

Protected tax-free cash with trivial lump sum

Payment instruction

Why do I need to fill in this form?

This form instructs us to pay a **protected tax-free cash** lump sum and the remaining funds under your plan to you as a trivial lump sum (the 'trivial lump sum'). You must meet the conditions on page 2 for us to make the payment.



This form should take about 20 minutes to complete and you'll have to complete six sections. Words in **bold** are described in more detail in the definitions section at the end of this form.

You should complete this form if...

- you'd like to take a **protected tax-free cash** lump sum and the remaining funds under your **plan** as a trivial lump sum;
- you're a member of a **non-occupational pension scheme** or have a policy assigned to you from an occupational pension scheme; and
- you've received a quote from us in the last 12 months telling you the:
 - retirement options available to you
 - current cash-in/surrender value of your plan
 - amount of tax payable.

Before completing this instruction, please read the conditions on page 2 to make sure you're eligible for this option.

You shouldn't complete this form if...

- you've not fully explored the retirement options available to you;
- you won't have any lump sum allowance remaining after the payment of your **protected tax-free cash**;
- you're planning on taking guidance and/or regulated advice and haven't received this yet, or
- you don't meet the conditions on page 2.

If your personal circumstances mean you need any additional support, or if you'd like a large print, Braille or audio version of this document, please visit [aegon.co.uk/additionalsupport](https://www.aegon.co.uk/additionalsupport) or call us on 03456 10 00 10 (call charges will vary).

Trivial lump sum conditions

We've not covered the lump sum allowance, lump sum and death benefit allowance, and the various protections that could apply in detail in this form, but you can find out more at [gov.uk/tax-on-your-private-pension](https://www.gov.uk/tax-on-your-private-pension)

If, after the payment of your **protected tax-free cash** lump sum, the cash-in/surrender value of the plan is no more than £10,000, this can be paid to you as a trivial lump sum, provided the following conditions are met.

- You must have reached the normal minimum pension age, currently 55 (increasing to 57 on 6 April 2028) (or your protected pension age, if you have one) or meet the **ill-health condition**.
- The payment extinguishes your entitlement to benefits under the **scheme** (with the exception of any pension in payment before 6 April 2006).
- At the time the trivial lump sum is paid (after payment of the **protected tax-free cash** lump sum), you have lump sum allowance available.
- The trivial lump sum is paid in connection with the **protected tax-free cash** lump sum payment and is paid no later than one month after payment of the **protected tax-free cash** lump sum.
- Between the payment of the **protected tax-free cash** lump sum and the payment of the trivial lump sum:
 - no contributions have been made to the **scheme** in respect of you;
 - no recognised transfer has been made into or out of the **scheme** in respect of you, and
 - no annuity or scheme pension has been purchased by sums and assets held by the **scheme** for your benefit.

Tax

The trivial lump sum is chargeable to income tax at your marginal rate, however, we'll have to tax this at UK basic rate tax under PAYE. If your **protected tax-free cash** exceeds your available lump sum and death benefit allowance, any excess will be subject to income tax at your marginal rate.

After the end of the tax year HM Revenue & Customs (HMRC) will check whether you've paid the correct amount of tax, and if not they'll contact you. However, if you think you've paid too much you can ask HMRC for a tax refund now.

If you complete this form you're confirming that you're eligible to have the remaining funds under your plan (after the payment of the **protected tax-free cash** lump sum) paid as a trivial lump sum.

The value we'll use to calculate the **protected tax-free cash** lump sum and trivial lump sum will be the cash-in/surrender value of your pension fund on the second business day following the date we receive all the necessary documents from you to process your instruction, less any tax we have to deduct.

This information is based on our understanding of current taxation law and HMRC practice, which may change.

The amount of tax you pay will depend on your individual circumstances.

Guidance or regulated advice

We strongly recommend you take guidance from Pension Wise. The purpose of this guidance is to help you make an informed decision about your pension savings and the different options available to you.

Pension Wise, a service from MoneyHelper, is a free and impartial government service offering guidance about your retirement options. Appointments with an independent pension specialist are available by phone or face-to-face.

If you'd like us to book you an appointment with Pension Wise, please call 03456 10 00 10 or you can book one yourself at moneyhelper.org.uk/pensionwise or by calling 0800 138 3944.

