

Q1. When can I go into Capped Drawdown?

A1. You can commence Capped Drawdown at any time from your 55th birthday.

Q2. How do I start Capped Drawdown with Yorsipp?

A2. Request a Yorsipp Benefit Payment Form and discuss your options with your financial adviser.

Q3. How much PCLS can I receive from my SIPP?

A3. The maximum amount of pension commencement lump sum (formerly known as TFC) that can be taken from a SIPP is 25% of the value of the plan on the date the request is made. It is possible for members to protect any entitlement to more than 25% pension commencement lump sum they had before A-Day.

Q4. If I crystallise all of my SIPP must I take my full PCLS at the same time?

A4. If you do not take your total PCLS with 12 months from the date of full crystallisation you will lose the right to do so and a tax charge may apply.

Q5. How is my Capped Drawdown calculated?

A5. The income that can be taken from a Capped Drawdown arrangement can be varied each year between a minimum and a maximum. The minimum is £0 and the maximum is 100 per cent of a pension calculated according to tables produced by the Government Actuaries Department (GAD). These tables are based on the amount your fund would buy as an annuity based on your life only and with no allowance for any future increase. The maximum amount needs to be recalculated every 3 years until age 75, then annually thereafter. Please contact your financial adviser for further information.

Q6. How much income can I receive?

A6. Please contact Yorsipp or your financial adviser in order to request a Capped Drawdown quote.

Q7. How often is my Income reviewed?

A7. Your maximum income will be reviewed every three years on your income plan anniversary date until age 75, then annually thereafter. Please note that on each review it can not be guaranteed that your Maximum Income amount will increase. It will be reviewed based on your crystallised SIPP value, your age and the GAD rates at the time of the review.

Q8. Do I have to move all of my funds into Capped Drawdown at the same time?

A8. No. Your SIPP is split into 1000 segments. This allows some segments to be crystallised in order to draw income drawdown and leave some active in order to invest more funds into your SIPP.

Q9. Can I transfer other Income Drawdown plans into my SIPP with Yorsipp?

A9. Yes. Yorsipp can accept transfer's of existing crystallised funds into your existing SIPP.

Q10. Can my existing Income Drawdown be combined?

A10. Once in drawdown with Yorsipp you can only transfer in another plan that is also in drawdown with its existing provider. Once the plan is received by Yorsipp the Income amounts will be combined.

Q11. Can I make additional contributions/transfers to my SIPP after income drawdown has started?

A11. If your SIPP with Yorsipp is in full income drawdown then NO further Contributions/Uncrystallised Transfers can be made to your SIPP.

Q12. Can I alter the level and frequency of my income payments?

A12. You can alter the frequency and level of your income payments by sending a signed instruction to Yorsipp - this can be faxed to 0141 762 1862. Please note you can only alter your income within your maximum GAD limits.

Q13. How will any income be taxed?

A13. Income drawdown payments are subject to PAYE. Yorsipp will receive your tax code on your P45 from your previous employer or request notification from HMRC. Until this is received Yorsipp will use the basic rate tax code.

Q14. What happens if there is insufficient cash to cover any income payments?

A14. You/ Financial Adviser are responsible for ensuring there is always sufficient cash in your SIPP account available for income payments. Any investments which need to be sold in order to ensure this should be sold in time for the funds to be received before your next income payment is due. For income drawdown, no payment will be made if there is insufficient cash in your SIPP bank account.

JARGON BUSTER

SIPP Self Invested Personal Pension

TFC Tax Free Cash now known as **PCLS**

PCLS Pension Commencement Lump Sum. A one-off sum of money that you can take from the pension fund. HMRC rules allow you to take up to 25% of your pension fund.

GAD The Government's Actuary Department - responsible for setting some rules for pensions and life assurance scheme. Publish the GAD rates for income calculations.

HMRC HM Revenue & Customs - responsible for collecting taxes and paying tax credits.

PAYE Pay-As-You-Earn - where your employer takes income tax off your salary or wages before you get it, and pays it direct to the Inland Revenue on your behalf.