



# MY RETIREMENT

JANUARY 2023

---

## Defined Contribution Section Church Administrators Pension Fund

 THE CHURCH  
OF ENGLAND

PENSIONS BOARD



## Contents

**3**

**My pension at a glance**

**4**

**What are my choices?**

Choices with other providers  
Choices we can offer

**5**

**Choices we offer**

**6**

**Choices with other providers**

**8**

**How do I take my pension pot?**

Ecclesiastical Financial Advisory Services

**9**

**Taking my pot and continue working**

Income tax

Taking what is currently in my pot  
Money Purchase Annual Allowance  
Scheme Pays

**10**

**Disputes and complaints**

**11**

**Contact us**

## My pension at a glance

This is one of 5 booklets that explain your CAPF DC pension.

CAPF DC is a defined contribution scheme. You build up a pension pot which you can use to provide an income or a lump sum or both. You can decide how your pension pot is invested. The value goes up or down depending on how well the investments perform.

### My membership

Joining is easy, it is all done for you when you start work with the NCIs.

We set you up with your own account. The NCIs pay into your pension pot for you but you can top this up by paying in too. The NCIs match your contribution up to 3% of your salary.

### My investment choices

You can pick from three Journeys which are designed to complement the way you might take your pension pot.

Drawdown Journey is our default strategy if you don't want to choose your own investments

We offer other investment options if you want to be more "hands on".

### My retirement

When you retire, you decide how you would like to use your pension pot.

You have several choices to suit your retirement needs.

### My pension if I leave

If you complete 30 days pensionable service, you can leave your pension pot with us or transfer it to another pension provider.

### My pension if I die

If you die before you retire, we will pay your pension pot to your beneficiaries.

If you die while working for the NCIs, we will also pay a lump sum of 4x your salary.

## What are my choices?

When you reach age 55 you can take your pot if you want to. The earlier you take it the longer you will need to make it last.

When you come to take your pension pot, there are six ways you can do this.

### Choices we offer

#### 1. Leave your pot where it is

You do not have to start taking money from your pension pot when you reach your target retirement date. You can leave your money invested in your pot until you need it.

#### 2. Take your whole pot in one go

You can cash in your entire pot – a quarter is tax-free, the rest is taxed as income. This can be great if you have a small pot you just want to cash in but if your pot is quite big you could face a big tax bill.

### Choices with other pension providers

#### 3. Adjustable income

You can take a quarter of your pot tax free at the start. The rest of your pot is invested to give you a regular income. You decide how much to take out and when, and how long you want it to last.

#### 4. Take cash in chunks

You can take smaller sums of money from your pot until you run out. A quarter of each chunk is tax free, the rest is taxed as income.

#### 5. Buy a guaranteed income

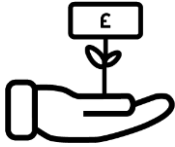
Use your pot to buy an insurance policy that guarantees you an income for the rest of your life – no matter how long you live.

#### 6. Mix your options

You can mix different options. Usually, you need a bigger pot to do this.

## Choices we offer

### 1. Leave your pot where it is



You can leave your pot with us for as long as you like. If you are still working for the NCIs, money will keep going in to your pot, and you can keep topping this up with AVCs if you want to.

**The earlier you take it the longer you will need to live off it, so only take it early if you can afford to do this.** The longer you leave it the more chance your pot will have to grow, but it can also go down in value.

Any money left in your pot can be passed on tax-free if you die before age 75. After this, it is taxed as income.

Pension Wise has a useful calculator to help you decide if this is the right choice for you.



[pensionwise.gov.uk/en/leave-pot-untouched](https://pensionwise.gov.uk/en/leave-pot-untouched)

### 2. Take your whole pot in one go



You can take your whole transfer value in one go as cash. A quarter is tax free, and the rest is taxed as income.

This is likely to push you into a higher tax bracket, which means you will pay more tax than you usually do.

You will need to plan how to provide an income for your retirement to make sure you have enough to last your lifetime, and whether you want to leave anything to someone when you die.

