

Guide to TPT drawdown



I Introduction

We offer a wide range of flexible retirement options designed to meet your needs, with the flexibility for you to:

- ✓ Retire with one or, if you have more than one TPT membership, all your TPT memberships simultaneously
- ✓ Apply to take a portion of your pension, carried out as pro-rata amount transaction from the membership(s) you select
- ✓ Apply to take your pension while remaining an active member where you continue to contribute to your pension pot
- ✓ Take tax-free cash in stages as a regular income (phased drawdown)
- ✓ Receive beneficiary drawdown instead of a lump sum death benefit

This document provides an overview of TPT Drawdown, investment choices and income options.

If you'd like to learn more about the other TPT retirement choices available to you, please visit your online account at my.tpt.co.uk and use our Retirement explorer guidance tool and read our Pension Options Guide which you'll find in the 'Learn' area of your account.



I What is drawdown?

Drawdown, or income drawdown, is a way to invest and spend the money you've saved up in your pension pot in your retirement, usually what's left after taking a tax-free cash sum. While taking a tax-free cash sum is optional, you can choose to take up to 25% tax-free. In this instance, your remaining pension savings can be moved into our 'drawdown' product where it will remain invested in the pension, with future growth free of capital gains tax, but is subject to income tax when taken.

This guide focuses on the drawdown options available from TPT, but other providers may offer different solutions with different features and charges. We'd encourage you to shop around to see what other providers can offer you before you make your retirement decisions. If you find a drawdown option from another provider that suits you better, you can transfer out your TPT pension pot at any time without charge or penalty.



I Why TPT drawdown

TPT drawdown is designed to support a wide range of retirement needs. It includes unique lifetime income-paying options (to age 95), specific goals-based investment choices, and self-managed income flexibility, including the ability to take tax-free cash as an income (phased drawdown).

There are no tie-ins or additional charges if you choose TPT drawdown. The same administration charge applies in drawdown as per your pension savings, with the exception of our managed income drawdown options*.

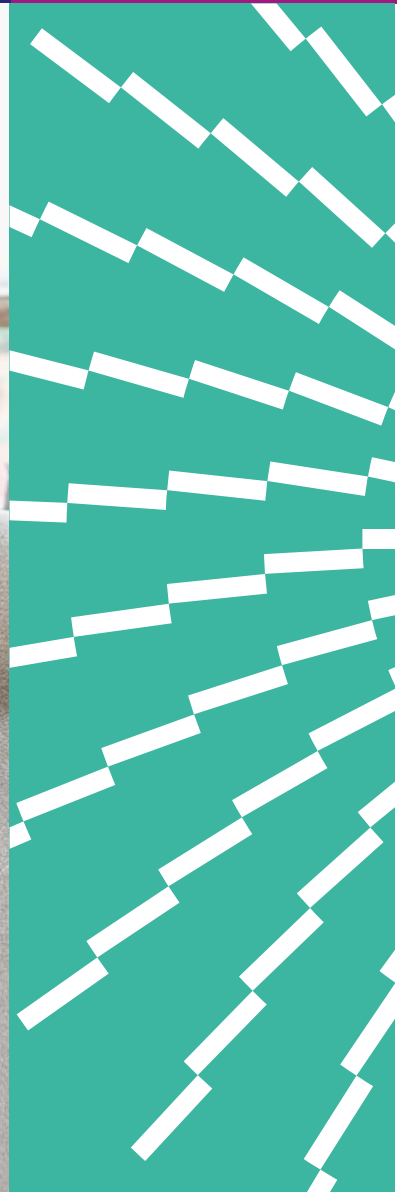
Managing TPT drawdown – Your online pension account

Once you've opted for TPT drawdown, you can manage it in your online account where you can:

- ✓ View the value of your TPT drawdown
- ✓ See payments in and out
- ✓ View payslips, tax certificates and annual statements
- ✓ Manage the investment of your TPT drawdown
- ✓ Take withdrawals
- ✓ Start, stop or change your income
- ✓ Update your beneficiaries

Your online account also offers enhanced support, such as live chat and useful content to guide you. Please check that you are also registered for 'updates' in your communication settings, so we can share educational content with you during your retirement.

*Please note that our managed income drawdown options are charged on an all-inclusive fee basis, rather than a separate fund management and administration.



I About TPT drawdown

Self-managed options (Flexi-access drawdown and Phased drawdown)

Flexi-access drawdown

Unless you choose a different option, your drawdown will be invested in our 'Flexi-access option.

