



BENEFIT OPTIONS FORM

Taking Money from my Pension

For SIPP and FPT
January 2026

Important Note

Please complete the Benefit Options Form in full using BLOCK CAPITALS and dark ink. Please check all the details on the form and initial any changes you make and please do not use any correction fluid if you make a mistake. Any omissions could delay the payment of benefits.

Before you return the form to us, please check to ensure that:

- the Benefit Options Form is fully completed and signed;
- you have read the enclosed glossary of terms and guide to retirement benefits to assist with completion;

The information supplied will be held in the strictest confidence and subject to the provisions of Data Protection legislation.

Once complete please return this form to:

Alltrust Services Ltd
Suite 201
Warner House
123 Castle Street
Salisbury
SP1 3TB

OR email to: sipp@alltrust.co.uk if you have a SIPP or FPT@alltrust.co.uk if you have a FPT.

Please note that we can only accept the BOF form directly from the email address we hold on file for you (the member), or from your financial adviser. Alternatively, we can accept it by post.

Pension Details

Plan Name (only complete if you
have a FPT or a Group SIPP)

Policy Number / Plan Reference

Personal Details

Full Name

Date of birth

Permanent Residential Address

Postcode

Telephone or Mobile Number

Email Address

National Insurance Number

1. Financial Advice

Have you received advice from an FCA regulated financial adviser in connection with this request?

Yes

No

If **Yes**, please confirm your adviser details below then go to [section 5](#)

Adviser Name

Firm Name

1. Financial Advice (Continued)

If **No**, before flexibly accessing your pensions savings, it is important that you fully understand your options, including those to transfer your benefits. To this end we would recommend that you discuss your options with your financial adviser and/or Pension Wise. If you decide to take benefits without consulting with an adviser, you will be required to complete an online tool regarding your retirement and investment choices. Please complete sections 2, 3 and 4.

2. Pension Wise Service

We strongly encourage you to take advantage of the free and impartial guidance on your retirement options from the Government backed Pension Wise service offered by MoneyHelper.

An appointment will explain the following:

- Things to think about when considering your choices. For example, your plans to continue working, your personal and financial circumstances, and leaving money after you die.
- All the payment options available, and how they relate to your circumstances.
- The tax implications of accessing your pension.
- What you should check before you make any decisions.
- How to look out for scams.
- Your next steps.

Please note that it won't recommend companies or tell you how to use your pension pot or invest your money.

Please tick one of the following and if required give additional information (without this we will be unable to progress your benefits claim):

I would like Alltrust to book an appointment with Pension Wise for me.

- Please confirm your telephone number below and we will contact you to make the necessary arrangements.

Telephone Number

I would like to book my appointment with Pension Wise.

- Pension Wise is available at www.moneyhelper.org.uk/pensions-and-retirement/pension-wise or by telephone on 0800 138 3944.

Please note we are unable to progress your benefit claim until you have confirmed that the Pension Wise appointment has taken place

I have previously received guidance from Pension Wise and do not require a further guidance.

I have received financial advice from a suitably qualified financial adviser and do not require guidance from Pension Wise.

I do not require guidance from Pension Wise.

Reason for opt out

Please note: If you've received Pension Wise guidance previously, you may benefit from receiving guidance again under certain circumstances, for example, where your personal circumstances or the value of your pension have significantly changed such that the different options described to you in the guidance may be of significance different and relevance to you than when you previously received the guidance.

3. Investment choices (including Investment Pathways)

For customer's that want to access their pension through income drawdown and who are not taking regulated financial advice, the FCA has put in place something called "Investment Pathways" to help you make a well informed decision in order to meet your retirement objectives.

Whether you would like to start taking your pension savings as a flexible income (drawdown) now, or just want to access your tax-free cash for now, you will need to make an investment choice for the money that you're not taking as tax-free cash.

To learn more about investment pathways, you can use the **Investment Pathways Comparison Tool** hosted by MoneyHelper at www.moneyhelper.org.uk.

