

Small pots lump sum

Payment instruction

Why do I need to fill in this form?

This form instructs us to pay you a small pots lump sum from your Aegon Self-invested Personal Pension plan with us, if you meet the conditions described on page 2.



This form should take about 20 minutes to complete and you'll have to complete five sections. Words in **bold** are described in more detail in the definitions section at the end of this form.

You should complete this form if...



- you'd like to take all of your funds from your Aegon Self-invested Personal Pension plan numbered in section 2 of this additional application form (the 'plan') as a small pots lump sum.

Before completing this instruction, please read the conditions on page 2 to make sure you're eligible for this option.

By completing this instruction you're confirming that you're eligible to have all of your funds from the plan paid in the form of a small pots lump sum instead of a pension.

- ! Be aware that this option has no cancellation rights – once we've made the payment to you, it can't be reversed and paid back to us.

You shouldn't complete this form if...



- you want to take out your pension a bit at a time, leaving some funds invested;
- you want to take some of your pension as cash then use the rest to provide a flexible income;
- you want to take some of your pension as cash and use the rest to provide a guaranteed income;
- you've previously received three small pots lump sums from **non-occupational pension scheme(s)**, or
- you don't meet the conditions on page 2.

Small pots lump sum conditions

To qualify for this option, at the time of payment you must have a fund of £10,000 or less in an arrangement under a **non-occupational pension scheme**. You can check the current value of the plan online to see if you can take a small pots lump sum. The plan is treated as one arrangement for the purposes of paying a small pots lump sum.

The fund can be paid to you as a small pots lump sum, provided that at the time of payment:

- you've reached the normal minimum pension age, currently 55 (or your protected pension age, if you have one) or meet the **ill-health condition**;
- the gross payment from the arrangement isn't more than £10,000;
- you've not previously received more than two such other payments in respect of an arrangement under any such scheme. This includes any similar payments made to you in the period 6 April 2012 to 26 March 2014, which are subject to a £2,000 limit per arrangement; and
- the payment extinguishes your entitlement to benefits under the arrangement.

Provided these conditions are met, these payments can be made regardless of the value of your total pension savings and can be paid in addition to any other type of trivial commutation lump sum you may have received. You can have a maximum of three such 'small pots' in your lifetime.

When we pay you the small pots lump sum, the cash-in value of the plan must be no more than £10,000. The number of arrangements that you can take as a small pots lump sum will depend on the number of these payments that you've received previously.

Number of small pots lump sums received previously	0	1	2
Number of arrangements with cash-in value of £10,000 that can be taken	3	2	1

We'll pay 25% of the lump sum of any commuted **uncrystallised funds** as a tax-free amount.

The balance of any commuted **uncrystallised funds** will be taxed as income at your highest marginal rate. However, we'll only deduct UK basic rate tax from this (unless we already hold a tax code on file for you).

If you're a higher or additional rate tax payer you may have a further tax liability usually paid through your self assessment form. HM Revenue & Customs (HMRC) will contact you after the end of the tax year, if you've paid too much.

This information is based on our understanding of current taxation law and HMRC practice which may change. The amount of tax you pay will depend on your individual circumstances.

How to complete this form

- In BLOCK CAPITALS using a ballpoint pen.
- Check which documents you must send with your form to prove your identity on page 5.
- Find definitions for highlighted terms on page 9.
- Find impartial guidance and information on your options at retirement at pensionwise.gov.uk
- You may also want to seek regulated financial advice before completing this payment instruction.

Return your completed form and identity documentation to:

Aegon Cofunds Administration
PO Box 17491
Edinburgh
EH12 1PB





1 About me

Title (Mr/Mrs/Miss/Ms/Other – please specify)

Full forename(s)

Surname

Date of birth

D	D	M	M	Y	Y	Y	Y
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Contact phone number

Email

We may use your email or phone number to contact you about your instruction.



2 Small pots lump sum

2.1 Have you taken any small pots lump sums from [non-occupational pension schemes](#) before?

- No
- Yes – please tell us how many

Remember you can only take a maximum of three small pots lump sums as described in page 2.

2.2 Please tell us the plan number(s) you want to take a small pots lump sum from.

The amount in each one can't be more than £10,000 at the time the small pots lump sum is paid.



3 Bank details

We can only pay benefits directly to a UK bank or building society. If you're unable to set up a UK bank or building society account, please contact us.