It is worth knowing what you will do with the money. If you leave it in the bank and inflation increases, it will reduce the spending power of your money.

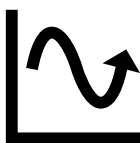
Pension Wise has a useful calculator to help you decide if this is the right choice for you.



[pensionwise.gov.uk/en/take-whole-pot](https://pensionwise.gov.uk/en/take-whole-pot)

## Choices with other providers

### 3. **Adjustable income** (flexi-access drawdown)



You can get a regular income that goes up or down. So, if you need more money in one year but less in another, you can easily plan for this. Before you do this, you can take a quarter of your transfer value as a tax-free lump sum at the start. Your income after this is taxed.

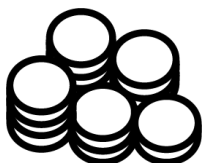
**As you get to pick how much you want and when you want it, your income is not guaranteed to last as long as you live. The more money you take out in the early years, the less is left for the future.**

With this option, any money left when you die can pass on to your loved ones, in some cases tax-free.

Pension Wise has a useful calculator to help you decide if this is the right choice for you.

 [pensionwise.gov.uk/en/adjustable-income](https://pensionwise.gov.uk/en/adjustable-income)

### 4. **Take cash in chunks** (uncrystallised funds pension lump sum)



Instead of a regular income, you can take cash lump sums until your money runs out. How much you take is up to you. If you want to take large amounts over a shorter period, you can easily do this.

A quarter of each amount you take is tax-free and the rest is taxed as income. In between taking money out the rest stays invested. This gives your money a chance to grow, but it can also go down.

With this option, any money left when you die can pass on to your loved ones.

Pension Wise has a useful calculator to help you decide if this is the right choice for you.

 [pensionwise.gov.uk/en/take-cash-in-chunks](https://pensionwise.gov.uk/en/take-cash-in-chunks)

## 5. Buy a guaranteed income



A lifelong pension (also known as an annuity) provides you with an income that will last as long as you live. You can also get an income for a set number of years. If you want security instead of flexibility this is the option for you.

Before you buy an annuity, you can take a quarter of your pot tax-free. After this your pension will be taxed as income.

There are various types of annuity. The main features you can decide are how the pension will increase, whether you want to provide a pension for your husband, wife or civil partner when you die, and whether there is a minimum length your pension will be paid, for example 5 years.

If you smoke or have a medical condition, you may be able to get an 'enhanced' annuity.

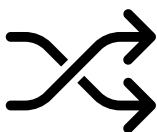
Buying an annuity is a one-time, irreversible decision, but not one you necessarily need to make when you retire. You can move your pension pot into 'drawdown' first while you value financial flexibility and buy an annuity later in life when you value security of income more.

As you cannot change your mind once you have bought an annuity, and annuity prices vary significantly, shop around to make sure you get the best deal.

Pension Wise has a useful calculator to help you decide if this is the right choice for you.

 [pensionwise.gov.uk/en/guaranteed-income](https://pensionwise.gov.uk/en/guaranteed-income)

## 6. Mix your options



You don't have to pick just one option. You can mix and match these if you want to. You could use some of your pot to get an adjustable income and the rest to buy a guaranteed income.

If you have different pots, you can pick different options for each.

Pension Wise has information to help you decide if this is the right choice for you.

 [pensionwise.gov.uk/en/mix-options](https://pensionwise.gov.uk/en/mix-options)

## How do I take my pension pot?

When you are ready to take your pot, get in touch with us and let us know the date you wish to take it. If you are working for the NCIs, speak to your line manager and HR as well.

When you are thinking of taking your pot, we will let you know how much is in it and send you a summary of your choices. If you are happy to pick one of the choices we offer, fill in the forms we send you.

Understanding your choices is one thing but knowing which one is best for you and your circumstances can be tough. We can help explain your choices, but we cannot tell you what you should do. This is where an adviser comes in.

### Ecclesiastical Financial Advisory Services (EFAS)

It can be difficult to find the right adviser at a reasonable cost. This is why we have partnered with EFAS who can give you impartial pensions advice.