You must be satisfied that the investment choices you have made for the funds that remain in your plan (once the payments you have selected in section 7 have been made) will meet your needs. Please confirm your investment choices for these remaining funds by selecting one of the following:

1. I am happy with my current investments
2. I wish to change my investments and have provided details below.
3. I wish to invest the funds I am crystallising into the following Pathway Investment:

Option 1: I have no plans to touch my money in the next 5 years	(£ or % of crystallised pot)
Option 2: I plan to use my money to set up a guaranteed income (annuity) within the next 5 years	(£ or % of crystallised pot)
Option 3: I plan to start taking my money as a long-term income within the next 5 years	(£ or % of crystallised pot)
Option 4: I plan to take out all my money within the next 5 years	(£ or % of crystallised pot)

If you have selected option 2 above, please provide details of the investments to be bought and sold:

Please note that Alltrust does not offer Investment Pathways at this time; we recommend that you discuss your options and your personal circumstances with a financial adviser. If you do not have an adviser, You can find details of local regulated financial advisers by visiting www.unbiased.co.uk or clicking on "Find a financial advice firm near me" on the FCA's Financial Service Register at <https://register.fca.org.uk>.

You are always able to contact the Government backed financial guidance provider, MoneyHelper, and use their free and impartial Pension Wise service. You can access this online at www.moneyhelper.org.uk/pensionwise, over the telephone on 0800 138 3944, or face to face through the Citizens Advice Bureau. MoneyHelper do not offer regulated advice; for regulated advice please speak to a financial adviser.

4. Risk Awareness

We are required to make you aware of the risks associated with the decision you have made to access your pension savings. Please answer the following questions. Based on your answers, and where we believe risks may apply, we will provide you with more information about how these risks may apply to you.

1.	Do you intend to make any further pension contributions, or will any be made on your behalf after you have taken the pension or cash in this form?	Yes	No
2.	Have you considered the sustainability of the level of retirement income being requested in the long term?	Yes	No
3.	Are you aware of the tax implications of taking money from your SIPP or FPT?	Yes	No
4.	Are you intending to invest all or part of the lump sums or income you are withdrawing from your SIPP or FPT? If yes: (a) Have you considered how the charges and taxation of these investments may compare with those that apply on your current SIPP or FPT investments? (b) Have you been approached by someone encouraging you to make these investments? Information about investment scams is available online at www.scamsmart.co.uk . (c) Are you accessing your pension pot to invest in a scheme or investment where you have been enticed to invest based on an advert or offer out of the blue; and/or, from social media/sponsored adverts online; and/or, an investment that sounds too good to be true; and/or, an investment opportunity linked to Covid-19; and/or, where you are being pressurised to invest?	Yes Yes Yes Yes	No No No No
5.	Have you received any demands for the repayment of debts or is there a risk you could be declared bankrupt?	Yes	No
6.	Are you in receipt of any means-tested benefits or do you think you could be in the future?	Yes	No
7.	Are you aware that other pension providers' may offer different retirement options and raise different charges for the payment of benefits?	Yes	No
8.	Where benefits are requested and the pension fund does not hold sufficient cash in the bank account to cover the benefit payment and any associated tax, investments will need to be sold to raise the appropriate amount of cash. Are you comfortable that you fully understand and have considered all factors when making decisions to sell?	Yes	No

5. Protection

Since the introduction of the Lifetime Allowance (LTA), the predecessor to the Lump Sum Allowance (LSA) and the Lump Sum Death Benefit Allowance (LSDBA), there have been several forms of allowance protection available from HM Revenue & Customs (HMRC). Please tick the following boxes which apply:

I have not obtained Protection - [please go to section 6](#)

I have Fixed Protection 2012 and it is still valid

I have Fixed Protection 2014 and it is still valid

I have Fixed Protection 2016 and it is still valid

I have Individual Protection 2014 and it is still valid

I have Individual Protection 2016 and it is still valid

I have Enhanced Protection and it is still valid

I have Lump Sum Protection and it is still valid

I have Primary Protection and it is still valid

[If you have confirmed any protection above, please attach a copy of the Protection Certificate](#)

6. Lump Sum Allowance (LSA)

Excluding State benefits, have you taken any pension benefits from any scheme other than Alltrust?

No - Please go to [section 7](#)

Yes - Please provide us with details of all previous applicable events testable against the LSA below

For each applicable event please provide evidence of the tax-free amount paid e.g. letter from pension provider confirming what was paid or a Transitional Tax-Free Amount Certificate.