When your pension is designated as drawdown, your investment choice doesn't change. TPT drawdown allows you to remain in your existing choice of pension investment.

Flexi-access enables you to:

- ✓ Self-manage from the investments available
- ✓ Request an income to be paid to you
- ✓ Move to or from any other drawdown option at any time

Your investment choice and income can be changed when you wish, at no charge. Please check the current flexi-access fund range in your online account.

Phased drawdown (tax-free cash as income)

Electing to take your tax-free cash as an income means that for each tax-free payment made to you, 3 x that amount will be moved into flexi-access drawdown, for example £250 cash means that £750 moved to TPT drawdown- flexi-access.

Over time, your TPT drawdown will build up, so it's possible to combine phased drawdown with moving your flexi-access to use the other drawdown options.



Unique 'Managed-for-you' income options (Managed income and Future annuity income)

TPT offers two monthly income paying options – Managed income and Future annuity income. To be eligible to choose these options, the value of the money you're looking to put in drawdown must be at least £22,500.

These Managed-for-you income options aim to give you peace of mind:

- ✓ Continue to have your pension savings managed for you by TPT into retirement
- ✓ Income calculated for you, designed to pay a steady monthly income
- ✓ Annual pay review, with the aim of keeping up with inflation over time.
Note – your investments remain invested so the value of your drawdown will go up and down over time, inflation-linked income cannot be guaranteed every year

You can use our online 'Plan your Future' tool to estimate your income from these options.

Managed income

Designed to pay you a monthly income for your lifetime, to age 95.

Future annuity income

Designed to pay you a monthly income until age 75. You would move the value of your drawdown at age 75 to buy a guaranteed income (annuity).

These options have a single total charge covering both administration and investment. This is different to other options, which have separate investment fund and administration fees. You can find details of charges in the 'pot details' section of your online account.

I About TPT drawdown

Ready-made goal-based options

We also offer two additional drawdown choices with the investments pre-selected by TPT which are intended to support specific goals:

Safety net

This option is intended to be used as an emergency reserve. With this option your drawdown money is invested in lower investment risk, deposit-like investments with the priority being preserving its value.

Being a cash-based investment, it's important to consider that any growth of the money in Safety net may not keep pace with price inflation over time.

Legacy

The Legacy option is intended to be used to build a nest egg to pass on to your chosen beneficiaries. It has a diversified growth investment strategy.

Both our ready-made goal-based options allow you to:

- ✓ Invest for a specific goal where the investment is managed by TPT (rather than self-managed)
- ✓ Dip into to withdraw money at any time
- ✓ Move this money to other drawdown options without tie-in

Regular income is not paid from these options, but you can move money to an income-paying drawdown option at any time.



I About TPT drawdown

Blending of drawdown options

TPT allows you to mix and match the different options available to create your own personal blend to suit your individual needs. In TPT drawdown you can also move between the options as you wish.

Using TPT drawdown – a case study

Member A initially wished to take their tax-free cash and invest the rest until a later date, as they had no need to withdraw the taxable portion of their pension. They took their 25% tax-free cash as a lump sum and designated 75% of their pension into TPT drawdown.

- TPT drawdown (75% of the original pension) would initially continue to be invested the same way as they had before they took their tax-free sum.
- In the future, they decided to move part of their drawdown to 'Managed income' to receive a taxable regular monthly income.
- Their managed income plus their State Pension gave them a steady income to meet their household expenses.
- They decided to move part of their drawdown to 'Safety net' so it was ready for rainy day expenses and not subject to the same level of value movements as their other drawdown.
- The remaining part of their flexi-access drawdown was self-managed with the aim of growing over time



I About TPT drawdown

When can I access TPT drawdown?

The earliest that a pension can be taken is age 55, rising to age 57 from 6 April 2028. Some members have a protected pension age and can apply from age 50. Beneficiary drawdown is available from age 50.

Payment frequency and income tax

It's important to remember that income above the tax threshold (including the State Pension) is taxable, so please take this into account with your financial planning.

HMRC will provide TPT with an income tax code to apply to ad hoc or regular income from TPT drawdown.

