

## Premier SIPP Retirement Options Form

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All relevant sections of this form must be completed in full. Submitting an incomplete form may result in delays in the payment of your benefits. Should you have any queries, these should be referred to your financial adviser in the first instance should you have one.

Before completing this form, please read the following information:

### Data Protection

We know how important privacy is to you. So we have created a Privacy Notice to provide you with a clear explanation of when, why and how we collect and use your personal data. A version of this notice can be obtained on our website at <https://www.optionspensions.co.uk/privacy>

### AML Requirements

We are obliged by the anti-money laundering regulations to verify the identity of our clients and to ensure that the information we hold is up-to-date. In order to do this, we will run a soft verification check on you if one has not been previously carried out or the one we hold is out of date. A soft inquiry is an inquiry that occurs when a person or company checks your credit report as a background check, similar to when your credit score may be checked by a mortgage lender to preapprove a loan. Soft inquiries can occur without your permission and will not affect your credit rating in any way.

However, in some cases, the verification check may fail to meet our requirements (for example if you have recently moved address), in the event of this, we would require the following documentation to be supplied by you and certified by one of the following; FCA regulated Financial Adviser, Lawyer, Banker, Doctor (medical), Police Officer, Accountant, Teacher, Post Master/Sub Post master:

- a copy of your passport or photo drivers licence
- recent utility bill (no older than 7 months)

You can also provide these documents with the return of this form, should you prefer us not to run our online soft check and to avoid any potential delays should our online soft check fail to meet our requirements.

### Liquidity for Benefit Payments

You will need to make arrangements so that sufficient cash is available in the Scheme bank account in order to pay your benefits. If you intend to receive regular income payments, you may need to make arrangements for regular and timely disinvestments for your income. Failure to make these arrangements will lead to a delay with your benefit payments. Please note that it is your responsibility to ensure that sufficient liquidity is in place before any pension income is due to be paid. If there is a delay with funds being available to make a pension payment e.g. in the case of a delayed disinvestment from a third party investment house, Options UK Personal Pensions LLP ('Options UK') cannot process the payment and the income will not be paid. You should leave sufficient time for funds to be requested and arrive. If any documentation is required for completion, please arrange for this to be returned with this form as soon as possible in order not to hold up any disinvestment request.

### SIPP Member Fact Sheet

For more information please also see our **SIPP member fact sheet - Taking benefits**, available on our website or on request.

## 1. Your Information

|                                       |                      |                                   |                      |
|---------------------------------------|----------------------|-----------------------------------|----------------------|
| SIPP Reference Number:                | <input type="text"/> |                                   |                      |
| Title:                                | <input type="text"/> | <i>(Mr, Miss, Mrs, Ms, Other)</i> |                      |
| Forename(s):<br><i>(in full)</i>      | <input type="text"/> |                                   |                      |
| Surname:                              | <input type="text"/> | Permanent residential address:    | <input type="text"/> |
| Email:                                | <input type="text"/> |                                   |                      |
| Telephone number:<br><i>(daytime)</i> | <input type="text"/> | Postcode:                         | <input type="text"/> |

## 2. Guidance & Financial Advice

Before you make your benefit choices we are required by the Financial Conduct Authority to ask you, if you have received guidance from the Government's free and impartial service MoneyHelper's Pension Wise and/or financial advice relating to your chosen retirement options.

Have you taken Pension Wise guidance?

If you have answered no above and you would like us to book an appointment with Pension Wise for you, please contact your usual administrator or call us on 029 20557000 and we will be happy to arrange this for you. If you have not already spoken with Pension Wise and are intending to do so, we will be unable to proceed with the payment of benefits until you have spoken with them.

Have you decided to opt out of receiving Pensions Wise guidance?

Have you taken regulated financial advice and is this advice reflected within this form?

Have you decided to opt out of receiving regulated financial advice?

If you have received regulated financial advice, please confirm the following:

|  |                      |
|--|----------------------|
| Name of regulated adviser:                       | <input type="text"/> |
| Name and address of regulated firm:              | <input type="text"/> |
| FCA reference number for the authorised adviser: | <input type="text"/> |

## 3. Your tax-free lump sum allowances

There are two upper caps on the level of tax-free lump sums you can take called your 'lump sum allowance' and 'lump sum and death benefit allowance'.