We also recommend you seek regulated advice from a financial adviser. There will be a cost for this service. If you don't have a financial adviser, you can visit moneyhelper.org.uk/choosing-a-financial-adviser to find the right one for you.

If you want to take guidance from Pension Wise and/or regulated advice from a financial adviser, you need to have had this guidance and/or advice before you can complete this form. If you don't want to use Pension Wise, you need to opt-out of this service in Section 5 'About the risks'.

If you've already received guidance or regulated advice, you may want to do this again if there's been any significant change to your pension fund or personal circumstances.

How to complete this form

- In BLOCK CAPITALS using a ballpoint pen.
- Check which documents you must send with your form to prove your identity on page 7.
- Find definitions for **highlighted** terms on page 12.



**Return your completed form
and identity documentation to:**

Freepost RUCB-LJKR-HHBU
Aegon
SUNDERLAND
SR43 4DU



About me



Lump sum allowance and lump sum and death benefit allowance



Bank details



Required documents



About the risks



Declaration

1. About me

Title Mr / Mrs / Miss / Ms / Other - please specify

Full forename(s)

Surname

Home phone number

National Insurance number

Mobile phone number

Scheme name

 (the '**Scheme**')

Email address

Plan number

Date of birth (dd/mm/yyyy)

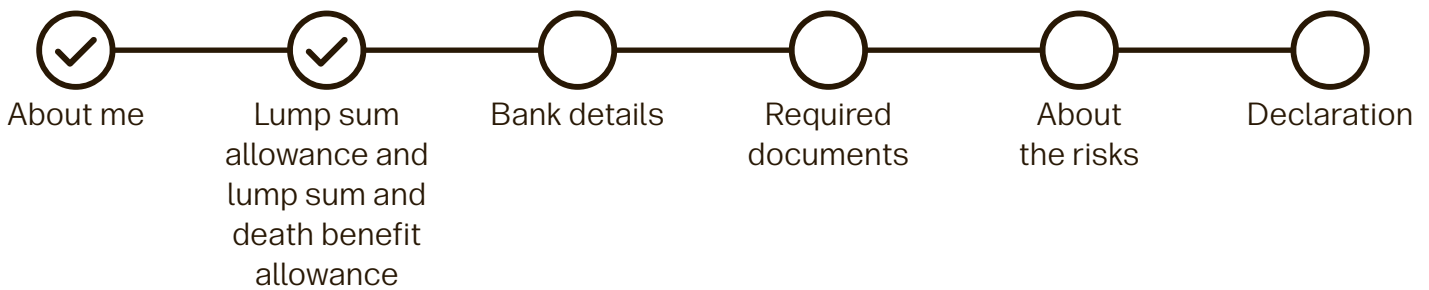
We'll only use your phone number and email address to contact you about your plan.

Do you have or do you intend to apply for a Transitional tax-free amount certificate?

No

Yes

Please send us the certificate along with this form. We can't process your lump sum request until we receive it.



2. Lump sum allowance and lump sum and death benefit allowance

Under HMRC rules, we need to check how much of your allowances remain and, if necessary, deduct income tax from a payment where an allowance is exceeded. To do this we need to know about any benefits you have taken.

2.1 If you've registered for protection with HMRC, please tell us which type of protection below and where relevant provide us with a copy of your protection certificate. If you haven't received a certificate, please provide the reference number you were given by HMRC .

- Enhanced protection
- Fixed protection. Please tick the relevant box below:
 - 2012 2014 2016
- Individual protection. Please tick the relevant year and give the relevant amount below:
 - 2014 2016 £
- Primary protection
- Enhancement to your lump sum allowance and lump sum and death benefit allowance, for example, for a pension credit following a divorce or as a result of a transfer in from a **recognised overseas pension scheme**.