- Payday is on the 5th of the month.
 - **Flexi-access income** – you can choose how often you want to receive your payments-monthly, quarterly, six-monthly, or annually
 - Any income changes applied by 17th each month will apply from next month's payment
 - **Managed Income and Future Annuity Income** are paid monthly only, and flexi-access must be paid monthly if combined with these choices.
 - Due to a complex payroll cycle, change applies by 5th each month will apply from the next month's payment
- Tax-free cash as income (phased drawdown) – payday is on the anniversary of the original payment
 - Income changes applied by 17th each month will apply from next month's payment



I About TPT drawdown

Processing timelines

All payment requests are subject to identity and vetting checks before they are paid. Following the successful completion of security checks:

- Standard lump sums can be paid within approximately eight working days of receipt of an application.
- Payment of the first income will depend on the payment cycle (described on the previous page). Your payment commencement letter will provide payment details, and you'll receive a notification to let you know when your payment is on the way.

Important- if you are stopping contributions, we'll need to wait for the final payment from your employer. Contributions are typically received up to three weeks after the month of pay deduction.



All benefit entitlements are subject to regulatory requirements, including:

- Minimum or protected pension age.
- Lump Sum Allowance (LSA) and tax-free cash limits.
- Money Purchase Annual Allowance (MPAA).
- Pension recycling (paying tax-free lump sums into the same or another pension pot to get tax relief)

The earliest retirement age is 55 years (or 50 with protected pension age). From 6 April 2028, the age will increase to 57 years.

If you believe that a different lump sum allowance is available to you, or that your TPT Pension will take you over the LSA, you must complete and upload a Lump Sum Allowance form so we can prepare you a bespoke quotation.

If you're considering reinvesting your tax-free money into a pension, getting financial advice is important. Visit [our website](#) to find out more about financial advice.

Means-tested benefits and debts

Taking money from a pension may affect eligibility for means-tested State benefits. You can find out more about this on the [government's website](#).

If you owe money to a company or person, they can't usually make a claim against your pension if you haven't started taking money from it yet. This also applies to CCJs and IVAs. However, you once you have withdrawn money from your pension, you may be expected to pay any debts.

We'd recommend seeking specialist debt support before accessing your pension if you require assistance in this area. Moneyhelper has free guides on managing debt.

Drawdown management

Once you've chosen and set up drawdown, you can manage it in your online account at: [my.tpt.co.uk](#) including making changes to the level of income you receive, making ad hoc withdrawals, and updating payment details.

No additional fees apply for these services.

Illustrations

We'll keep in touch with you and provide you with illustrations at key times including:

- Initial crystallisation
- First income payment
- Anniversary of crystallisation

Transfers of other pensions

TPT doesn't currently offer transfer-in of drawdown, so you won't be able to top up your TPT drawdown at a future date, if all your TPT pension is designated to drawdown.

However, you can choose to combine and consolidate other pension pots before you retire with TPT. See your online account's 'other pots' area to find and combine other pensions.

You can also choose to transfer out at any time. You would be required to transfer out all of the value of any TPT drawdown account as partial transfers of drawdown are not permitted.

TPT offers various sources of retirement-related guidance, including:

- Retirement explorer – options guidance
- Plan your future – pension income estimator
- Boost your savings – future value projection tool

We strongly recommend that you seek guidance from Pension Wise prior to applying for your TPT pension. The Pension Wise service is available to anyone age over 50. During your appointment they'll explain the options to take money from your defined contribution pension pots and the tax you might pay. You can find out more on the [Pension Wise website](#).

Financial advice

When it comes to making a big decision or understanding your options, it can help to discuss your pension with a financial adviser. A financial adviser can help you feel more in control of your retirement plans and help you make the right choices.

TPT can't give financial advice. However, as a TPT member, you can get financial advice through our carefully selected partner, Origen Financial Services for a discounted fee.

You can find out more about financial advice on our [website](#).

Death in retirement

It's important to provide us with details of your nominated beneficiaries. If you die, we'll freeze your accounts and stop any future payments and we'll look to pay the remaining value in your drawdown account to your chosen beneficiaries.

Death benefits and unused pensions are not currently included as part of your estate for calculating Inheritance tax. A change announced in the Autumn 2024 budget means that these could be liable for Inheritance tax from April 2027.

TPT drawdown is also available for beneficiaries aged 50 and older. The same services, options, income, and investment choices apply.

This document aims to provide clarity and support for your retirement planning. It is not intended as advice. TPT scheme rules will take precedence.

Please note that the Origen Financial Advice Service is independent of TPT. TPT is not responsible for the service or the advice given.

I TPT contact details

The team at TPT are here to help you at every stage of your savings journey. We're available Monday to Friday from 8.30am to 5.30pm.

Contact us by telephone, email or post



0345 072 6780



Sign in to my.tpt.co.uk and choose 'Get in touch' to send messages and documents to us securely. You can also chat to us online during our opening hours.



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