Applicable events:

- Pension Commencement Lump Sums (PCLS)
- The tax-free part of any Uncrystallised Fund Pension Lump Sums (UFPLS)
- The tax-free part of any Serious ill-health Lump Sums

Event type	Date	Tax-Free amount paid (£)	Lifetime Allowance (LTA) Percentage used (For Crystallisations before 6th April 2024)
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7. Benefits to be taken

Please let us know the level of benefits you wish to receive and the method you wish to use to access these monies. The enclosed **Glossary of Terms** and **Retirement Options Guide** are designed to help in the completion of this section however please do not hesitate to contact us if you require further assistance.

Please note that if you elect to take all of your pension savings from the plan we will close your SIPP.

7a. How do you wish to access your pension?

Please tick **one** of the following boxes:

My SIPP was already in drawdown prior to 6 April 2015 and I wish to take further money into capped drawdown

- Please go to [section 7b and 7c](#)

I wish to take Flexi-Access Drawdown (FAD)

- Please go to [section 7b and 7c](#)

I wish to take an Uncrystallised Funds Pension Lump Sum (UFPLS)

- Please go to [section 7d](#)

I wish to take a Small Pension Pot Lump Sum

- Please go to [section 8](#)

7b. How much Pension Commencement Lump Sum (PCLS) would you like to receive via Capped or Flexi-Access Drawdown?

Pension Commencement Lump Sum is the Tax Free portion of your benefits, typically 25% up until your maximum LSA.

Please tick **one** of the following boxes:

The maximum available - This will place the entire remaining uncrystallised fund into drawdown and you will ordinarily* receive 25% of the total as a lump sum payment

see [Retirement Options Guide example 1](#)

A specific amount (£)

see [Retirement Options Guide example 2](#)

7c. What level of income would you like to receive via Capped or Flexi-Access Drawdown?

Please note this may trigger Money Purchase Annual Allowance (MPAA).

I do not require income initially

One-off pension income payment – Gross amount (£)

Regular pension income payments – Gross amount (£)

Frequency of regular payments	Monthly	Quarterly	Half-Yearly	Annually
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Payment start date	or As soon as possible
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7. Benefits to be taken (Continued)

Income withdrawal payments are always made on a set business day of the month. This will be a specific day of the month depending on the product held.

Income payments from your pension scheme will be taxed through the PAYE system. In most cases, this will result in tax being deducted using an Emergency Code on a Month 1 basis.

Where future regular income is being paid, HMRC will issue a tax code to Alltrust which will operate against future payments to ensure the correct tax deductions are made and facilitate any appropriate refund of tax that might have been overpaid.

Where the fund is exhausted, or where only a single annual payment has been made, the Member will need to contact HMRC after the payment has been received to claim a refund (in year) by completing a Repayment Claim Form. Where a P45 is supplied, it should be possible for the code on this form to be used when making payments.

Please go to [section 8](#).

7d. How much tax-free lump sum would you like to receive via Uncrystallised Funds Pension Lump Sum?

An Uncrystallised Funds Pension Lump Sum involves taking **BOTH** Tax free cash **AND** Income taxed at your marginal rate, this will trigger Money Purchase Annual Allowance (MPAA).

If you want to only receive Tax Free Cash please select Flexi-access or Capped Drawdown under 7b.

Please tick [one](#) of the following boxes:

The maximum available - You will ordinarily* receive 25% of the total uncrystallised fund as a tax-free payment and the remaining 75% taxed at your marginal income tax rate

see [Retirement Options Guide example 3](#)

A specific amount (£)

see [Retirement Options Guide example 4](#)

You will also receive 3 times this amount as income taxed at your marginal rate

*Please note the 25% tax-free lump sums in 7b & 7d are determinant on remaining Lump Sum Allowance. If a request is received over your remaining Lump Sum Allowance we will contact you to confirm instructions

8. Please confirm how the benefits you wish to take will be funded from the SIPP

You must hold sufficient cash liquidity in your SIPP or FPT Bank account before any payments can be made in respect of your PCLS and income payments as indicated in section 7b & c; or your UFPLS payments as indicated in section 7d. Please note for Small Pot payments all assets will be disinvested. Please tick the boxes that apply:

There is sufficient cash held in the SIPP bank account to fund these payments;

The investments listed below need to be encashed to fund these payments;

Other (please provide details below)

Please note, that we may contact you for further information or may have additional requirements depending on the options indicated.

