



UBS ValueFlex

Pension bytes

Module 4: Retirement in view

June 2024

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Pension bytes are a series of online modules that support ValueFlex and ongoing pension decisions.

This module is a short overview for information and guidance purposes only and should not be treated as advice.

The information is based on current UK tax law and guidance published by HM Revenue & Customs as at 30 April 2024. Tax law and guidance may change.

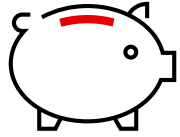
The information provided is intended for educational and illustrative purposes. It does not constitute investment or any other advice, and it is intended to be a supplement to information and statements provided by the Trustee of the UBS (UK) Pension & Life Assurance Scheme.

It should not be solely relied on to make investment or other decisions. It is recommended that you seek independent financial advice before making any important decisions about your retirement savings.

Any examples shown are illustrative only and are not guaranteed.

For full details of the pension Scheme please refer to the formal Scheme documentation such as the Scheme Booklet, the DC Investment Guide and the Scheme FAQs, all of which are available on the pensions area of the UK Benefits Portal.

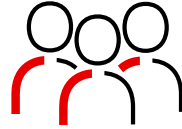
What pension arrangements do you have?



Your UBS Scheme Pension

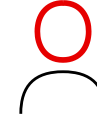
Defined Contribution (DC) Section – the current arrangement for eligible employees (post 2003)

Legacy Defined Benefit (DB) arrangements may apply to those who joined UBS before 2003 (or a predecessor Company with a DB Scheme)



Other workplace pensions

The UBS Scheme DC Section can take transfers in from some other scheme types



Personal Pensions

These are any pensions you have set up yourself, including during any periods of self-employment.



State Pension

Check your State Pension Age, NI contribution record and State Pension forecast online at www.gov.uk/statepension

If you are considering moving your workplace or personal pensions into one pot, check if there are any specific benefits you could lose and watch out for exit charges and relative ongoing charges.

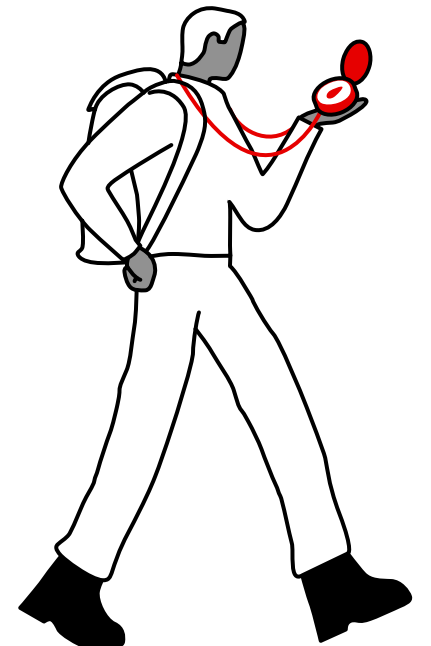
Please note:

UBS cannot know your other pension arrangements so it's your responsibility to look at the bigger picture and think about how your UBS pension and how you might take it (and any other pension savings) fits into your retirement savings plan.

Helping you navigate retirement from the UBS Scheme

What are your aims?

- Keeping your retirement savings invested (drawdown)
- Securing a guaranteed income (taking an annuity)
- Taking some of your pension pot as cash
- If you know what your aim is, you can align your investment strategy accordingly



Taking your retirement savings

Drawdown



Annuity



Cash



You can use a mix of these options at retirement – or even start Drawdown and set up an Annuity later.

Don't forget

You can take up to 25% as tax-free cash with **all** options.

Drawdown in retirement – what it is and how it works...

Drawdown – means that your pension pot is invested while you take money out as and when you need to.



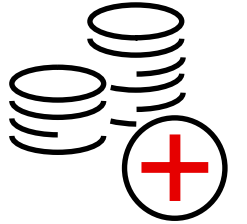
- You choose your drawdown provider, and you choose how your pension pot is invested in the same way as in the Scheme – although each provider will have a different fund range and charges
- You can take up to 25% of your pension pot at retirement as tax-free cash
- You would continue to need to ‘manage’ your pension pot and balance the risks and returns of any investments, whether it be investment risk or inflation risk
- Any unused pension pot left when you die can be passed on to a beneficiary

You need to transfer your pension pot out of the Scheme and set up a drawdown arrangement with a provider.

Annuity

An annuity – means that your pension pot is used to buy a guaranteed income with a provider, to be paid until you die. Your Scheme retirement date is your 65th birthday unless you choose your Target Retirement Date (TRD).