**We are required by HMRC to check that you have enough lump sum allowance available to cover any tax-free lump sum you are wanting to draw now from your SIPP held with us.**

Before 6th April 2024 there was a different allowance called the 'lifetime allowance' – these older rules may result in you having a higher (or different) allowance to the norm or that some (or all) of your lump sum allowances are treated as already used up.

Background on these allowances and the questions below is given in the **Explanatory notes** at the end of this form and in a number of SIPP member fact sheets, available on our website or on request. These fact sheets include the **SIPP member fact sheet - Taking benefits** and **SIPP member fact sheet - Lump sum allowances**.

### Section A: Your individual lump sum allowances

**3.1 Do you hold a valid lifetime allowance protection certificate from HMRC?**

Yes

No

*(you will only hold a protection if you met the prescribed conditions and applied to HMRC for that particular protection – HMRC will have sent you a certificate evidencing the type of protection you hold)*

If you answered '**Yes**' then please tell us about the type of protection you hold below and (where relevant) provide us with a copy of your HMRC certificate.

If you answered '**No**' then we will assume you are entitled to the basic 'lump sum allowance' of £268,275 (and 'lump sum and death benefit allowance' of £1,073,100).

Enhanced Protection

Primary Protection

Fixed Protection

2012

2014

2016

Individual Protection 2012

Protection amount:

£

Individual Protection 2014

Protection amount:

£

Individual Protection 2016

Protection amount:

£

A Lifetime Allowance Enhancement Factor

If you hold Fixed Protection 2016 or Individual Protection 2016 you may not have a certificate, but HMRC will have provided you with a number and reference. Please tell us these details below.

Protection Notification Number:

Scheme Administrator Reference:

If you hold valid Primary Protection we may need further information from you.

### 3. Your tax-free lump sum allowances (continued)

**Section B: How much of your allowances have you used up already?**

**3.2 Have you been paid any benefits from a pension scheme before?**

*(any state pension or benefits received as a beneficiary of someone who has died does not count here)*

**3.3 Did you use up any of your lifetime allowance before 6th April 2024?**

*(if you did, the relevant pension provider will have provided you with a statement telling you how much of your lifetime allowance you had used up as a percentage)*

If you answered 'No' to **BOTH** questions 3.2 and 3.3 then please go to Section C.

**3.4 Have you been paid any pension benefits or used up any of your lifetime allowance with a pension scheme not held with us?**

If you answered 'Yes' to question 3.4 then please complete the **Appendix - Your past lump sum allowance usage** at the end of this form. As the rules changed on 6th April 2024 we need to ask you separate questions about the period before 6th April 2024 and what has happened since 5th April 2024.

**Section C: Due payments of tax-free lump sums from other pension schemes**

**3.5 Are you due to be paid a tax-free lump sum from another pension scheme?**

If you answered 'Yes' then please provide further details in the table below.

| Name of pension scheme or provider | Approximate amount of tax-free lump sum | Anticipated date of lump sum entitlement | Will this lump sum be paid on grounds of serious ill-health? |                                   |
|------------------------------------|---|--|--|-----------------------------------|
|                                    |   |  | Yes  | No                                |
|                                    |   | £  | <input type="button" value="Yes"/>                           | <input type="button" value="No"/> |
|                                    |   | £  | <input type="button" value="Yes"/>                           | <input type="button" value="No"/> |
|                                    |   | £  | <input type="button" value="Yes"/>                           | <input type="button" value="No"/> |
|                                    |   | £  | <input type="button" value="Yes"/>                           | <input type="button" value="No"/> |

## 4. Benefit Options

Please tick below to indicate how you wish to take benefits and complete the relevant section.

