

For customers

Tax-free cash payment instruction

Why do I need to fill in this form?

This form instructs us to pay tax-free cash or a stand-alone 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 seven 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 have one of the following policies:
 - Section 32 Buyout policy;
 - Group Buyout policy;
 - Trustee Proposed Section 32 Buyout policy, or
 - policy assigned to you from your **occupational pension scheme**, and
- you're asking us to pay tax-free cash where the guaranteed minimum pension (GMP) is being paid as a **trivial commutation lump sum** and you want to take tax-free cash from the remaining pension fund, or
- you're entitled to a stand-alone lump sum.

Where you take tax-free cash or a stand-alone lump sum, any guaranteed annuity rates under the policy would be lost. For more information please speak to a financial adviser.

You shouldn't complete this form if...

- taking tax-free cash or a stand-alone lump sum would take you over your available lump sum and death benefit allowance, or
- you don't meet the conditions on page 2 and 3, or
- you're planning on taking guidance and/or regulated advice and haven't received this yet.

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 or call 03456 10 00 10 (call charges will vary).

Conditions for taking a lump sum

1. Where you had GMP paid as a **trivial commutation lump sum**, and you have enough tax-free cash entitlement to take the rest of your pension fund as tax-free cash.

HM Revenue & Customs (HMRC) requires an associated **relevant pension** to be paid in connection with the tax-free cash (where it isn't a stand-alone lump sum).

To meet this requirement we'll keep £1 of your pension fund value and designate it into drawdown. We'll then deduct an administration fee of £1 for the drawdown policy which will leave a nil value in the drawdown policy. As your drawdown policy will end immediately after we've deducted the fee, we'll not send you any policy documents for it.

2. Where you have an entitlement to a stand-alone lump sum.

- 2.1 Where the stand-alone lump sum is scheme specific.

You must meet all of the following conditions:

- if you had retired on 5 April 2006, all your benefits, under approved occupational pension schemes relating to that employment, could have been paid as tax-free cash;
- the permitted maximum stand-alone lump sum is the lesser of the value that could have been paid tax free on 5 April 2023 minus the value of any stand-alone lump sums and pension commencement lump sum paid after that date, and your remaining lump sum and death benefit allowance. Any excess over this can still be paid as a stand-alone lump sum, but the excess will be taxed as pension income. The lump sum allowance will be reduced by 25% of the whole lump sum and the lump sum and death benefit allowance will be reduced by the full tax-free amount;

- there has been no relevant benefit accrual for you under the scheme on or after 6 April 2006. For a money purchase scheme, this means that no contributions have been paid on or after 6 April 2006;
- 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 the **ill-health condition** is met, and
- all uncrystallised benefits under the scheme must come into payment at the same time.

- 2.2 Where you have registered tax-free cash of more than £375,000 and primary protection.

With this registered tax-free cash, a monetary amount of tax-free cash is protected across all pension schemes you are a member of. You can choose the amount of tax-free cash you want to take from each scheme as long as it is within that amount. You can take all benefits under a pension scheme as tax-free cash where you meet the following conditions:

- the permitted maximum stand-alone lump sum is the lesser of the value that could have been paid tax free on 5 April 2023 minus the value of any stand-alone lump sums and pension commencement lump sum paid after that date, and your remaining lump sum and death benefit allowance. Any excess over this can still be paid as a stand-alone lump sum, but the excess will be taxed as pension income;
- you must have reached the normal minimum pension age, currently 55 (or your protected pension age if you have one) or the **ill-health condition** is met, and
- all uncrystallised benefits under the scheme must come into payment at the same time.

If you have registered tax-free cash in association with primary protection, taking a stand-alone lump sum will trigger the **money purchase annual allowance** (if you've not already done so).

The maximum tax-free stand-alone lump sum is limited to the lower of:

- your available lump sum and death benefit allowance immediately before becoming entitled to the stand-alone lump sum, and
- the maximum tax-free stand-alone lump sum that you could have been paid on 5 April 2023.

The lump sum allowance and lump sum and death benefit allowance will be reduced by the tax-free part of the stand-alone lump sum. Any excess over the lump sum death benefit allowance can still be paid as a stand-alone lump sum, but the excess will be taxed as pension income.