- You choose your annuity provider and the terms of the annuity. As you buy the annuity, your pension pot is exchanged for that guaranteed income
- You can take up to 25% of your pension pot at retirement as tax-free cash before you buy your annuity
- You can add various ‘benefits’ to your annuity but they do add to its cost. The main options to consider are whether:
 - you want to provide an income for your spouse, civil partner or dependants after your death
 - you prefer an income that increases over time
 - you have any health issues that might mean a higher annuity to take account of a shorter life expectancy



A £200,000 pension pot buys an annual income of £13,855, which ends when you die and doesn't increase.

Source: MoneyHelper annuity quotes (April 2024)

Cash



Cash – enables you to take any remaining money in your pension pot as taxed cash after taking 25% as tax-free cash.

- Choosing this option means you can use your money how and when you want
- Any cash you take is taxable in line with your highest rate of income tax. This might mean paying 40% or 45% tax on the cash.

The Lifetime Allowance and its replacements

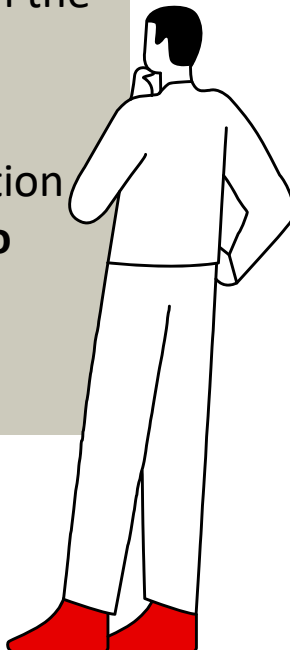
What you need to know...

- **The Lifetime allowance (LTA) was removed from 6 April 2024** but other allowances restricting the tax-free cash you can take have been introduced
- **The new Lump Sum Allowance (LSA)** limits the tax-free cash you can get from your pension to £268,275 (25% of the LTA at its abolition)
- **The new Lump Sum and Death Benefit Allowance (LSDBA)** limits the total amount of tax-free cash you can get in your lifetime and when you die to £1,073,100 (equivalent to the LTA at its abolition) in most cases
- **An overseas transfer allowance (OTA)** will also apply if you transfer your pension abroad

Think this affects you?

If you believe you may be affected by these new allowances, you should take independent financial advice and check the adviser is registered with the Financial Conduct Authority – visit register.fca.org.uk.

For the latest pension tax information go to the **UK Benefits Portal**. Go to **Scheme Information > Scheme Library > Pensions Tax**.



Please note: UBS By law, the UBS Benefits Centre, UBS, and the Trustee of the Scheme are unable to provide you with this advice.

Reminder checklist

- ✓ Could you top up your pension pot to make the most of any tax-efficient savings?
- ✓ Have you decided how you'd want to take your pension pot?
- ✓ Have you reviewed your investments to make sure they are aligned to your plans?
- ✓ Have you checked your Target Retirement Date (TRD) is accurate?
- ✓ Have you tracked down any previous employers' pensions?
- ✓ Have you had a free one-to-one guidance session with Pension Wise?
- ✓ Is retirement in sight – if so, have you requested a retirement pack?

Don't underestimate the time it takes to set up the arrangements that will pay out, whether it's Drawdown or an Annuity: 2-3 months is a typical timeframe for straightforward retirements.



A big financial decision – where to get help

There are plenty of sources of help and information to support your retirement planning



Free guidance session

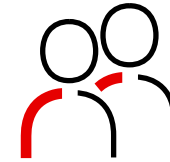
Free impartial guidance from a Government-sponsored service. Anyone over age 50 can book multiple sessions – go to:

www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise/understanding-what-pension-wise-is-and-how-to-use-it



Retirement Advisers

Your pension pot is one of the biggest investments you have – an Independent Financial Adviser will help you make the right decision for your specific personal situation. And sometimes you have to take advice – your provider will let you know if this is the case for you.

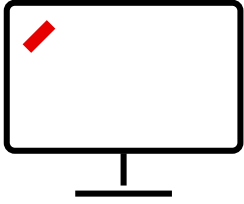


Pension counselling (ValueFlex)

Book a one-to-one session with a pension specialist through ValueFlex. The session includes:

- how UK pension schemes work;
- education specific to UBS pensions;
- pension scheme-specific savings and investment education; and
- financial planning for retirement, including modelling to meet retirement targets.

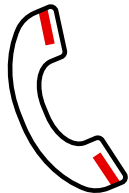
Got a question?



Go to the My Pension area of the UK Benefits Portal where you'll find lots of resources and FAQs



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01737 227527 (+44 1737 227527 from overseas) between 9am and 5pm Monday to Friday, UK time (excluding bank holidays)