If this is the first time that you've given us these bank details, please attach a **certified copy** of your bank statement for this account. **See page 5** for more information.

Please give us your bank details for the account you want us to pay the small pots lump sum(s) to. It must be a personal account in your name or where you are a joint account holder.

Bank/Building society name

Address

Postcode

Sort code

 - -

Account number

Name of account holder(s)

Building society roll number (if applicable)

4 Required documents

We must confirm your identity when you take your pension benefits – **we can't process your payment instruction without doing this**. That's why we ask you to send us certain documents.

! Please send us certified copies of your documents not originals.

We require two items to confirm your identity. Please tick the documents that you're sending us.

- A postal bank statement or a bank statement obtained from your branch for the account we're paying benefits to. The bank statement must show your home address and have been received in the last 12 months. (The postal statement must have been sent to your home address. The bank statement obtained from your branch must show it was printed or stamped in branch.)



One of the following items (please tick your choice)

- | | |
|---|--|
| <input type="checkbox"/> Current passport | <input type="checkbox"/> National identity card |
| <input type="checkbox"/> Current photo card driving licence (full or provisional) | <input type="checkbox"/> Identity card issued by the Electoral Office for Northern Ireland |

If you can't provide one of the four items shown in the box above, then we require one document from list A and one from list B.

List A (tick one)

- Current (old pre-photo card style) full UK driving licence
- Birth certificate
- Proof of benefit entitlement in the last 12 months
- HM Revenue & Customs (HMRC) tax notification quoting National Insurance number sent to your home address

List B (tick one)

- Current council tax demand letter or statement received in the last 12 months
- Credit card statement received in the last 12 months
- Mortgage statement received in the last 12 months
- Local authority rent card or tenancy agreement

? Who can certify a document and how do they do it?

Copies of documents can be certified by one of the following people:

Although the people shown on the list are permitted to provide this service, not all will choose to do so and those who do may charge for this service.

- doctors/dentists
- ministers of religion
- social workers
- teachers
- credit union employees
- Post Office official (through the Post Office's certification service)
- accountants
- bank/building society employees
- barristers/solicitors/paralegals
- councillors
- financial advisers
- justice of the peace
- serving police officer
- member of Parliament

The person certifying your document should write the following on the copy document:



- their name in block capitals;
- the name of the company they work for and their occupation;
- the statement 'I certify this to be a true likeness of the original', and
- their signature and date.

5 About the risks

! We can't progress your claim unless this section is completed.

Before you make a decision about taking your benefits, it's important to understand the main risks related to withdrawing money from your pension pot. If you have any questions, please contact your intermediary.

5.1 Have you received guidance from Pension Wise?

Yes No

! There's a risk you may choose an option that doesn't suit your needs. Accessing your pension savings is an important decision and we would always recommend that you seek guidance.

5.2 Have you received advice from an adviser?

Yes No

! We recommend that you seek advice from a financial adviser if you aren't sure if this is the right option for you.

5.3 Are you aware that taking your pension fund as a lump sum will use up all the benefits under your plan and you won't get any further payments from it?

Yes No

! Taking a full lump sum from your pension plan means that no further benefits can be paid from it at a later date when you may require it, you should consider the impact this could have on your retirement plans.

5.4 Are you aware that any guarantees attached to your existing plan would be lost?

Yes No

! There's a risk that you'll lose your right to any guarantee which may reduce the level of income you receive in retirement. You should make sure that you understand the conditions of any guarantee before making a decision.

5.5 Are you aware that you'll pay tax if you take a lump sum from your pension savings and this may take you into a higher tax bracket?

Yes No

! There's a risk that after tax is deducted you may not get as much as you were expecting. The amount you withdraw and any other income that you receive may result in you paying higher rate tax or even owing additional tax.

5 About the risks – continued

5.6 Are you confident that withdrawing money out of your pension pot will still let you have your desired lifestyle in retirement?

Yes No

! There's a risk you may run out of money, so you must make sure that you invest wisely or budget effectively. You should also consider any state pension you may be entitled to – you can find details of this at gov.uk/new-state-pension

5.7 Are you aware of the impact withdrawing money from your pension plan may have on any outstanding debts?

Yes No

! If you owe money there's a risk that your lender may be entitled to your pension savings when you take it as income.

