Comparing retirement options

tpt Retirement Solutions

We thought you might like to see all your retirement options in a single table. You can download or print to use in any conversations with Pension Wise or financial advisor. A mix-and-match approach to blend these options is also available.

Your TPT pension is flexible and can support you whatever shape your 'retirement' takes. In our view, the most important first step is to work out your own needs and goals for this stage of your life. Then, explore how we can help you achieve these goals.

Other providers may also offer different options with different features and benefits. Please shop around for what is best for you and seek additional guidance or financial advice.

	Take all your money in one go	Money in chunks, a bit at a time	Annuity	TPT drawdown account, managed income and future annuity income	TPT drawdown account, flexi-access	Tax-free cash as income
Features	• Take all your money as a single cash lump sum.	• One-off withdrawals on request with no charge.	• Regular guaranteed income with options for increases, minimum payment periods and dependants' pensions.	• Regular income for the life of the plan, which varies depending on the investment performance of the account. • Investment managed for you. • One-off withdrawals with no charge.	• Regular income at the rate of your choice. How long it is payable, depends on the amount chosen investment performance of your account; Or • One-off withdrawals on request. • You choose your investments, except for money placed in legacy or safety net accounts.	• Regular income from the tax-free cash part of pension pot only, at the rate of your choice. • How long it is payable depends on the amount chosen and the investment performance of your account.
Tax	• 25% tax-free, 75% taxed as income.	• 25% tax-free, 75% taxed as income on each withdrawal.	• Up to 25% tax-free cash up front. • You use the rest to buy an annuity. • Your annuity income is taxable when you take it.	• Up to 25% tax-free cash up front. • The rest goes into a TPT drawdown account. • Income from your drawdown account is taxable when you take it.	• 25% tax-free cash up front. • The rest goes into a TPT drawdown account • Income from your drawdown account is taxable when you take it.	• You take some or all of your 25% tax-free cash as income. • Your taxable pension savings go into a TPT drawdown account. • Income from your drawdown account is taxable when you take it.

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Minimum amount needed?	• No minimum (small pot if less than £10k)	• No minimum	• No minimum	• Yes, minimum £30,000 of pension savings, before taking tax-free cash	• No minimum	• No minimum
Security	• You should have a financial plan for the use of your pension.	• You should have a financial plan for the use of your chunk of pension withdrawal • Your remaining pension pot stays invested, so the value can go down as well as up.	• If you use your pension savings to buy an annuity, your annuity provider will pay you a guaranteed income for the rest of your life, or for a fixed term. • An annuity offers you maximum security for your retirement.	• TPT carefully manages your money with the aim of providing a regular income for a person's average lifetime. • Your money is invested in market funds, so its value can go up over time, but may also go down. • This could mean that we'd need to reduce your monthly payments to make sure your money lasts.	• Your money is invested in market funds, so its value can go up over time, but may also go down. • You'd need to pay close attention to how much money you withdraw and how your investments are performing, so your money lasts as long as you need it to.	• You should have a financial plan for your tax-free cash • Your drawdown and remaining pension pot stays invested. • You need to pay close attention to how much money you withdraw and how your investment are performing, so your tax free cash lasts as long as you need it to.
Flexibility	• You decide where to invest or spend your pension when it's withdrawn.	• No minimum size per chunk.	• Buying an annuity is an irreversible decision. The monthly income you receive will be fixed and agreed at the start. This doesn't mean you'll receive the same amount every month, as you can choose an index-linked, increasing or decreasing annuity where the amounts will vary as you get older. However, once selected, this can't be changed,-	• You can make one-off withdrawals from your drawdown account, in addition to your monthly income. This would reduce the amount of your monthly payments though, as there's be less money to see you through to the end of your plan. • If your circumstances change and you decide you want to stop your-	• With flexi-access, you have full control over your investments and income. • You manage your own investments and decide how often you receive your income, and how often (paid monthly if combined with managed income or future annuity income). • You don't need to take income monthly-	• You decide how often you receive your income, and how often. • You don't need to take income monthly- you can choose to take it quarterly, every six months or annually, and you're free to change the timing or amounts at any time.

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			and you’re also not able to stop your payments.	monthly income, invest your money differently or take an annuity at some point in the future, then you are free to do so.	you can choose to take it quarterly, every six months or annually, and you’re free to change the timings or amounts at any time. • You can make one-off withdrawals too. • If your circumstances change and you decide you want to stop your regular income, invest it differently or even take an annuity at some point in the future, then you are free to do so.	
Inflation proofed?	• Depends on how you use your pot.	• No, but the remaining pension pot can be invested to grow.	• There are different types of annuity available, including an index-linked annuity that’s guaranteed to increase each year in line with inflation, so your spending power keeps pace with the cost of living. These types of annuity typically offer you lower initial monthly income than those that aren’t inflation linked.	• The aim is to increase your monthly income once a year to keep pace with inflation. However, this can’t be guaranteed.	• Drawdown can be invested to grow.	• No, but drawdown and the remaining pension pot can be invested to grow.
Money purchase annual allowance (MPAA) triggered?	• Yes (unless small pot rule under £10k).	• Yes.	• No.	• Yes, MPAA is triggered when you take your first income payment.	• MPAA might be triggered when you take your first income payment.	• Not straight away, MPAA only triggered if you take money from drawdown.

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What happens when you die *Under proposed tax changes, from 6 April 2027 unused pension savings will no longer be exempt from inheritance tax.*	• Subject to inheritance tax outside of a pension scheme.	• Any money remaining in your pension pot will be available for your beneficiaries.	• Your annuity payments stop and there's no money remaining for your beneficiaries unless you choose a guaranteed minimum payment period. You can also choose a joint annuity that provides income for a spouse or beneficiary after you die, in which case you'd generally receive a lower monthly income.	• Any money remaining in your drawdown account will generally be available for your beneficiaries.	• Any money remaining in your drawdown account will generally be available for your beneficiaries.	• Any money remaining in your pension pot or drawdown account will generally be available for your beneficiaries.
Fees (pension)	• Pension has been withdrawn, depends how it's used.	• Your remaining pension pot is unchanged.	• Shop around for the best terms from the annuity provider (insurance company).	• Managed income and Future annuity income fees are inclusive of both investment and administration at 0.50% fund charge / 0.53% total expense ratio.	• The same investment choice and charges apply as your existing pension savings. • Fund charges for additional choices- Safety net is 0.08% and Legacy is 0.26%.	• The same investment choice and charges apply as your existing pension savings. • Fund charges for additional choices- Safety net is 0.08% and Legacy is 0.26%.