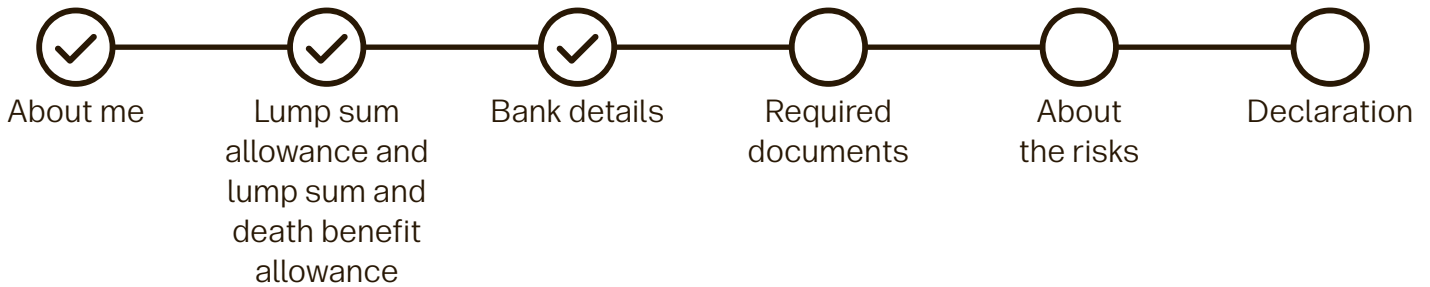
2.2 Is the value of your **protected tax-free cash** lump sum together with the tax free amount of any other lump sums you're planning to take (with Aegon or other providers) equal to or less than your remaining lump sum and death benefit allowance?

How much of your lump sum and death benefit allowance is remaining will depend on any other lump sums previously taken on or after 6 April 2024 or any lifetime allowance you used before 6 April 2024 (taking into account any pension or income drawdown in payment on 5 April 2006).

For more information please visit [gov.uk/tax-on-your-private-pension](https://www.gov.uk/tax-on-your-private-pension)

- Yes
- No, complete our lump sum allowances form and attach it with this instruction. You can find this by visiting [aegon.co.uk/se-customer-library](https://www.aegon.co.uk/se-customer-library) and searching under Forms.

Reference number (if applicable)



3. Bank details

Please give us your bank details that you'd like us to pay the **protected tax-free cash** lump sum and trivial lump sum to. It must be a personal account in your name or one where you're a joint account holder.

Bank/Building society name

Address

Postcode


Sort code

-

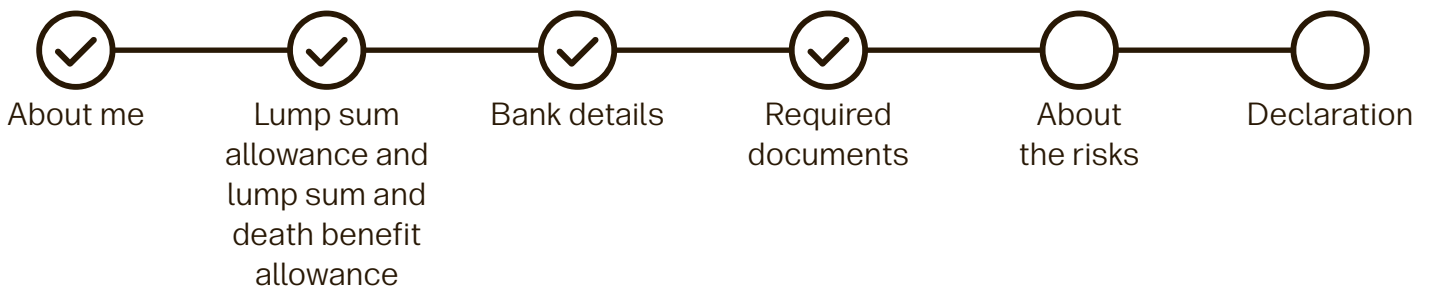
Account number

Name of account holder

Building society roll number (if applicable)

 We can only pay benefits directly to a UK bank or building society. If you're unable to set up a UK bank or building society account, please contact us.

Attach a **certified copy** of your bank statement for this account. **See page 8** for more information.



4. Required documents

We must confirm your identity when you take your pension benefits - **we can't process your payment instruction without doing this**. That's why we ask you to send us certain documents.

! Please send us certified copies of your documents not originals.

We require two items to confirm your identity. Please tick the documents that you're sending us.

- A postal bank statement or a bank statement obtained from your branch for the account we're paying benefits to. The bank statement must show your home address and have been received in the last three months. (The postal statement must have been sent to your home address. The bank statement obtained from your branch must show it was printed or stamped in branch.)