9. Please confirm the account details to which the lump sum and any pension income should be made

Please note, all payments must be made to an account in the member's name

Bank Name

Sort Code

Account Number

Account Name

Please provide a copy of a bank statement for the above account dated within the last 3 months

For international payments (please note bank charges will apply to these payments)

IBAN Code

Important Note – International Payments

For individuals who currently, or who expect to, receive pension income on a gross basis (without the deduction of UK income tax) we will need to be supplied with a copy of the relevant confirmation from HMRC that income can be paid in this manner.

A separate application may need to be made to HMRC by the individual in order to obtain this confirmation using form DT-Individual.

If you have an overseas bank account, please contact us for confirmation of international payroll fees.

10. Declaration

In order to proceed, we will assume:

- That you have taken advice from a suitably qualified professional regarding the exercising of any retirement options, be that from the Government sponsored Pension Wise service, and/or a suitably qualified professional.
- Where pension funds are required to provide income for retirement, that you have considered the sustainability of funds for the longer term.
- You are aware of the tax implications of taking money from your pension savings, and any impact on benefits you may receive, particularly those that are means-tested.
- You have considered that creditors may have a call upon any money taken from pension savings should this be applicable.
- When releasing cash to invest elsewhere you will be mindful that there are a number of investment scams that prey upon the retirement market.
- Different retirement options have different features, charges and tax implications, and you have considered these.
- You are aware that the flexibility provided by legislation allows you to make a choice of provider, and you acknowledge the opportunity you have to transfer to another pension provider should you so wish.

I request and consent to the payment of benefits set out in this application form. I accept and agree that:

- The information contained in this form is to the best of my knowledge, true and complete.
- Further information may need to be supplied by Alltrust prior to my drawing any benefits, and that my participation may be required in this process. Any failure to respond on my part can delay this process.
- If appropriate, Alltrust Services Limited has the authority to check with HMRC the details of any certificate which I supply which enhances my lump sum allowance.
- If there are insufficient liquid funds available in my pension scheme bank account to pay any amounts at any time, I will advise Alltrust as to what action should be taken, and complete all relevant paperwork required to facilitate any encashments of investments.
- I understand that if I withdraw large lump sums or very high levels of income, I could deplete the pension fund so there isn't enough to provide a sustainable income throughout retirement.
- I understand that if I opt to flexibly access my pension savings and take income, I will be subject to the Money Purchase Annual Allowance on any contributions into any money purchase scheme.
- If I am flexibly accessing my pension fund by taking an income under flexi-access drawdown, I acknowledge that I will have 91 days to inform any other pension provider that I have done so.
- I will be able to change the amount of income within the limits (if any) set down by the rules of the scheme. However if I choose to do so an extra charge will be levied from my pension fund to meet the additional administration costs.
- I have considered the ongoing investment strategy of my fund to ensure it remains appropriate for my circumstances.
- I have read the enclosed Glossary of Terms and have completed the form accordingly.
- I agree to indemnify Alltrust Services Limited against any liability to pay any tax or other charge which arises from the provision of false or misleading information provided in this form.
- Payment of funds from the scheme in any form will represent the full discharge of any liability of Alltrust Services Limited.

Signature

Print Name

Member Signature

Date Signed

Cancellation rights – applicable to initial income under flexi-access drawdown only

When you first elect to take income withdrawals from your pension fund, we will offer you the right to change your mind and cancel your election to take income withdrawals within 30 days of receipt of the first income payment. If you do this, you will need to send written confirmation to cancel, along with any income you may have received.

Where you are opting to take your benefits in stages you will only receive a cancellation notice when you start your first tranche of benefits.

If we are instructed to re-invest the returned income in the same investments which the money originally came from, you may receive less units/shares because of transaction costs or price movements.