Pension Commencement Lump Sum (PCLS) and/or Flexi-Access drawdown

Please complete Section 4.1

Uncrystallised Funds Pension Lump Sum (UFPLS)

Please complete Section 4.2

### Important Notes

- Pension and UFPLS payments are made on the 1st or 25th of the month. Please allow for a minimum of 14 days for set up from receipt of sufficient funds for the payment of your benefits.
- Pension Commencement Lump Sums (PCLS) payments, also known as tax-free cash, are made once calculations have been completed and will be paid separately to your taxable income payment (if applicable).
- If you are taking taxable income through flexi-access drawdown or UFPLS you will normally trigger the Money Purchase Annual Allowance (MPAA) which means that from the date of your first taxable income payment or UFPLS payment you will be limited to contributions totalling £10,000 in a tax year to all SIPPs or other money purchase pension schemes you are an active member of.
- Taxable income (including UFPLS) will be taxed at source through Pay As You Earn (PAYE), in accordance with HMRC regulations. Where a current tax year P45 has not been supplied, the initial income or UFPLS payment will be taxed using the emergency tax code. When a current tax year P45 has been supplied, we shall use the code stated on the P45 ignoring any previous pay you have received and any tax you have paid; known as a Month 1 basis.

### Special Requirements

If you have any special requirements, please state them in the box below:

## 4.1. Flexi-Access Drawdown

### Guide to Completion & Important Notes

**PCLS** - If you would like to take the maximum amount of PCLS, you would need to utilise your full fund. You will usually be entitled to 25% of your fund value and your scheme will then be in full drawdown.

If you do not want to take your full PCLS, you can specify the amount you wish to take. For example, if you require a PCLS payment of £25,000, you would need to utilise £100,000 of your fund and you will then be in partial drawdown.

**Taxable income payment(s)** - You can either take a one off income payment, take regular income or not take any at all. The amount of these payments are not restricted. Please complete the gross amount you require per annum below. For example, if you want to receive £1,000 gross per month, you would put £12,000 in the income required box and select monthly for frequency.

### PCLS (Tax Free Cash)

How much PCLS would you like to take from the scheme?

The maximum amount  
 A specified amount   
 Individual Protection 2016

### Taxable Income Payments

Would you like to take taxable income?  Yes  gross per annum  No  
 How often do you want to be paid your pension?  Ad-hoc  Annually  Quarterly  Monthly  
 What day of the month would you like to receive your income payment?  1st  25th  
 Do you have a P45 for the current tax year?  Yes  No

If yes, please provide a copy with your completed form.

## 4.2. Uncrystallised Funds Pension Lump Sum (UFPLS)

### Guide to Completion & Important Notes

An UFPLS will allow you to take an income as an ad-hoc payment from your fund, where 25% of the payment will be tax-free and 75% being taxed at your marginal rate. You are only eligible for a payment if you have uncrystallised funds, your entitlement to tax-free cash is 25% and you have available lifetime allowance to cover the payment.

You are able to take a series of UFPLS payments or take the full fund in one UFPLS payment. If you wish to take a series of UFPLS payments, you will need to complete a further Retirement Options Form each time.

You will receive one payment in your bank account comprising of the tax-free cash and net income, payment after tax.

What level of gross income would you like to receive per annum?

Full UFPLS (whole fund)  
 Partial UFPLS

Do you have a P45 for the current tax year?  Yes  No

If yes, please provide a copy with your completed form.

### 4.3. Investment Pathways - How your Money is Invested

We are required by our regulator, the Financial Conduct Authority, to ensure that you understand and have considered the potential risks of holding more than half of your pension in cash, including cash like assets such as bank deposits.

In the following section we have set out a number of options about your investment intentions. Depending upon your responses, we may need to send you a statement highlighting the potential risks. If you still wish to proceed, you will need to sign and return the declaration on the statement, to confirm that you have read and understood.

As you are taking benefits from your SIPP, it is important that the funds you choose to invest in are the right ones for you based upon your circumstances. Further information can be found out about Investment Pathways at the MoneyHelper website [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk), or you can telephone 0800 011 3797.

I confirm that I have received regulated financial advice in regards to my pension scheme investments.

If the investment advice was provided by a different adviser to that detailed on Page 2, please provide the following information and then move on to **Section 5**.