One of the following items (please tick your choice)

- | | |
|---|--|
| <input type="checkbox"/> Current passport | <input type="checkbox"/> National identity card |
| <input type="checkbox"/> Current photo card driving licence (full or provisional) | <input type="checkbox"/> Identity card issued by the Electoral Office for Northern Ireland |

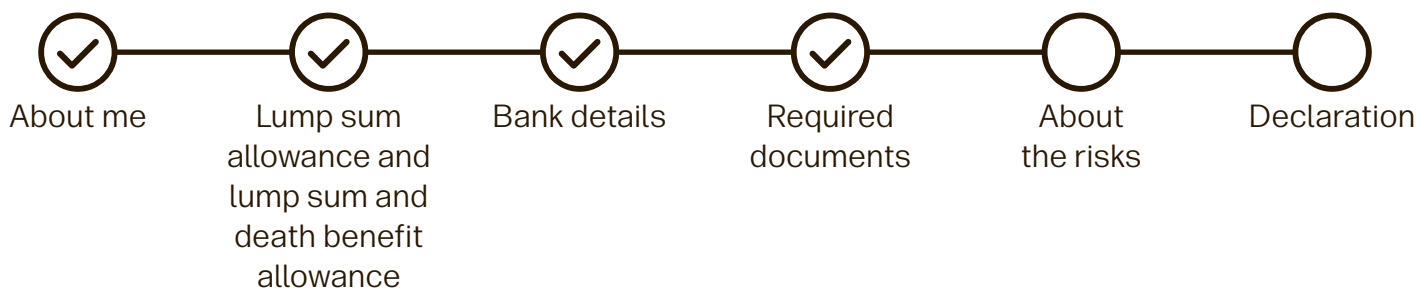
If you can't provide one of the four items shown in the box above, then we require one document from list A and one from list B.

List A (tick one)

- Current (old pre-photo card style) full UK driving licence
- Proof of benefit entitlement in the last three months
- HMRC tax notification quoting National Insurance number sent to your home address in the last three months

List B (tick one)

- Current council tax demand letter or statement (valid for the current tax year)
- Credit card statement received in the last three months
- Mortgage statement received in the last 12 months
- Local authority rent card or tenancy agreement received in the last three months



4. Required documents - continued

Who can certify a document and how do they do it?

Copies of documents can be certified by one of the following people:

- solicitors
- doctors/dentists
- ministers of religion
- social workers
- teachers
- Post Office official (through the Post Office's certification service)
- accountants
- bank/building society employees
- barristers/solicitors/paralegals
- councillors
- FCA regulated financial advisers
- justice of the peace
- serving police officer
- member of Parliament

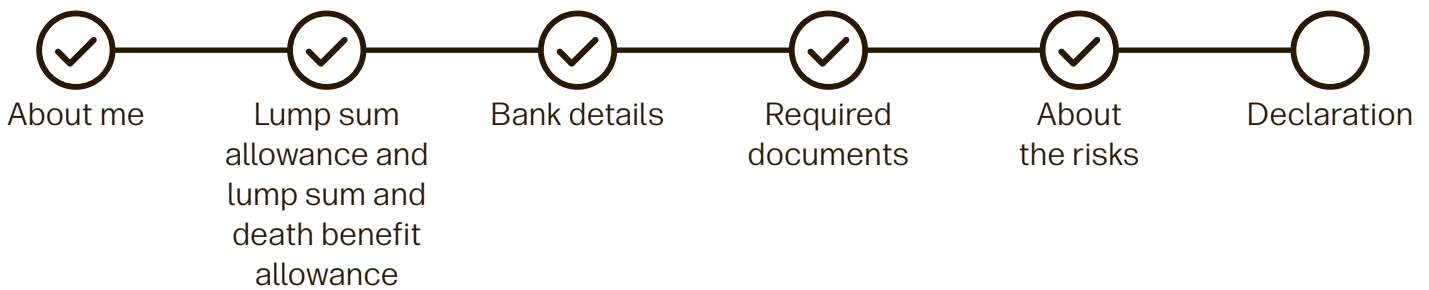
The person certifying your document should write the following on the copy document:

- their name in block capitals;
- the name of the company they work for and their occupation;
- their contact telephone number;
- their signature and date; and
- for documents with a photo, the following statement:

'I certify this to be a true likeness of 'individual's name' and that this document is certified to be a true copy of the original seen by me.'