Glossary of Terms

Annual Allowance	<p>The maximum contribution which can normally be paid to all pension schemes in respect of a member and receive tax relief in one tax year, is known as the annual allowance. A member may have a reduced annual allowance of £10,000 per annum if they have triggered the money purchase annual allowance.</p> <p>With effect from 6 April 2016, high earners may be subject to a tapered annual allowance on a sliding scale dependent on their annual income.</p> <p>Please refer to our website (www.alltrust.co.uk) for further information.</p>
Basic Rate Tax	<p>Income tax which does not take into account any personal allowance. This is currently 20%.</p>
Benefit Crystallisation Event (BCE)	<p>The former name for Relevant Benefit Crystallisation Events (RBCEs) prior to 6th April 2024.</p>
Capped Drawdown	<p>Capped Drawdown is only available for those already using it from prior to 6 April 2015, ie if you are taking pension benefit for the 1st time you will need to consider Flexi-Access Drawdown (FAD). Capped drawdown is a type of pension which can be withdrawn from the Scheme. The amount of pension that can be taken via capped drawdown is between 0% and 150% of the amount of annuity that could be provided using the Government Actuary's Department's annuity rate (GAD rate) applicable for the member at the time they take benefits. This is calculated by the Actuaries and the level of capped drawdown must be reviewed at least every three years and annually after age 75.</p>
Crystallisation	<p>The use of all or part of a fund to provide benefits is known as a crystallisation. NB: Taking an Uncrystallised Funds Pension Lump Sum (UFPLS) does not crystallise your remaining pension fund.</p>
Crystallised Funds	<p>Funds which have been designated under the arrangement as available for the payment of pension income.</p>
Defined Contribution Scheme	<p>A scheme where a member's entitlement is determined by the size of their accrued interest in the scheme. This will be based on contributions, transfers of other benefits and investment return. A defined contribution scheme is also known as a money purchase scheme.</p>
FCA Regulated Adviser	<p>A firm or an individual who advises you on what options best meet your requirements for pension benefit. They must be regulated by the Financial Conduct Authority (FCA) for giving pensions advice. The FCA register can be found at https://register.fca.org.uk/s/ and the adviser should hold 'Advising on investments (except Pension Transfers and Pension Opt Outs)' and if giving you advice on transferring your pension benefits should hold 'Advising on Pension Transfers and Pension Opt Outs'.</p>
Flexi-Access Drawdown (FAD)	<p>From 6 April 2015, income may be taken from a member's fund as Flexi-Access Drawdown (FAD). There are no restrictions on the level of income that can be taken under FAD, but all payments are subject to taxation at the member's marginal income tax rate and will trigger the money purchase annual allowance.</p>
Investment Pathways	<p>The FCA has put in place funds to help you make a well informed decision to meet your retirement objectives if you are not taking advice and wish to drawdown your pension. Whether you would like to start taking your pension savings as a flexible income (drawdown) now, or just want to access you tax-free cash for now, you will need to make an investment choice for the money that you're not taking as tax-free cash. To learn more about investment pathways, you can use the Investment Pathways Comparison Tool hosted by MoneyHelper at www.moneyhelper.org.uk. Please note: Alltrust does not offer our own Investment Pathways – you must choose your own.</p>
Lump Sum Protection (scheme specific)	<p>Scheme specific lump sum protection is available where a member's lump sum rights at 5 April 2006 exceeded 25% of their pension fund in a specific scheme. Scheme specific lump sum protection is completed through the Scheme Administrator. This is different to tax-free lump sum protection.</p>