EFAS specialise in retirement advice and they understand all about your pension, so they are up to speed with how your pension works.

You can call EFAS and chat with their team for free. They will listen to you to understand what you are hoping to achieve.

Their financial advisers will recommend the most suitable option for you, personally, based on your circumstances, objectives, and plans for the future.

We have negotiated competitive fees with EFAS. You can speak to EFAS at:



**0800 107 0190**



**[getadvice@ecclesiastical.com](mailto:getadvice@ecclesiastical.com)**

You do not have to use EFAS. You can find an adviser who is local to you. First things first, speak to family and friends and find out if they have used an adviser in your local area.

Of course, just because they had a good (or bad) experience with them, it does not mean you will have the same experience, but it is certainly a good starting point. After that, you can find an adviser in your area at:



**[moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser](https://moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser)**



## Taking my pension and continue working

If you are still working for the NCIs, you can take your pot and continue in employment. You do not have to wait until you stop working to take it.

If you are thinking of taking your pot early, you will need to make it last longer.

### Income tax

If you are interested in this, think about which option suits you best. Most of the ways you can take your pot mean this is added to your income for the year. It is added to your salary and other income and is taxed depending on which tax band this puts you in.

If you take a larger amount from your pension while you are still earning, this can put you into a higher tax band, so a higher proportion of your pension will be taxed.

### Taking what is currently in your pot

Once you are over age 55 you can take what is in your pot. If you are still working for the NCIs they will keep paying into this, so you will build up a second pot which you can take again later. This can help if you need to access your pension pot earlier. You can use what you have built up so far and continue to build a second pot which you can access later.

Before you do this, there are a few things you should consider.

### Scheme Pays

You can ask us to pay a tax charge for you, which is called 'Scheme Pays'. We will take the tax charge from your pension pot, so instead of you paying this yourself, we will take this from your pot and pay it for you. Your tax charge needs to be £200 or more for us to do this.

Find out more about Scheme Pays at:



[churchofengland.org/pensions-technical](https://www.churchofengland.org/pensions-technical)

### Money Purchase Annual Allowance

There is a cap on how much you can earn or save in a pension each tax year before paying tax. This is called your Annual Allowance.

If you take money from a defined contribution pension scheme you trigger the Money Purchase Annual Allowance, or MPAA and you will have new limits on how much you can save before paying tax.

If you are concerned about this, find out more at:



[churchofengland.org/pensions-technical](https://www.churchofengland.org/pensions-technical)

## Disputes and complaints

We make every effort to provide you with an efficient and effective service. However, if you are unhappy with our service, please contact us first and we will do our best to resolve your issue.

If you are still dissatisfied, you can contact us at:



**Chief Executive**  
**Church of England Pensions Board**  
**PO Box 2026**  
**Pershore**  
**WR10 9BW**

If we cannot resolve your issue to your satisfaction you can ask for a 'formal complaint form' under our internal dispute process. This will include the full details of our complaint process.

## Pensions Ombudsman

If you have a complaint or dispute concerning your workplace or personal pension arrangements, you can contact the Pensions Ombudsman.



**10 South Colonnade**  
**Canary Wharf**  
**London**  
**E14 4PU**



**0800 917 4487**



**[pensions-ombudsman.org.uk](mailto:pensions-ombudsman.org.uk)**

If you have general requests for information or guidance concerning your pension, head to the Money and Pensions Service website.



**[moneyandpensionsservice.org.uk](http://moneyandpensionsservice.org.uk)**

## Contact us

The Church of England Pensions Board is the trustee and administrator of CAPF DC.

Our office is located at Church House, 29 Great Smith Street, SW1P 3PS. You are welcome to come and see us if you have any questions. Please let us know in advance if you would like to do this.

You can also contact us at:



**Church of England Pensions Board**  
**PO Box 2026**  
**Pershore**  
**WR10 9BW**



**0207 898 1802**



**[pensions@churchofengland.org](mailto:pensions@churchofengland.org)**