For documents without a photo, the following statement: 'I certify this to be a true copy of the original seen by me.'





5. About the risks

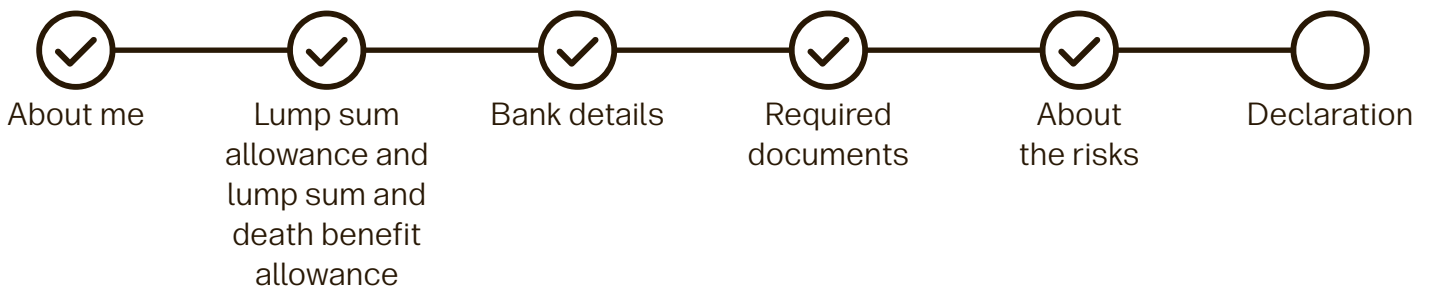
! We can't progress your claim unless this section is completed.

Before you make a decision about taking your benefits, it's important to understand the main risks related to withdrawing money from your pension pot. You can also visit '**Your retirement planner**' where you'll get tailored risk warnings specific to you by answering the questions on the 'Make it happen' section.

If you want to take guidance from Pension Wise and/or regulated advice from a financial adviser, you need to have had this guidance and/or advice before we can progress your claim.

- 5.1** Have you received guidance from Pension Wise?
- Yes - go to 5.2
- No - if you don't want to use Pension Wise you need to opt-out below:
- Please tick this box if you want to opt-out of taking guidance from Pension Wise.
- !** There's a risk you may choose an option that doesn't suit your needs. Accessing your pension savings is an important decision and we would always recommend that you seek guidance.
- 5.2** Have you received advice from an adviser?
- Yes No
- !** We recommend that you seek advice from a financial adviser if you aren't sure if this is the right option for you.

- 5.3** Are you aware that taking your pension fund as a lump sum will use up all the benefits under your plan and you won't get any further payments from it?
- Yes No
- !** Taking a full lump sum from your pension plan means that no further benefits can be paid from it at a later date when you may require it. You should consider the impact this could have on your retirement plans.
- 5.4** Are you aware that any guarantees attached to your existing plan would be lost?
- Yes No
- !** There's a risk that you'll lose your right to any guarantee which may reduce the level of income you receive in retirement. You should make sure that you understand the conditions of any guarantee before making a decision.



5. About the risks – continued

5.5 Are you aware that you'll pay tax if you take a lump sum from your pension savings and this may take you into a higher tax bracket?

Yes No

! There's a risk that after tax is deducted you may not get as much as you were expecting. The amount you withdraw and any other income that you receive may result in you paying higher rate tax or even owing additional tax.

5.6 Are you confident that withdrawing money out of your pension pot will still let you have your desired lifestyle in retirement?

Yes No

! There's a risk you may run out of money, so you must make sure that you invest wisely or budget effectively. You should also consider any state pension you may be entitled to - you can find details of this at [gov.uk/new-state-pension](https://www.gov.uk/new-state-pension)

5.7 Are you aware of the impact withdrawing money from your pension plan may have on any outstanding debts?

Yes No

! If you owe money there's a risk that your lender may be entitled to your pension savings when you take it as income.

