

Nationwide Pension Fund

Flexible Retirement



Nationwide

Building Society

What is Flexible Retirement?

Flexible retirement offers more choice and flexibility in respect of **when** you want to start receiving your benefits. It gives you the opportunity to take all, or some of your pension you have built up (known as 'drawdown'), whilst remaining in employment with Nationwide and building up further pension.

All active members of the Fund can take part in flexible retirement. This may be beneficial for you if you'd like to reduce your hours before your anticipated retirement date as you could use part of your pension to supplement your reduction in salary. Flexible retirement could also help if you'd simply like more income or a tax free cash sum.

How does flexible retirement work?

Subject to the Flexible Retirement Rules opposite, you can choose to drawdown your pension from either:

- your pension built up before 1 April 2011;
- your pension built up after 2011;
- your additional contribution benefits;
- or a combination of all of the above.

Pre 1 April 2011 final salary pension

If you were a member of the final salary section before 1 April 2011, the pension you've built up will be expressed as a fixed 'protected percentage', which is applied to your final pensionable salary on your date of leaving/retirement. If you'd like to drawdown part of your final salary pension, we calculate how much of your protected percentage you'd need to surrender to provide you with the pension you would like. Going forward, your protected percentage will be reduced to reflect the drawdown. You can take the remainder of your final salary pension at a later date by drawdown(s) or when you retire.

Pre 1 April 2011 CARE pension

The pension provided by the CARE section of Nationwide Pension Fund is the total of your accumulated pension credits at date of leaving/retirement. If you'd like to drawdown part of your CARE pension, the amount of pension you decide to drawdown will be deducted from the pension credits held at that time. Going forward, you'll have reduced your total pension credits held and these can be taken at a later date by drawdown or when you retire.

Flexible Retirement Rules

- Flexible retirement is only available to active members of Nationwide Pension Fund who will continue in employment with Nationwide after drawdown has started.
- The earliest age at which drawdown can be taken is 55.
- The maximum number of times that you can drawdown your pension is five. Your final drawdown at retirement will be used to provide your remaining pension entitlement.
- You can only take one drawdown in a 12 month period.
- The amount of pension drawn down must be at least £1,000 a year prior to giving up part of your pension for a tax free cash lump sum.
- You will be able to exchange part of your pension for a tax free cash lump sum on each drawdown.
- Once flexible retirement has been chosen and a drawdown pension is in payment, it is not possible to change your decision.

Post 1 April 2011 CARE pension

As above, if you drawdown part of your CARE pension, the amount you take will be deducted from the total pension credits you hold when the drawdown is made.

Additional Contributions

If you've made additional contributions either by pension credits or through investments with Fidelity or Prudential, you can choose to drawdown a pension from these as an alternative to drawing on your pension from the main scheme.

If you'd like a flexible retirement quote, please contact the Employee Pensions team

Important Notes

1. Although flexible retirement provides increased flexibility in respect of when you want to start receiving your pension, it may not be a suitable for everybody. You should consider taking independent financial advice before choosing this option.

Taking your pension via drawdown will not provide the same amount of pension at retirement that you would have received if no drawdown was taken.

2. Members who wish to consider paying some or their entire tax free cash sum (from a drawdown) as an additional pension contribution, should contact the Employee Pensions team as special rules apply which can result in a tax charge.

The Nationwide Pension Fund is run on a day to day basis by the Employee Pensions team. If you have any questions after reading this guide then **we're here to help you.**

Contact us

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