Marginal Income Tax Rate	After any tax-free allowances and allowable expenses have been taken into account, the amount of tax you pay on your income is calculated on a series of tax bands, using different tax rates. The highest rate you pay is known as your marginal income tax rate. Your income can include, for example, earnings from employment, pension income, investment income etc.
Money Purchase Scheme	A scheme where a member's entitlement is determined by the size of their accrued interest in the scheme. This will be based on contributions, transfers of other benefits and investment return. A money purchase scheme is also known as a defined contribution scheme.
Money Purchase Annual Allowance (MPAA)	<p>From 6 April 2023, tax-relievable contributions to a member's defined contribution scheme are limited to a Money Purchase Annual Allowance (MPAA) of £10,000 per annum, if certain 'trigger' events occur. Trigger events include:</p> <ul style="list-style-type: none"> • income received from flexi-access drawdown; • being in receipt of an uncrystallised funds pension lump sum; • drawing income in excess of the maximum permitted from capped drawdown (a type of income drawdown available prior to 6 April 2015); and • being in receipt of flexible drawdown benefits before 6 April 2015. <p>The MPAA will only be triggered when a member first flexibly accesses their funds in their own right. Any income received as a recipient of death benefits will not trigger the MPAA.</p>
Normal Minimum Pension Age	Normal minimum pension age is the youngest age at which a member of a registered pension scheme can take benefits. This is currently when the member reaches age 55. Prior to 6 April 2010 it was age 50.
PAYE	This stands for Pay As You Earn and the tax on your chosen pension income will be deducted through this system prior to you receiving it (much like you salary in any employed job you had). Please note that in most cases, this will result in tax being deducted using an Emergency Code on a Month 1 basis. Where future regular income is being paid, HMRC will issue a tax code to Alltrust which we will operate against future payments to ensure the correct tax deductions are made.
Pension Commencement Lump Sum (PCLS)	<p>A tax free lump sum payment made from a drawdown crystallisation event subject to the following criteria:</p> <ul style="list-style-type: none"> • the member becomes entitled to PCLS when they become entitled to a relevant pension; • it is usually 25% of the fund but can be higher if there is a protected lump sum; • it is paid when all or part of the member's lump sum allowance is available; • all or part is paid within the period of three months beginning with the day on which the member becomes entitled to it; • it is paid when the member has attained the normal minimum pension age of 55 (or ill health condition is satisfied, or they have a protected earlier retirement age); • it is not an excluded lump sum. <p>Any payment which does not meet these requirements will be treated as an unauthorised payment. PCLS must be paid in full within the period of 12 months beginning with the day on which the member becomes entitled to it (i.e. the date of the relevant benefit crystallisation event).</p>

Protection

Various forms of protection were introduced by HMRC when various reductions in the Lifetime Allowance (LTA) occurred. On 6th April 2024 the LTA was abolished and replaced by the Lump Sum Allowance (LSA) and Lump Sum Death Benefit Allowance (LSDBA). These protections have been amended to protect your LSA and LSDBA as follows:

Type of Protection	Lump Sum Allowance
Enhanced Protection	<p>An individual with an entitlement to tax-free cash of more than 25% of the fund on 6 April 2006 could retain their tax free cash entitlement which would have been shown as a % on their enhanced protection certificate.</p> <p>Since 6 April 2023 their tax free cash is still based on this percentage. However, the percentage is applied to their total benefits value since 6 April 2023.</p> <p>Scheme specific tax free cash protection may apply.</p> <p>An individual with an entitlement to tax free cash of more than 25% of their benefits value on 6 April 2006 but less than £375,000 couldn't protect the tax free cash amount using enhanced protection.</p> <p>Where there is no protected tax free cash, the lump sum allowance is £375,000.</p>
Primary Protection	<p>If pre- 6 April 2006 tax free cash was less than £375,000 (25% of the LTA on 6 April 2006) the amount payable is the lesser of:</p> <ul style="list-style-type: none"> • 25% of the benefit value; and • 25% of £1.5 million. <p>The tax free cash is protected as a monetary amount if it exceeded 25% of the LTA on 5 April 2006. Since 6 April 2012 the amount payable is the tax free cash available on 5 April 2006 increased by 20%.</p> <p>Their maximum tax-free cash entitlement is shown as a monetary amount on their primary protection certificate.</p>
Fixed Protection 2012	£450,000
Fixed Protection 2014	£375,000
Fixed Protection 2016	£312,500
Individual Protection 2014	25% of protected amount
Individual protection 2016	25% of protected amount

Relevant Benefit Crystallisation Event (RBCE)

A crystallisation event takes place when a member draws some form of benefit from a scheme. Each tax-free cash event uses up all or part of the member's lump sum allowance. When this is exceeded, you will no longer be able to receive any Pension Commencement Lump Sum (PCLS) and all further funds will need to be taken as PAYE income which will be taxed at your marginal rate.

