

COMPARING YOUR PENSION OPTIONS

This table below is only intended to provide a comparison of pension options from April 2015. We strongly recommend you visit the Pensions Wise website before you decide what to do. [Pensions Wise](#) will provide a free and impartial service to help you understand what your choices are and how they work.

	Lifetime Annuity	Flexible Access to your money		Take it all in cash (also known as Full Pension Encashment)
	Annuity	Flexible Drawdown	Partial Pension Encashment (PPE)	
What happens to my pension pot when I choose my options?	You can use all or some of your pot to buy an annuity.	Your pension pot is transferred into a new flexible drawdown policy.	You take some of your pot as a lump sum and the rest remains invested.	You take all of your pot as a lump sum and your policy is normally closed.
Can I take tax free cash?	Yes – normally up to 25%.	Yes – normally up to 25%.	Yes – 25% of the pension encashment is tax free. You'll pay tax on the rest. Find out more	Yes – 25% of the pension encashment is tax free. You'll pay tax on the rest Find out more
What do I need to do to manage my pension once I've made my decision?	Nothing. You have a guaranteed income for life from your annuity.	You'll need to monitor your investment choices and regularly review the withdrawals you make.	After each PPE you need to check the mix of your investment funds remains appropriate.	Nothing. All your pension benefits will have been taken.
Is this income guaranteed for the rest of my life?	Yes.	No. You decide how much to withdraw. But remember your money can run out. Find out more	No. You decide how much to withdraw. But remember your money can run out. Find out more	Not applicable.
Will I pay tax?	Yes, the income you receive will be treated as taxable income.	Yes, once you have taken your tax free cash any income or withdrawals you take will be treated as taxable income.	Yes, the first 25% of any encashment is tax free and the remainder will be treated as taxable income. A higher rate of emergency tax may apply. Find out more	Yes, the first 25% of any encashment is tax free and the remainder will be treated as taxable income. A higher rate of emergency tax may apply. Find out more
Do I have any other choices once I have selected this option?	No. Once set up, you can't normally cash in your plan or change the basis of your income, even if your circumstances change.	Yes. This option is fully flexible and allows you take out all or some of your pot as income or a lump sum, or use some or all of it to buy an annuity at any time.	Yes. You can take out all or some of the remaining pot as a lump sum or use some or all of it to buy an annuity at any time.	No. Once you have taken all your pot your policy is closed.
Can I pass on my pension pot when I die?	No. However you may be able to pass on the income depending on the options you choose.	Yes. You can pass the remaining fund on in a number of ways. Find out more	Yes. You can pass the remaining fund on in a number of ways. Find out more	Not applicable.

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