Name of regulated adviser:

Name and address of regulated firm:

FCA reference number for the authorised adviser:

If you have not received financial advice, you will need to select from one of the following options:

Option A - Use Investment Pathways

From the four statements below, please select the one that most closely aligns with your plans.

I have no plans to touch my money in the next 5 years.

I intend to use my money to set up a guaranteed income (*annuity*) within the next 5 years.

I intend to start taking my money as a long-term income within the next 5 years.

I intend to take out all my money within the next 5 years.

Option B - Select investments without using Investment Pathways

Option C - Remain invested within your current investments.

Options UK do not offer Investment Pathways. If you have selected Option A we will be unable to proceed with your application for flexi-access drawdown. We recommend that you discuss your requirements with a regulated financial adviser. If you do not have a financial adviser further information and guidance can be found at the MoneyHelper website [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk), or you can telephone 0800 011 3797.

## 5. Benefit Questions

**IMPORTANT NOTE:** You must complete this section in full, unless your fund value is under £10,000.

|  |                              |                             |
|--|------------------------------|-----------------------------|
| Do you understand how your benefits will be taxed and any implications in regards to Inheritance Tax?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is it important that the income from your pension continues for life and does not reduce over time?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will you rely on your pension income to cover everyday living expenses?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you taking money out of your pension scheme to re-invest elsewhere?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you struggling to repay any debts?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you have a financial adviser?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you receiving any state benefits that could be affected by drawing benefits from this pension scheme?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you aware of other providers retirement products? For example if buying an annuity or taking drawdown, you may have obtained quotes from a range of providers. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will drawing benefits change your attitude or approach to investment risk?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you understand your current investment risk exposure?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you consider any of your investments to be difficult to sell, an example would be if you held commercial property or unlisted shares?                           | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

## 6. Bank Account Details For Receipt of Benefit Payments

**IMPORTANT NOTE:** The bank account we pay benefits to must be held in your name. If you require us to pay benefits to an overseas bank account, please contact us.

|   |                      |
|---|----------------------|
| Bank/Building Society:                            | <input type="text"/> |
| Bank/Building Society Address including postcode: | <input type="text"/> |
| Account Name:                                     | <input type="text"/> |
| Account Number:                                   | <input type="text"/> |
| Sort Code:  | <input type="text"/> |

## 7. Sourcing Benefit Payments

Please specify which assets you wish to surrender to fund your benefit payment(s) and where possible provide the relevant surrender forms.

## 8. Pension Fraud Statement

Investments whilst held within your pension scheme enjoy significant tax privileges both on income and on sale, which help to boost your pension pot. When removed from the pension scheme, these tax benefits fall away and the investment is then taxable as a personal investment.

Fraudsters are becoming increasingly more sophisticated and devious in their attempts to separate you from your retirement savings. They will often recommend investments with a promise of high returns and low risk, but in reality, pension savers that are scammed can be left with nothing.

In short, it is unlikely that a genuine investment will be worth more outside of the pension scheme when the tax benefits are factored in, unless it is also recognised by government and the regulator as a tax advantaged wrapper. It should also be noted that even these can be niche or high risk in nature and potential tax advantages are not always guaranteed.

Scammers often cold call people via phone, email or text – this is illegal, and a likely sign of a scam. They often advertise online and can have websites that look official or government-backed.

In addition, and worryingly, they can encourage you not to inform your Financial Adviser or Pension Scheme Provider that you have been contacted by them, this is specifically to avoid being caught out.

**If you believe that you have been contacted by a fraudster, please call Action Fraud on 0300 123 2040.**

**Before we arrange the release of funds from your pension scheme bank account, and for your protection, we will call you to confirm that the bank details are correct and also to ask you to verify your statement below in regard to your reasons for taking benefits at this time.**

I confirm that I have read the enclosed pension scams booklet created by the Pensions Regulator and I am aware of how pension scams work and the warning signs I should look out for.

I can confirm that I have not been contacted by a third party or encouraged by somebody known to me to take benefits from my scheme and my request to take benefits is purely my own decision.