5.8 Are you aware that pension scams are on the increase following the pension freedoms?

Yes No

! Your pension is likely to be one of your most valuable assets. Like anything valuable, your pension can become the target for illegal activities, scams or offers of inappropriate and high risk investments. Find out more about the steps you can take to protect yourself from pension and investment scams and how to avoid them - visit: [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart) and [pension-scams.com](https://www.pension-scams.com)

5.9 Are you aware that taking cash from your pension pot may impact means tested benefits?

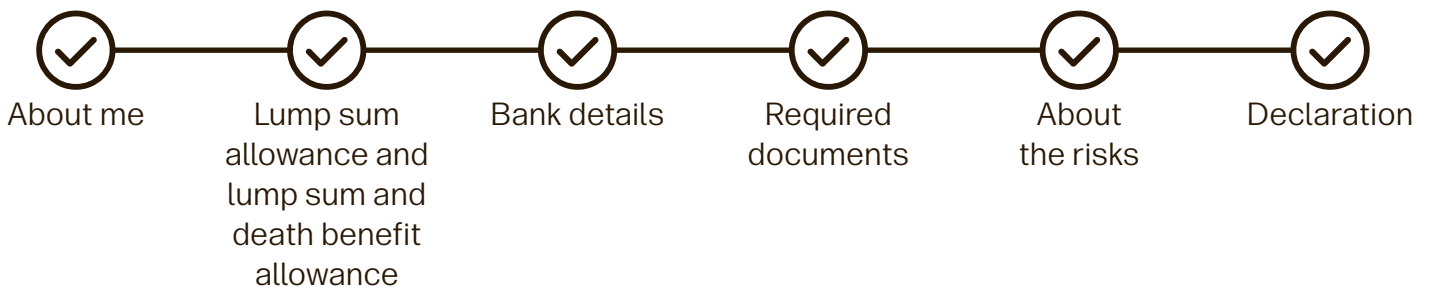
Yes No

! There's a risk that taking your income may result in the loss of any means tested benefits you currently receive or may be eligible for at some point in the future.

5.10 Have you investigated fully any charges associated with any planned investment?

Yes No

! There's a risk that any charges payable on future investments may be more than those you're currently paying on your pension savings.



6. Declaration

In this declaration 'I' means the individual named in section 1 and 'you' means Scottish Equitable plc as Scheme Administrator of the Scottish Equitable Personal Pension Scheme, the Scottish Equitable Self-administered Personal Pension Scheme, the Scottish Equitable Stakeholder Pension Scheme, a section 32 Buyout policy, a Trustee Proposed section 32 Buyout policy and a policy assigned to an individual from an occupational pension scheme.

- 6.1 I instruct you to pay the **protected tax-free cash** lump sum under the plan to me.
- 6.2 I instruct you to pay the remaining funds under the plan, less tax, to me as a trivial lump sum.
- 6.3 At the time of the payment, I'll have reached the normal minimum pension age, currently 55 (or my protected pension age, if I have one) or the **ill-health condition** is met.
- 6.4 I agree that, if for any reason, there's an increase in the income tax that's payable as a result of incorrect information I've provided, which you are liable to pay, that I'll be responsible for and liable to pay you, a sum equal to the amount of income tax payable together with interest and penalties charged by HMRC and any interest charged by you.
- 6.5 I declare that I or any person acting on my behalf won't use any of the **protected tax-free cash** lump sum that I receive from the plan in a way that would breach the **recycling rule**. However, I agree that, in the event of any arrangement or action by me, or any other person, which constitutes

or results in such a breach, I'll be liable to pay to the scheme administrator a sum equal to the amount of any penalties, tax charges and interest charged by HMRC.

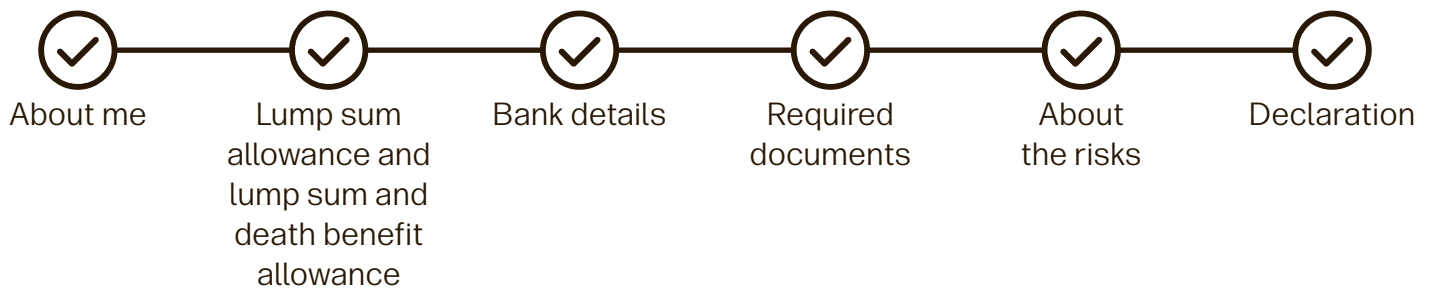
6.6 Lump sum allowance and lump sum and death benefit allowance declaration

