

Need to take income but don't want to be tied to an annuity?

Have you considered the following?

Income Drawdown

Key Facts

- When you reach age 55 you can start drawing your pension
- If you are age 50 before 6th April 2010 you can draw your pension at 50
- You don't have to start drawing your pension at this age, if you don't need it yet you can delay taking it!
- When you start to draw your pension you can take 25% of the fund out Tax Free
- The other 75% can buy an annuity, but it never has to
- You can use it to take Income Drawdown
- You don't have to draw any income if you don't want to
- At the 'top end' you can draw an income 20% more than the maximum annuity you could have chosen
- So you have huge flexibility as regards the income you take
- Even better: you can change this income year by year
- So, if you need more income you can increase it, and vice versa
- And, if you die the remaining fund goes to your dependents less a tax charge
- If you had an annuity the annuity would die with you (or on the second death of your spouse)
- Annuities can however be bought with a guarantee period so some money goes to your dependents
- So Income Drawdown is hugely more flexible than buying an annuity

It is crucial that advice is provided by a qualified IFA regarding this area of financial planning.

If you would like to speak to an approved advisor please enquire through our site.