40,000 a year to £4,000\***. You'll also lose any unused allowance carried forward from previous tax years.

So if you do plan to do this, think carefully about how this could affect you.

### 4. Are you comfortable that you may pay additional charges or fees if you use your pension money to repay debt or re-invest somewhere else?

YES  NO  UNSURE

Think carefully if you're taking money from your pension pot to pay off debt or reinvest elsewhere. For example, if you're paying off your mortgage, check if there is an early repayment fee.

Reinvesting somewhere else could also impact your future finances as you may have higher charges or it might be less tax efficient than your pension pot.

### 5. Have you heard about investment scams, and why you need to be extra careful when investing your pension money?

YES  NO  UNSURE

Beware of investment scammers offering deals that seem too good to be true. Check the **Financial Conduct Authority (FCA)** website to see if they're authorised to provide investments. The **Money Advice Service** can also help you find out more on investment scams.

## 6. Have you considered how long you need your pension pot to last?

YES  NO  UNSURE

What you take now could impact what you'll have left in the future. You should also consider whether you need to rely on a lump sum or an income from your pension pot for the rest of your life.

## 7. Have you considered how your income in retirement would keep up with rising living costs?

YES  NO  UNSURE

Inflation can have a significant impact on the cost of everyday goods and services over time, so you may need to consider how any income you receive will keep up with inflation.

## 8. Have you decided what will happen to your pension money when you die?

YES  NO  UNSURE

Think about if you want to leave your pension money behind for loved ones and make sure your beneficiaries are up to date. Passing your pension pot on to loved ones is normally free of income tax if you die before age 75. After age 75 your beneficiaries would pay income tax.

## 9. Are you aware of the impact that taking money from your pension can have on means-tested state benefits?

YES  NO  UNSURE

Taking money from your pension pot could affect any means-tested state benefits you receive, now or in the future, and they may be reduced or stopped as a result. Speak to the **Department for Work and Pensions** to find out more.

## 10. Do you know that once you access your pension pot, creditors could step in and take this money if you're declared bankrupt?

YES  NO  UNSURE

Think carefully before taking money from your pension pot as it could impact your future finances if you're declared bankrupt or become subject to a debt order. For more information please speak to the **Citizens Advice Bureau** or **Pension Wise**.



### 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/advice](https://www.standardlife.co.uk/advice) or find a financial adviser in your area visit [unbiased.co.uk](https://www.unbiased.co.uk)



Make use of The Money Advice Service's tools and calculators for free and impartial guidance at [moneyadviceservice.org.uk](https://www.moneyadviceservice.org.uk) or contact them on 0800 138 7777.



Looking for free and impartial guidance on your pension? Pension wise can help make sense of your options over the phone or somewhere local to you. Contact them on 0800 138 3944 or at [pensionwise.gov.uk](https://www.pensionwise.gov.uk)

\*This doesn't apply to any final salary (also known as defined benefit) pensions that you may have.

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