The reason I am taking benefits from my scheme at this time is:

## 9. Member Declaration

I have read and understood the Pension Fraud Statement in Section 8 above.

I understand, consent and confirm:

1. That to the best of my knowledge, all information contained in this form as provided by me or any other party is correct.
2. The payment of any PCLS entitlement from my Scheme, in full or in part, will not entitle me to a further PCLS payment from my drawdown arrangement, in accordance with HM Revenue and Custom's regulations.
3. That I will not use my PCLS entitlement to recycle benefits i.e. by paying back into a pension scheme in order to gain further tax relief.
4. Payment of benefits will be made in accordance with the information provided on this form.
5. That if I flexibly access my pension funds in the scheme, my annual allowance in respect of all money purchase arrangements will reduce to the Money Purchase Annual Allowance (MPAA) and I am aware of the current MPAA. If in any tax year the total of my pension inputs to money purchase arrangements and certain hybrid arrangements exceeds the Money Purchase Annual Allowance:
  - i) there will be an annual allowance charge on the excess, and
  - ii) the annual allowance for pension inputs will be subject to the 'alternative annual allowance'.

I will, within 91 days, of receipt of my statement, pass on the information contained within the statement to the Scheme Administrator of each of my other Registered Pension Schemes of which I am a member at any time in the period.

Additionally, when I become a member of another Registered Pension Scheme after the date of the statement (except as a result of a recognised transfer) I will pass on the information contained within the statement to the Scheme Administrator of that other scheme within 91 days beginning with the date of becoming a member of that scheme.

6. If insufficient monies are placed in my SIPP Bank Account to pay tax-free cash or a regular pension income, or both, I understand and agree that Options UK will not be held responsible for any delay in paying benefits. I also understand and agree that I will be responsible for informing Options UK as to how these monies are to be made available and I understand an insufficient liquidity charge will be payable as per the Terms and Conditions. As I am party to all investments, I understand that I am responsible for instructing Options UK which investments are to be surrendered and I may be required to sign the applicable disinvestment form(s).
7. All fees regarding any form of drawdown are listed in the Terms and Conditions and will apply regardless of the level of any income being taken. These fees may be taken from my pension fund.
8. If there are any outstanding fees due to Options UK, these will be settled before any pension income will be paid.
9. If I have indicated that I am entitled to transitional protection, that this protection has not been invalidated.
10. That I have received information relating to how to obtain guidance as part of the Guidance Guarantee provision as provided with this form.

Full Name:

Signature:

Date:

|     |       |      |
|-----|-------|------|
| Day | Month | Year |
|-----|-------|------|

## Appendix – Your past lump sum allowance usage

Background on the questions below is given in the **Explanatory notes** at the end of this form and our **SIPP member fact sheet - Lump sum allowances**, available on our website or request.

As the rules changed on 6th April 2024 we need to ask you separate questions about what has happened since 5th April 2024 (**Section A**) and the period before 6th April 2024 (**Section B**).

### Section A: Pension lump sum payments you have received since 6th April 2024

**A1. Have you become entitled to a lump sum from any other pension scheme after 5th April 2024 that was wholly or partly tax-free?**  Yes  No

If you answered 'Yes' then please tell us about these tax-free payments in the table below.

| Approximate date of lump sum payment | Name of pension scheme or provider | Lump sum allowances used up<br>(as specified on the statement your pension provider gave you) | Was this lump sum paid on grounds of serious ill-health? |                          |
|--------------------------------------|------------------------------------|---|--|--------------------------|
|                                      |                                    |   | Yes  | No                       |
|                                      |                                    | £   | <input type="checkbox"/>                                 | <input type="checkbox"/> |
|                                      |                                    | £   | <input type="checkbox"/>                                 | <input type="checkbox"/> |
|                                      |                                    | £   | <input type="checkbox"/>                                 | <input type="checkbox"/> |
|                                      |                                    | £   | <input type="checkbox"/>                                 | <input type="checkbox"/> |

The pension provider who paying a tax-free lump sum will have given you a statement telling you how much of your allowances were used up. We may ask to see these statements from other pension providers. If you hold any of the protections in place before 6th April 2024 we are likely to ask to see these statements.