This declaration applies to me if I answered 'yes' to question 2.2 in Section 2 to confirm that I have sufficient lump sum and death benefit allowance to cover my **protected tax-free cash** lump sum.

- a I declare that after the payment of the **protected tax-free cash** lump sum, I'll have some lump sum allowance remaining and acknowledge that I cannot complete this form if I will not have some lump sum allowance left after payment of the **protected tax free cash** lump sum.
- b I declare that I have sufficient lump sum and death benefit allowance remaining to take my **protected tax-free cash** lump sum, which will be calculated by deducting the full value of the **protected tax-free cash** lump sum from the remaining value of my lump sum and death benefit allowance. If that isn't the case, I'll inform you immediately, in writing.
- c I agree that you'll rely on the declaration I've given in **a** and **b** above.

Date (dd/mm/yyyy)

Planholder signature



6. Declaration - continued

Before returning this form to us, please check:

You've included the required certified copies of documents.
You've completed all of section 5 and accepted the risk warnings.
You've signed and dated the Declaration above.

! We can't process your instruction until you've met these requirements

7. Definitions

We've not covered the lump sum allowance, lump sum and death benefit allowance, and the various protections that could apply in detail in this form, but you can find out more at [gov.uk/tax-on-your-private-pension](https://www.gov.uk/tax-on-your-private-pension)

Crystallised funds – these are pension funds that have been used to provide benefits under a pension plan.

Ill-health condition – the ill-health condition is met if we have received satisfactory medical evidence from a registered medical practitioner that you are (and will continue to be) incapable of carrying on your occupation because of physical or mental impairment, and you have in fact stopped carrying on that occupation.

Non-occupational pension scheme – is a contract-based pension scheme, such as a:

- Personal Pension;
- Group Personal Pension;
- Self-invested personal pension;
- Group Self-invested Personal Pension;
- Stakeholder pension;
- Group Stakeholder pension;
- Section 32 buyout;
- Trustee proposed section 32 buyout (without a guaranteed minimum pension), or
- a policy assigned to an individual from an occupational pension scheme.

Protected tax-free cash – some individuals will have had lump sum rights to more than 25% of their uncrystallised pension rights under an occupational pension scheme or annuity purchased from an occupational scheme on 5 April 2006. Where you have a right to a lump sum of more than 25% of your uncrystallised fund the lump sum is generally known as protected tax-free cash.

Trivial lump sum – taking all of your pension as a one-off lump sum.

Recognised overseas pension scheme – a pension scheme which is established in a country or territory listed in the Pension Schemes (Categories of Country and Requirements for Overseas Pension Schemes and Recognised Overseas Pension Schemes) Regulations 2006. An overseas pension scheme if it's of a description prescribed in those regulations, or if it satisfies any requirement in those regulations.

Recycling rule – is a rule in the Finance Act 2004 designed to stop people using all or part of a lump sum as a direct or indirect way of paying significantly greater pension contributions.

Registered pension scheme – is a pension scheme that is registered with HMRC under Chapter 2 Part 4 of the Finance Act 2004.

Scheme – the scheme will be one of the following (as applicable):

- The Scottish Equitable Personal Pension Scheme;
- The Scottish Equitable Self-administered Personal Pension Scheme;
- The Scottish Equitable Stakeholder Pension Scheme;
- A section 32 Buyout policy, or
- Trustee Proposed section 32 Buyout policy (without a guaranteed minimum pension).

If you have any questions, call us on 03456 100 010 or go online at aegon.co.uk/onlineform

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