2.3 Where you have registered tax-free cash of more than £375,000 and enhanced protection.

The maximum tax-free stand-alone lump sum is limited to the maximum tax-free stand-alone lump sum that you could have been paid on 5 April 2023 under the arrangement, minus the value of any stand-alone lump sums and pension commencement lump sum paid after that date.

The lump sum allowance and lump sum and death benefit allowance will be reduced by the tax-free part of the stand-alone lump sum. Any excess over the lump sum death benefit allowance can still be paid as a stand-alone lump sum, but the excess will be taxed as pension income.

Your certificate will show a tax-free cash entitlement of 100% and you meet the following conditions:

- you must have reached the normal minimum pension age, currently 55 (or your protected pension age if you have one) or the **ill-health condition** is met, and
- all uncrystallised benefits under the scheme must come into payment at the same time.

If you complete this form you're acknowledging that:

- if you've invested in a 'with profits' fund and you want to take benefits before your selected retirement age:
 - the cash-in/surrender value of your pension may be reduced by a **market value reduction** or a **smoothing adjustment**;
- we may take a cash-in/surrender charge from your fund – your quote will contain the full details.

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 or contact **Origen Financial Services**. Origen Financial Services Ltd, is wholly owned by Aegon UK plc but operates independently to us.

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 6 '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 in section 5.



Return your completed form and identity documentation to:

Freepost RUCB-LJKR-HHBU
Aegon
SUNDERLAND
SR43 4DU



1. About me

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

Full forename(s)

Surname

Home phone number

Date of birth

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

Work phone number

Policy number

Mobile phone number

Email address

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. My instruction

Any guaranteed annuity rates under the policy will be lost on the payment of the tax-free cash or stand-alone lump sum.

Please tick the option that applies to you.

Please give me:

☐ the maximum tax-free cash to which I'm entitled after the payment of any GMP as a **trivial commutation lump sum**, and the payment of £1 from the pension fund to a drawdown policy.

☐ the stand-alone lump sum.



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

3.1 If you've registered for fund protection with HMRC, please tick the type of protection that applies to you.

☐ Enhanced protection

Do you have registered tax-free cash of more than £375,000?

☐ No

☐ Yes, please give the percentage

%

☐ Fixed protection

Please tick the relevant year below:

☐ 2012 ☐ 2014 ☐ 2016

☐ Individual protection: Please tick the relevant year and give the relevant amount below:

☐ 2014 ☐ 2016 £

☐ Primary protection

Do you have registered tax-free cash of more than £375,000?

☐ No

☐ Yes, please give the amount

£

☐ An 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.

Please give the enhancement factor

If you've not already done so, please supply copies of the appropriate certificates received from HMRC or, where no certificate has been received, provide the reference number you were given by HMRC.

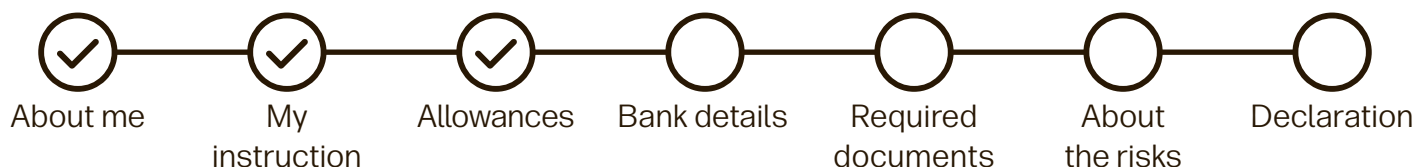
Reference number (if applicable)

3.2 Have you previously:

- taken any benefits from any pensions (with Aegon or other providers) and/or
- moved a pension overseas (between 6 April 2006 and 5 April 2024)?

☐ Yes - go to question 3.3

☐ No - go to section 4



3. Lump sum allowance and lump sum and death benefit allowance – continued

3.3 Do you have any defined benefit pension arrangements in payment?

☐ Yes - complete the Lump sum allowances form and return it with this instruction . You can find the Lump sum allowances form in the forms section of the document library at aegon.co.uk/se-customer-library. Please go to section 4.

