At retirement – age 75 planning issues

This document highlights the key issues to consider when reviewing clients approaching age 75 with money purchase pension savings who:

- do not currently wish to buy an annuity, or
- do not want to take a pension commencement lump sum at age 75.

We regularly update our literature. You can confirm that this February 2021 version is the latest by checking the literature library on our website at platform.quilter.com

Uncrystallised funds flowchart

For clients approaching age 75 with uncrystallised pension savings, what is the latest age when the PCLS is available under their current contracts?

Age 75

Is flexi-access drawdown available beyond age 75 in the existing contract?

Yes

Is flexi-access drawdown available beyond age 75 in the existing contract?

No

Over 75

No immediate action required

What is the latest date to transfer the fund for the client to avoid:
- losing the right to their PCLS?
- having to buy an annuity?

Action: Complete the appropriate transfer paperwork before the deadline

No immediate action required

For financial advisers only

Action: Consider taking PCLS before age 75 so that it is not lost on death
Quilter’s solution
The Collective Retirement Account offers comprehensive long-term retirement income and wealth transfer solutions allowing clients to:

- defer taking their PCLS until after age 75 (Quilter must receive uncrystallised transfer funds at least five working days before a client’s 75th birthday)
- buy an annuity through use of the open market option at a later age. They can do this either fully, or through the use of the partial open market option facility within the account
- use flexi-access drawdown, either totally or when phasing the use of their pension savings to provide retirement income
- continue with pre 6 April 2015 capped drawdown with maximum annual income which will be reviewed yearly in line with statutory legislation. The account can be converted to flexi-access drawdown at any time after 75 as no further contributions can be added beyond that age
- take ad hoc payments from any remaining uncrystallised funds at any time. Normally 25% of such payments will be tax free and the balance of the payment will be subject to income tax at the client’s marginal rate.

The cost
The Product Charge is calculated as an annual percentage and is based on the value of your client’s total holdings invested in our Collective Retirement Account (CRA), Collective Investment Bond (CIB), Individual Savings Account (ISA) and Collective Investment Account (CIA). It is deducted in monthly instalments. We make no additional charge for clients wishing to draw an income from their Collective Retirement Account in whatever form best meets their needs.
Please be aware that calls and electronic communications may be recorded for monitoring, regulatory and training purposes and records are available for at least five years.

Quilter is the trading name of Quilter Investment Platform Limited which provides an Individual Savings Account (ISA), Junior ISA (JISA) and Collective Investment Account (CIA) and Quilter Life & Pensions Limited which provides a Collective Retirement Account (CRA) and Collective Investment Bond (CIB).

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QIP 07980/19/889/March 2022

Find out more

Full details of the CRA can be found at: www.platform.quilter.com/Adviser/platform-and-products/Retirement/
The value of your client’s investments may fall as well as rise and they may not get back what they put in.