Small Pension Pot Lump Sum	<p>Some small pension pots can be withdrawn as a lump sum payment providing 100% of the members total fund value does not exceed £10,000. A member is restricted to receiving a maximum of three separate small pension pot lump sums and payment must extinguish all of the member's pension savings held under the Scheme. 25% of uncrystallised funds may be paid tax-free with the remaining funds subject to tax at basic rate.</p> <p>Taking a small pension pot lump sum does not represent a relevant benefit crystallisation event so payment is not subject to the lump sum allowance test and will not trigger the money purchase annual allowance.</p>
State Benefits	<p>These are the pensions and other benefits that are payable to you from the Government and include state pension, child benefit, bereavement benefits, winter fuel allowance etc.</p>
Tax-Free Lump Sum Protection	<p>Tax-free lump sum protection with enhanced protection or primary protection was available where a member's total lump sum rights at 5 April 2006 exceeded £375,000. Application had to be made to HMRC before 5 April 2009 in conjunction with enhanced or primary protection.</p>
Unauthorised Payment	<p>HMRC rules allow pensions to pay certain benefits, but if the payment is outside of these parameters or exceeds an allowance limit then they may charge an unauthorised payment charge.</p>
Uncrystallised Funds	<p>Funds which have not been designated under the arrangement as available for the payment of income drawdown.</p>
Uncrystallised Funds Pension Lump Sum (UFPLS)	<p>From 6 April 2015, uncrystallised funds in a money purchase scheme may be withdrawn as an Uncrystallised Funds Pension Lump Sum (UFPLS). This is different from Flexi-Access Drawdown, as all funds are paid at once. 25% of an UFPLS may be paid tax-free with the remaining 75% subject to tax at the member's marginal income tax rate.</p> <p>Members can elect to take all or part of their uncrystallised fund as an UFPLS, but it cannot be taken from funds which are already crystallised.</p>

This Glossary of Terms has been prepared based on our understanding of current UK legislation and HMRC guidance at the time of production and may be subject to change. This is to be used for guidance purposes when completing our benefit related documentation only.

It is important that all members consult a suitably qualified financial adviser when considering taking benefits.

Retirement Options Guide

There are various options available to you as confirmed in your member benefits declaration form. Before flexibly accessing your pensions savings, it is important that you seek appropriate advice from a suitably qualified professional, to understand your options, including those to transfer your benefits. To this end we would recommend that you discuss your options with your financial adviser.

If you decide to proceed with taking benefits from your pension arrangement with us, please find below a guide to the options which are offered by Alltrust Services Limited.

Please note that all of the below example scenarios are based on the assumption you have sufficient lump sum allowance (LSA) remaining and you do not have any protection which may increase your allowances.

Flexi-access drawdown (FAD)

Up to 25% of any uncrystallised funds you crystallise in to FAD can normally be taken as a tax free Pension Commencement Lump Sum (PCLS). Please note this must be paid within 12 months of the crystallisation valuation date.

Once your PCLS has been paid directly to you, the balance of the crystallised funds can then be used to provide you with FAD income payments via our Pay As you Earn (PAYE) payroll which would be subject to tax at the members marginal rate of income tax.

Receiving a taxable income payment via FAD will trigger the Money Purchase Annual Allowance (MPAA) on any contributions into any money purchase scheme.

If you do not wish to take taxable income immediately, you can defer starting payments until a later date.

Example 1 – Flexi-access drawdown – Full Crystallisation

If your total fund value is worth £200,000 and contains only uncrystallised funds you can crystallise the entire £200,000 which would be made up of the following:

- Tax-free PCLS of £50,000 (25% of £200,000)
- The remaining £150,000 designated in to FAD with taxable income payments of any amount until such time as those funds have been exhausted.

This crystallisation would use up £50,000 of your Lump Sum Allowance (LSA).

Example 2 – Flexi-access drawdown – Partial Crystallisation

If your total fund value is worth £200,000 and contains uncrystallised funds you can crystallise a portion of your fund value if you do not require the full fund value at this time.