☐ No - go to question 3.4

3.4 Are you receiving any pension or annuities (excluding any state pensions) that started to be paid before 6 April 2006, or had you designated funds to income drawdown before this date.

☐ Yes - go to question 3.5

☐ No - go to question 3.6

3.5 Is this the first time you've taken any benefits from your pensions since 6 April 2006?

☐ Yes - complete the Lump sum allowances form and return it with this instruction . You can find the Lump sum allowances form in the forms section of the document library at aegon.co.uk/se-customer-library. Please go to section 4.

☐ No - go to question 3.6

3.6 We need to check that you have enough allowances left to cover the full tax-free element of the lump sum.

Is the total value of the lump sum (including any tax-free element) when added to all other benefits you've taken previously and any amount you've transferred overseas between 6 April 2006 and 5 April 2024 less than £250,000?

☐ Yes - go to section 4

☐ No - complete the Lump sum allowances form and return it with this instruction . You can find the Lump sum allowances form in the forms section of the document library at aegon.co.uk/se-customer-library



4. Bank details

Please give us your bank details that you'd like us to pay the 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


Sort code

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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 section 5** for more information.



5. 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 |

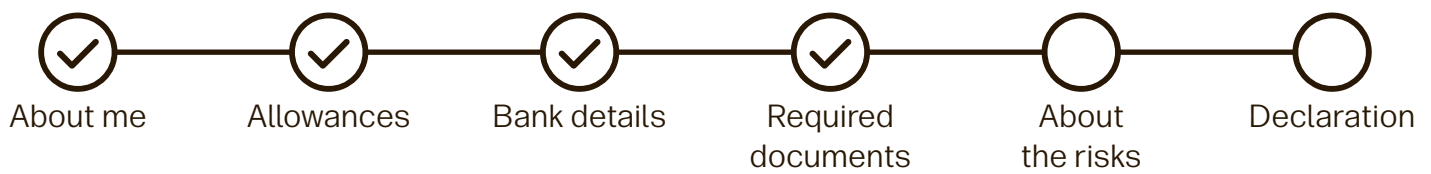
If you can't provide one of the four items shown in the box above, then we require one document from list A and one from list B.

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



5. 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:

- 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.'



6. 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.

6.1 Have you received guidance from Pension Wise?

- ☐ Yes - go to 6.2
- ☐ 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.

6.2 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.

6.3 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 policy 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.

6.4 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.



6. About the risks – continued

- 6.5** 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

- 6.6** Are you aware of the impact withdrawing money from your pension policy 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.

- 6.7** Are you aware that pension scams are on the increase following the pension freedoms?

☐ Yes ☐ No

! Your pension is 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 and pension-scams.com

- 6.8** 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.

- 6.9** 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.

- 6.10** Are you aware that where you take tax-free cash or a stand-alone lump sum, any guaranteed annuity rates under the policy will be lost?

☐ Yes ☐ No



7. Declaration

In this declaration, 'I' means the individual detailed in section 1 and 'you' means Scottish Equitable plc as the scheme administrator of the Section 32 Buyout policy and/or Trustee Proposed Section 32 Buyout policy, Group Buyout policy and policies assigned to individuals from occupational pension schemes.

- 7.1** I instruct you to pay the tax-free cash or stand-alone lump sum to the bank account set out in section 4.
- 7.2** I confirm that the information I've provided in this form is complete and accurate to the best of my knowledge.
- 7.3** If I've had GMP paid out as a **trivial commutation lump sum** and I have enough tax-free cash entitlement to take the rest of my pension as a tax-free cash payment, I agree to you retaining £1 to set up a drawdown policy, and acknowledge that I'll not receive any policy conditions for that policy.
- 7.4** Where I've instructed you to pay a stand-alone lump sum, I confirm that I meet all the conditions for a stand-alone lump sum to be issued.
- 7.5** I declare that the tax-free cash payment or stand-alone lump sum won't be reinvested into any **registered pension scheme** beyond the limits imposed by HMRC, and should I decide to make such reinvestment I'll provide full details to the scheme administrator. I acknowledge and agree that, in the event of any arrangement or action by me, or any other person, which constitutes or results in such a breach of the limits imposed by HMRC and consequently the scheme administrator becoming liable for a scheme sanction

charge, penalties and/or interest to HMRC, that I'll be responsible for and liable to pay to the scheme administrator a sum equal to the amount of that scheme sanction charge, any penalties and interest charged by HMRC and any **interest** charged by the scheme administrator.