### Section B: Lifetime allowance used up before 6th April 2024

Please see the **Explanatory notes** at the back of this form for an explanation of the questions below, including where you will find the figures requested. Further background and worked examples is also provided in our **SIPP member fact sheet - Conversion of lifetime allowance used before 6th April 2024 against your lump sum allowances**, available on our website or on request.

Transitional tax-free amount certificate

**B.1 Have you requested and been sent a 'transitional tax-free amount certificate'?**  Yes  No

If you answered 'Yes' then (if not provided by us) please provide us with a copy of your 'transitional tax-free amount certificate'. There is no need to then complete the rest of this Appendix.

**B.2 Do you want to request that we calculate and provide you with a 'transitional tax-free amount certificate' now?**  Yes  No  Not relevant

If you answered 'Yes' then we will contact you to let you know what documentation we will need to do this.

Most people will be no better off asking for a 'transitional tax-free amount certificate'; and it is possible that you could be worse off (and once issued, a certificate cannot be revoked).

If before 6th April 2024 you were over age 75, had a final salary pension or transferred pension funds to an overseas pension scheme then you are more likely to benefit from a 'transitional tax-free amount certificate'.

More information on this point and some worked examples of when someone might be better or worse off asking for a 'transitional tax-free amount certificate' is provided in our **SIPP member fact sheet - Conversion of lifetime allowance used before 6th April 2024 against your lump sum allowances**, available on our website or on request.

Please take financial advice before asking us to calculate a 'transitional tax-free amount certificate'.

## Appendix – Your past lump sum allowance usage (continued)

### Section B: Lifetime allowance used up before 6th April 2024 (continued)

Lifetime allowance used up before 6th April 2024

**B.3** If you do not hold a ‘transitional tax-free amount certificate’ (and are not requesting that we prepare one now) then please provide us with full details of any lifetime allowance you used up before 6th April 2024 from other pension schemes not held with us in the table below:

| Name of pension provider / pension scheme | Percentage of lifetime allowance used up in total under that scheme |
|---|---|
|   | %   |
|   | %   |
|   | %   |
|   | %   |
| TOTAL                                     | %   |

You will find the above percentages on statements (or possibly your P60) given to you by the pension provider of the scheme where you used part of your old lifetime allowance up.

We may ask to see any statements from other pension providers. If you hold any of the lifetime allowance protections in place before 6th April 2024 (see question 3.1 in the main part of the form) then we are likely to need to see these statements.

Please include all occasions (‘benefit crystallisation events’) where you used up some of your lifetime allowance before 6th April 2024. This includes any amount used up on transfer to an overseas pension scheme, when buying an annuity or at age 75.

**B.4** Were you paid a tax-free lump sum before 6th April 2024 due to serious ill-health?

 Yes

 No

Pensions in payment on 5th April 2006

**B.5** Were you entitled to receive pension payments before 6th April 2006 (or held funds allocated to a drawdown pension fund on 5th April 2024)?

 Yes

 No

If you answered ‘Yes’ then have you already had an occasion where you used up lifetime allowance before 6th April 2024?

 Yes

 No

If you answered ‘Yes’ then please confirm the percentage of additional lifetime allowance calculated as used up because of those pensions in payment on 5th April 2006.

 %

If this calculation was not done by us then please provide the letter or statement from the pension provider who did do the calculation.

If you answered ‘No’, we will need to do the calculation now – we will be in touch to let you know the information we need to be able to do this.

## Explanatory notes to your lump sum allowance questions

### Background

Normally you can take up to 25% of the funds you are accessing for the first time as a tax-free lump sum (in the UK) without any further restriction.

However, for those with significant pension rights the tax rules potentially cap the amount of tax-free lump sum that can be drawn once you have received a certain level of pension benefits.

From 6th April 2024 this upper cap is called your **'lump sum allowance'**.

Once you have used up your 'lump sum allowance' you can still take a lump sum benefit; but any lump sum drawn over the available allowance will be subject to UK income tax.

