

Part 1: QUICK GUIDE

The following pages contain a substantial amount of technical information so this summary will hopefully be of assistance.

LIFETIME ANNUITY	SCHEME PENSION	PHASED RETIREMENT	DRAWDOWN PENSION - CAPPED	DRAWDOWN PENSION - FLEXIBLE	THIRD WAY
A Regular and secure income for life	A Regular and secure income for life	Part of your fund and part of your tax free cash are used in segments to provide income.	Tax free cash lump sum paid at outset and fund remains invested. Income can also be selected if required.	Tax free cash lump sum paid at outset and residual fund (subject to income tax) can be accessed immediately.	Tax free cash lump sum paid at outset and fund remains invested. Income can also be selected if required.
Tax free cash provided at outset and fund used to purchase an annuity paid for life.	Tax free cash paid at outset and fund used to provide income for life.	The balance of the fund not used for income / tax free cash remains invested with a view to providing higher future benefits.	The balance of the fund not used for income remains invested with a view to providing higher future benefits.	Immediate access to the entire fund.	The balance of the fund not used for income remains invested with a view to providing higher future benefits
Your annuity income is paid at least annually and can increase or remain level in payment.	Your annuity income is paid at least annually and can increase or remain level in payment.	Your starting annuity is smaller, but is supplemented by a portion of your tax-free cash sum.	You can choose the income you want, and when you want it, between nil and 100% of an equivalent single life annuity.	No maximum withdrawal. Must prove a secured fixed pension income of at least £20,000 pa from other pension sources.	You can choose the income you want, and when you want it, in line with drawdown – some plans offer an income 'lock in' guarantee.
Additional options can be selected at outset such as annual or one off increases, spouse's benefits or guarantees which reduce your own income.	Additional options can be selected at outset such as annual increases, spouse's benefits or guarantees which reduce your own income.	Each year you decide how much fund to use for annuity purchase and how much tax free cash is used to supplement your income.	If investments do well, you may benefit from higher future income payments, and vice versa.	If the entire plan benefits have been taken, there is no further payment on death.	If investments do well, you may benefit from higher future income payments. Some plans offer an investment growth 'lock in' guarantee.
Once you have bought your annuity, you usually cannot change your mind or change benefits. On death there may also be the option of a return of the full pension fund to your estate (ROF)	Once you have bought your annuity, you usually cannot change your mind or change the benefits,	Because you don't commit all your funds to buy an annuity immediately, you keep your options open.	On death, the remaining fund is available to pay benefits to your family or dependants.	If the individual chose to access only some of the funds, remaining options on death (as under capped) remain an option.	On death, the remaining fund is available to pay benefits to your family or dependants, depending on plan type selected.