5.8 Are you aware that pension scams are on the increase following the pension freedoms?

Yes No

! There's a risk you may be targeted by individuals and groups operating investment scams. These can look and sound believable, often promising low risk, high return options. If you've any doubts you should seek financial advice from a regulated financial adviser before committing. For more information on this visit: scamsmart.fca.org.uk

5.9 Are you aware that taking cash from your pension pot may impact means tested benefits?

Yes No

! There's a risk that taking your income may result in the loss of any means tested benefits you currently receive or may be eligible for at some point in the future.

5.10 Have you investigated fully any charges associated with any planned investment?

Yes No

! There's a risk that any charges payable on future investments may be more than those you're currently paying on your pension savings.

6 Declaration

In this declaration 'I' means the individual detailed in section 1 of this additional application form and 'you' means Scottish Equitable plc as Scheme Administrator of the Aegon Self-invested Personal Pension Scheme (the 'Scheme').

- 6.1** I, request that you pay the funds from the plan(s) detailed in section 2 of this additional application form to me as small pots lump sum(s). I declare that the following conditions for payment of the small pots lump sum(s) are met:
- a** I have not previously received more than two such payments in respect of arrangements under **non-occupational pension schemes**;
 - b** where I have not previously received a small pots lump sum from such an arrangement, I have not listed more than three plans in section 2 of this additional application form and at the time of payment the fund value under each of the plans is not more than £10,000;
 - c** where I have previously received one small pots lump sum from such an arrangement, I have not listed more than two plans and at the time of payment the fund value under each of the plans is not more than £10,000;
 - d** where I have previously received two small pots lump sums from such an arrangement, I have listed only one plan and at the time of payment the fund value under the plan is not more than £10,000;
 - e** at the time of the payment, I will have reached the normal minimum pension age, currently 55 (or my protected pension age, if I have one) or I meet the **ill-health condition**; and
 - f** the payment will extinguish my entitlement to benefits under the plan(s) listed in section 2 of this additional application form.

- 6.2** I acknowledge that a small pots lump sum(s) payment cannot be made to me from the plans(s) listed in section 2 of this additional application form if I have previously received three small pots lump sums from arrangements under **non-occupational pension schemes**.
- 6.3** I acknowledge that a small pots lump sum payment(s) cannot be made from a plan to me if the value of that plan is greater than £10,000 at the time of payment. If any plan listed in section 2 of this additional application form is greater than £10,000 at the time of payment then no small pots lump sum payment can be made from that plan.
- 6.4** I acknowledge that you will rely on this declaration, and confirm that if a small pots lump sum payment made to me in connection with this request results in you becoming liable for a scheme sanction charge and penalties and/or interest to HMRC, that I will be responsible for, and be liable to pay to you a sum equal to the amount of that scheme sanction charge, any penalties and interest charged by the HMRC and any **interest** charged by you.
- 6.5** I agree that any sum due may be deducted from any arrangements for or in respect of me under the Scheme.
- 6.6** I confirm that I have read the appropriate risk warnings related to my answers in section 5 of this additional application form and wish to proceed with the option of a small pots lump sum.

Date

D	D	M	M	Y	Y	Y	Y
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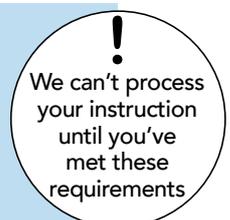
Customer signature

X	X
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Before returning this form to us, please check:

- You've included the required certified copies of documents.
- You've completed all of section 5 and read the risk warnings.
- You've signed and dated the Declaration above.



7 Definitions

Ill-health condition – this is met if we've received satisfactory medical evidence from a registered medical practitioner that you're (and will continue to be) incapable of carrying on your occupation because of physical or mental impairment and you've actually stopped working in your occupation.

Interest – will be added on a daily basis to any amount due to the scheme administrator for any scheme sanction charge. It will be calculated on a daily basis from the date the first payment was due at the Royal Bank of Scotland plc base rate plus 5%.

Non-occupational pension scheme – is a contract-based pension scheme, such as a:

- Personal pension;
- Group Personal pension;
- Group Self-invested Personal pension;
- Stakeholder pension;
- Group Stakeholder pension;
- Retirement annuity contract (section 226; contract);
- Section 32 buyout, or
- Trustee proposed section 32 buyout.

Uncrystallised funds – are pension funds which haven't, as yet, been used to provide benefits under a pension plan.

If you have any questions, call us on 0345 604 4001



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