

AXA UK Group Pension Scheme

Defined Benefit (DB)
Retirement Options



Contents

Introduction

Retiring and taking a pension is a big life change, and one that needs some thought and planning. This short guide will help you to think through the issues surrounding retirement, and show you the decisions you need to take to make the most of this new phase in your life.



1. Your retirement options /

At retirement, you will have a range of possible options. The level of your benefits will depend on:

- Your length of Pensionable Service;
- Your Accrual Rate;
- Your Final Pensionable Salary, and
- The increases that are applied between the date you left the Scheme and the date you begin drawing your pension.

Cash option

You are currently permitted to take up to 25% of the value of your DB benefit as a tax-free cash lump sum at retirement.

Following the recent Budget announcement, there are new rules in consultation that, from April 2015, would permit you to take more than 25% as a cash lump sum (or indeed, a series of lump sums), however any amount over 25% will be subject to tax at your usual rate of tax.

Please note: if you wish to take up the new flexibility introduced by the Budget announcement, you will need to transfer your benefits out of the Scheme. For further details about transferring out of the Scheme, please contact Capita, our Scheme Administrator. Contact details are in section 3.

Additional Voluntary Contributions (AVCs)

If you have made AVCs at any point, you will be able to take these at the same time as withdrawing your pension, or at a later date if you wish.

Early or late retirement

The Normal Pension Date (NPD) for the Scheme is 65, however this varies dependent on which Section of the Scheme you belong to, or the retirement date you have chosen. Please refer to your Member Booklet to find out the NPD that applies to your Section. Under the Rules of the Scheme you are currently able to access your benefit between age 55 and 75, subject to your benefits meeting minimum statutory requirements.

Ill-health early retirement

With Trustee consent, you may retire at any time on grounds of ill health.

For further details about ill-health early retirement, please contact Capita, our Scheme Administrator. Contact details are in section 3.

2. Summary /

There are plenty of options for you in retirement but this can mean a lot of decision-making. Here are some of the key things you need to consider:

What level of income do you need in retirement? When you reach retirement, your outgoings probably won't be as high as they currently are – your mortgage may be paid off - and your monthly budget could look very different. To help you plan how your retirement might look, try using the

When do you want to retire? When you retire is a key factor in the level of income you receive when you retire. If you retire early, an early retirement factor will be applied to take in to account that your DB benefit will need to last you longer. However if you continue to work past the Scheme's Normal Pension Date (NPD) of 65 or the NPD that applies to your Section, a late retirement factor will be applied as it will not be expected to be paid out for as long as if you had retired at Normal Pension Date.

Do you want to take cash at retirement? Under current law you can take up to 25% of the value of your pension benefits as a tax free cash lump sum when you retire. This is calculated by a formula set by HMRC.



3. Contacts and information /

Helpful tools

will help you to think about how much you may need in retirement.

There will be a new DB Self-Service tool, which will be available later on in the year. Some of its features are listed below.

Deferred members:

- Update address and contact details.
- View benefits at date of leaving.
- Obtain retirement illustrations.

Pensioner members:

- Update address and contact details.
- View payslip and P60 details / historic info where data is held.
- Change bank details.

Helpful websites

There are several websites and organisations that provide free helpful information on financial matters.

For more information on state benefits, pensions, legal issues and tax, go to:

www.gov.uk/browse/working/workplace-personal-pensions

is an independent service set up by the government.

This website contains a number of useful budgeting tools and calculators to help with financial planning. Please visit the following site: **www.moneyadviceservice.co.uk**

You might also find that HMRC's website is useful for more technical tax queries:

www.hmrc.gov.uk

To find an independent financial adviser in your area (who will charge for advice) go to **www.unbiased.co.uk**

The Pensions Advisory Service (TPAS) is an independent non-profit organisation that provides free information, advice and guidance on the whole spectrum of company, personal and stakeholder schemes. Helpdesk: 0300 123 1047

Contacts

If you have any queries about the Scheme or your benefits, you can contact the Scheme Administrator, Capita:

Capita
2 Cutlers Gate
Sheffield
S4 7TL

AXA Helpline number : 0207 411 9960
AXA mailbox : axa-pensions@capita.co.uk