ACCESSING YOUR PENSION – IMPORTANT INFORMATION

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Here are some important things to consider about drawdown and accessing your pension, particularly during short-term events and volatile markets.

YOUR RETIREMENT OPTIONS

What you do with your pension is an important decision that you might not be able to change. You should check you're making the right decision for your circumstances and that you understand all your options and their risks.

The government's free and impartial **Pension Wise** service can help you and we can offer you **advice** if you'd like it. This factsheet isn't personal advice.

If you choose to go ahead with drawdown without taking personal financial advice, you must be confident (and comfortable) making all decisions yourself. This includes when your investments perform poorly or your withdrawals become unsustainable.

CHOOSING DRAWDOWN

You're solely responsible for your income and investment decisions in drawdown. Making them based on short-term events and unforeseen circumstances (especially volatile markets) can have long-term effects on your financial wellbeing and retirement.

Accessing your pension earlier than planned means your pension may not last as long as you need it to, and miss any future increases in value should the market rise. You should consider this when you decide how much of your pension to move into drawdown, and how much tax-free cash this will give you. What you take as a lump sum will affect what's left for you to withdraw in future.

Your future income from drawdown isn't secure, and it could reduce or even run out. If you have other sources of finance, depending on what these are, there may be fewer long-term risks if you access those first. There is financial support available to those who qualify.

You can find out more information (including benefits you can claim and wider rules around sick pay and debt) by contacting the government's Money Advice Service.

YOUR FUND VALUE

Investing your pension means that its value, and the income it can give, will rise and fall. During poor market conditions, you may need to limit any withdrawals to protect your fund value.

Selling investments to create income increases the risk of running out of money, especially following market falls, as your investments may not have time to regain any losses. You will only get their current value, which could be lower than previously, and may also miss out on any increases in value should markets rise in future. Taking just the income provided by your investments, the natural yield, carries less risk though income is still not guaranteed.

If you need your pension to last your entire retirement, and you plan to sell investments to generate income, you should consider if drawdown is the most appropriate option for you.