Most people's 'lump sum allowance' will be £268,275.

There is also a second allowance called the **'lump sum and death benefit allowance'** that comes into play in your lifetime if you have receive(d) a tax-free lump sum due to serious ill-health or if you die before age 75 and a lump sum death benefit is being paid. For most people this second allowance will be £1,073,100.

These lump sum allowances are personal allowances applying across all pension schemes in your lifetime. You may be treated as having used up part of both lump sum allowances if before 6th April 2024 you used up part of what was called your 'lifetime allowance' (see below).

Your two allowances may be different (usually higher) if you applied for and still hold any of certain lifetime allowance or lump sum protections HM Revenue & Customs ('HMRC') introduced before 6th April 2024.

### Lifetime allowance used before 6th April 2024

Before 6th April 2024 there was a different allowance called the **'lifetime allowance'**.

You used up part of your lifetime allowance if you started accessing pension benefits (or if certain 'events' occurred). This lifetime allowance caught pension benefits as well as lump sums and usage was measured in percentages as the amount of that allowance changed over different tax years.

As well as taking benefits, you may have also used up lifetime allowance if before 6th April 2024 you transferred funds to an overseas pension scheme or, if you are over age 75, on your 75th birthday.

The pension provider involved will have provided you with a statement giving you the information requested in our questions, including how much lifetime allowance you have used up as a percentage of the standard lifetime allowance (or, in some cases, your protected lifetime allowance figure).

If you did use up any of your old lifetime allowance this is effectively carried across against your new lump sum allowances that were introduced on 6th April 2024.

There is a default way the tax rules calculate how much of your lump allowances are treated as having been 'previously-use' linked to any lifetime allowance you used up before 6th April 2024.

### Transitional tax-free amount certificate

The tax rules allow you to request any pension scheme you hold benefits with to calculate how much of your two new lump sum allowances are deemed to have been 'previously-used' up based on the actual monetary figures of the tax-free lump sums you were paid before 6th April 2024 (rather than based purely on lifetime allowance used up).

This is called a **'transitional tax-free amount certificate'**.

You cannot ask for a 'transitional tax-free amount certificate' if you have become entitled to a tax-free lump sum already after 5th April 2024 (and what HMRC call a 'relevant benefit crystallisation event' has occurred).

### Pensions in payment on 5th April 2006

The old lifetime allowance rules were introduced on 6th April 2006.

There were rules on how any pension benefits already in payment on 5th April 2006 impacted on how much of the new lifetime allowance was available going forward.

If you took new benefits at any time between 6th April 2006 and 5th April 2024 (or had any type of 'event' that used up part of your lifetime allowance) the first pension scheme where this happened would have calculated how much of your lifetime allowance was deemed used up by these older pension rights and provided you with a statement telling you how much as a percentage.

### Our SIPP member fact sheets

We have produced three fact sheets on the two lump sum allowance rules:

- **SIPP member fact sheet - Lump sum allowances - an overview** (providing a simple overview of the two new lump sum allowance rules that came into force on 6th April 2024);
- **SIPP member fact sheet - Lump sum allowances** (covering all aspects of the allowances in full, including the information provided in the next fact sheet); and
- **SIPP member fact sheet - Conversion of lifetime allowance used before 6th April 2024 against your lump sum allowances** (covering the position where you used up some or all of your lifetime allowance under the rules in force before 6th April 2024 and how this reads across to your new lump sum allowances)

**Our SIPP member fact sheet - Taking benefits** is also available that gives broader information on the rules and issues to consider about taking benefits from your SIPP.

All the above fact sheets are available in the 'Documents & Resources' section of our website ([www.optionspensions.co.uk/resources](http://www.optionspensions.co.uk/resources)) or on request.

## Checklist

Have you completed and enclosed everything we need? Remember, an incomplete form or missing information could result in a delay in the payment of your benefits.

Fully completed Retirement Options Form

Anti-Money Laundering evidence - if applicable

Sufficient liquidity or disinvestment instruction

P45 - if applicable

Transitional protection certificates / information (FP16 & IP16 only) - if applicable

Member Declaration - signed and dated



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