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

- a.** I declare that the retirement fund value shown on the illustration, when added to the total value of all my pension benefits that have crystallised or will crystallise, under any and all **registered pension schemes** before the benefits on the illustration crystallise, when taken with any pension or income withdrawal in payment on 5 April 2006 is less than my available lump sum and death benefit allowance. If that isn't the case, I'll inform the scheme administrator immediately, in writing. If you need any help you can seek guidance from Pension Wise or regulated advice from a financial adviser (see page 4 for details).
- b.** I agree that you'll rely on the declaration I've given in **a** above.



7. Declaration – continued

- c.** I agree that, if for any reason, an income tax liability arises on any lump sums crystallised or there is an increase in the income tax that is payable on any lump sums crystallised arising as a result of incorrect information I've provided, which you are liable to pay, that I will 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.
- d.** I agree that any sum due may be deducted from any arrangements for or in respect of me under the scheme.

Date

D	D	M	M	2	0	Y	Y
---	---	---	---	---	---	---	---

Policyholder signature

x	x
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Before returning this form to us, please check:

You've included the required certified copies of documents.
You've completed all of section 6 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

8. 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)

Certified copy – this is a copy of a document which has been certified by a certain person. These are required so that we can progress your instruction to us. Please make sure you attach the correct certified documents to avoid delays in processing. For full details of the people who can certify your document, and what they need to do, see section 5.

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 ceased to carry on that occupation.

Interest – interest will be added on a daily basis to any amount due to the scheme administrator for any scheme sanction charge. It will be calculated on a daily basis from the date the first payment was due at the Royal Bank of Scotland plc base rate plus 5%

Market value reduction – where the policy is invested in one of our with profits type funds and if the money is withdrawn at any time other than the chosen retirement date, it may be necessary to reduce the value of the fund by what is referred to as a market value reduction (MVR).

Money purchase annual allowance – the amount that can be paid by or for you into money purchase arrangements without a tax charge arising may be restricted to the money purchase annual allowance which for the current tax year is £10,000. One of the trigger events which causes the money purchase annual allowance to apply (if it doesn't already) is taking a stand-alone lump sum where you have registered tax-free cash of more than £375,000 and primary protection.

Special rules apply in the year that the money purchase annual allowance provisions first apply to you.

You should speak to your financial adviser if you think this may impact on any policies you may have.

Occupational pension scheme – is a trust based pension scheme, such as:

- an Executive Pension plan;
- a Nexus scheme;
- an Exsel scheme;
- an Exsel fund scheme, or
- a Contracted-in money purchase scheme (CIMP).

Relevant pension – this includes income drawdown, a lifetime annuity or a scheme pension.

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

Smoothing adjustment – if your policy is invested in one of our with profit funds, if you take money out at any time, we may apply a smoothing adjustment (SMA). This can be a 'smoothing increase' which increases the value of the fund or a 'smoothing reduction' which reduces the value of the fund.

Transitional tax-free amount certificate – This is a certificate provided by a registered pension scheme and is used to show how much of your lump sum allowance and lump sum and death benefit allowance has been used by benefits you've taken before 6 April 2024. If you don't have a certificate then a standard calculation applies to determine how much of your lump sum allowance and lump sum and death benefit allowance have been used which may not reflect the actual sums taken. If you have concerns about what is right for you we recommend that you seek advice from a financial adviser.

Trivial commutation lump sum – If you have a pension pot under £30,000, this gives you the option to take the entire pension as a single lump sum with 25% tax-free. Eligibility is restricted to those who have reached the normal minimum pension age, currently 55 or retiring early due to ill-health and ensuring the lump sum cancels all your pension rights within the pension plan. The specific rules can vary between different providers.

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

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