If you chose to crystallise £80,000 of your £200,000 fund value, this would be made up of the following:

- Tax-free PCLS of £20,000 (25% of £80,000)
- The remaining £60,000 designated in to FAD with taxable income payment of any amount until such time as those funds have been exhausted.

This crystallisation would use up £20,000 of your Lump Sum Allowance (LSA).

The £120,000 which has not been crystallised can be crystallised at a later date but would be subject to a revaluation of benefits at that time.

Uncrystallised fund pension lump sum (UFPLS)

This option is different from FAD, as all funds are paid at once. 25% of an UFPLS may be paid tax-free with the remaining 75% subject to tax at the members marginal rate of income tax. Members can elect to take all or part of their uncrystallised fund as an UFPLS, but it cannot be taken from funds which are already crystallised.

Receiving an UFPLS payment will trigger the Money Purchase Annual Allowance (MPAA) on any contributions into any money purchase scheme

Example 3 – Uncrystallised fund pension lump sum (UFPLS) – Full fund taken

If your total fund value is worth £200,000 and contains only uncrystallised funds, you may wish to take your entire fund via UFPLS, you would receive one lump sum payment via our PAYE as follows:

- £50,000 tax free (25% of £200,000)
- The remaining £150,000 taxable

As you would have elected to take the entire value of your fund as one UFPLS payment, payment would represent your funds being exhausted in the scheme and you would no longer be a member.

This lump sum would use up £50,000 of your Lump Sum Allowance (LSA). The above scenario has assumed sufficient lump sum allowance remains. This will make you subject to the Money Purchase Annual Allowance (MPAA).

Example 4 – Uncrystallised fund pension lump sum (UFPLS) – Partial fund taken

If your total uncrystallised fund value is worth £200,000 you can take a portion of your fund value as UFPLS if you do not require the full fund value at this time. For example, if you chose to receive £80,000 of your £200,000 fund value via UFPLS, you would receive one lump sum payment of £80,000 broken down as follows:

- £20,000 tax free (25% of £80,000)
- The remaining £60,000 taxable

This lump sum would use up £20,000 of your Lump Sum Allowance (LSA). The above scenario has assumed sufficient lump sum allowance remains. This will make you subject to the Money Purchase Annual Allowance (MPAA).

The £120,000 which has not been taken as UFPLS remains uncrystallised and can be taken at a later date but would be subject to a revaluation of benefits at that time.

Small Pension Pot Lump Sum

Some small pension pots can be withdrawn as a lump sum payment provided that 100% of the members total fund value does not exceed £10,000. A member is restricted to receiving a maximum of three separate small pension pot lump sums across all pension arrangements held and payment must extinguish all of the member's pension savings held under the scheme making the payment. 25% of uncrystallised funds may be paid tax-free with the remaining funds subject to tax.

Example 5 – Small pension pot lump sum

You are notified that your fund value is £9,000 (i.e. less than £10,000) and you have not accessed more than two other small pension pot lump sums elsewhere. You can take the full fund value in one lump sum payment via our PAYE which would be made up of the following:

- £2,250 tax free (25%)
- £6,750 taxable (75%)

Taking a small pension pot lump sum does not represent a relevant benefit crystallisation event so payment is not subject to the lump sum allowance test and will not trigger the money purchase annual allowance.

This Guide to Retirement Options has been prepared based on our understanding current UK legislation and HMRC guidance at the time of production and may be subject to change. This is to be used for guidance purposes when completing our benefit related documentation only.

Additional notes and important information

Alltrust requires members to obtain regulated financial advice for certain pension transactions, including but not limited to benefit crystallisation, the transfer of pensions into or out of your Alltrust pension, and the transfer or purchase of non-standard investments, unless the member has been formally assessed and accepted as a Knowledgeable Investor by Alltrust.

Where advice is required, it must be provided by a suitably qualified and regulated financial adviser. That adviser must have a signed agreement with us, except in the case of transfers out, where they must simply hold the appropriate regulatory permissions. This requirement is in place to ensure decisions are made in the best interests of our members and in line with regulatory expectations.

Alltrust reserves the right to decline any instruction that does not meet this requirement.

If you are unsure whether advice is required for your specific request, please contact us before proceeding.

Alltrust Current Terms of Business are available to view on our website.

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Version: Alt.V19.0126