

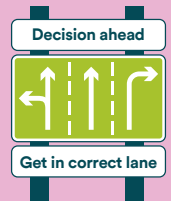
# Retirement options

## United Utilities Pension Scheme - Defined Contribution section

This is relevant for members in the DC section and for the DC top up part of the Hybrid section.

When you decide to take your DC pot you will have choices to make. Don't worry, our retirement adviser will help you choose the option that works for you.

At retirement you have the following options:



### 1. Cash

You could take your entire DC pot as a cash lump sum (with 25% tax free, subject to available Lump Sum Allowance, and the remainder taxed as income).



**Things to consider:** It's important to understand how tax might affect you. You might end up paying more tax than you expect. You should also think about how you will support yourself financially throughout retirement.

### 2. Secure Income (Annuity)

You could take 25% of your DC pot as a cash lump sum (tax free if you have Lump Sum Allowance available) and use the remainder to purchase a regular taxable income that provides you with the type of income you want for the rest of your life. Our retirement adviser can shop around to get the best annuity for you.



**Things to consider:** Once you have bought an annuity you can't change your mind or change the level of income or type of annuity (for example whether it increases or provides a pension to a dependant after your death).

### 3. Flexible Income (Drawdown)

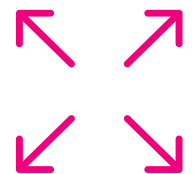
You could take 25% of your DC pot as a cash lump sum (tax free if you have Lump Sum Allowance available) and keep the remaining pot invested (using a drawdown provider) to provide an annual taxable income – which you could vary from year to year.



**Things to consider:** You need to be happy managing your money and deciding how much and when to take money out of your pot. Also, the more you take out in the early years, the less you'll have later on. So, if you take too much out, you might not have enough money to live on in later life.

### 4. A combination of the above

You can mix the options above. If this is something that you would like to consider our retirement adviser will go through this with you.



## 2: Decision ahead

## You're thinking of retiring, what you need to do.

If you are thinking about retiring you should contact Aegon in the first instance. If you require further assistance your details will be passed on to Aegon Assist who will contact you to talk you through your options and guide you through the process (at no cost to you).

Once you know what you wish to do and when, you should write to your line manager (either by letter or email) to tell them you want to retire, and the date you wish to leave.

The earliest you can take your DC pot is age 55 (however if you joined before 5 April 2006 you can take your pot from age 50).