



# MY RETIREMENT

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## Pension Builder Classic (PB Classic) Church Workers Pension Fund



PENSIONS BOARD

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## My pension at a glance

This is one of five booklets that explain Pension Builder Classic (PB Classic). PB Classic is a 'With Profits, Deferred Annuity' scheme, which is a mix between defined contribution and defined benefit.

<p><b>My membership</b></p>	<p>Joining is easy, your employer will enroll you, providing you meet a few criteria.</p> <p>Your employer decides whether you must contribute, and how much. You can check your Scheme Summary for information on this.</p>
<p><b>My retirement</b></p>	<p>When you retire, we pay you a pension for life, in monthly instalments minus PAYE tax.</p> <p>You do not have to take a pension from us, there are choices you can make to suit your retirement needs.</p>
<p><b>My increases and investment</b></p>	<p>Increases are linked to investment performance and wider economic conditions, and are discretionary. Once added, increase are guaranteed. Investments adhere to the Church of England ethical investment criteria.</p>
<p><b>My pension if I leave</b></p>	<p>If you leave after 2 years, we will keep your pension invested and add bonuses. You can also transfer your pension.</p> <p>If you leave within two years but more than 3 months, you can transfer your pension to another provider. You can also choose to get a refund of any contributions you paid, less tax. If you leave within 3 months, you will get a refund of any contributions you paid, less tax.</p>
<p><b>My pension if I die</b></p>	<p>If you die before you retire, we will pay half your pension to your spouse or civil partner.</p> <p>If you die while still an active member, we will also pay a tax-free lump sum of two, three or four times your salary.</p> <p>Your pension is guaranteed for five years. If you die within this time, we will pay the remaining amount as a lump sum.</p>

## Choices we offer

When you are ready to take your pension, let us know the date you wish to take it. You can take your pension from 55 onwards. We will send you a summary of your choices and the forms you need to complete.

Here are the choices we offer.

### **Pension for life**

We will pay this to you on the last working day of every month, for your lifetime.

Your pension is taxed as income through PAYE. We deal with this tax for you, but we rely on HMRC to tell us your correct tax code. This could mean your pension is taxed incorrectly for the first few months.

### **Early retirement**

If you take your pension before your Normal Pension Age (NPA) we reduce it as we are likely to pay it for longer.

Your NPA will be 60, 62, 65 or 68. If you are not sure what your NPA is, just ask and we can let you know. The earlier you take your pension, the less it will be.

### **Late retirement**

If you take it after your NPA we will increase it as we might pay it for a shorter period.

### **Tax-free cash option**

You can give up part of your pension for a tax-free cash sum.

If you go for this, we will reduce your pension. Think carefully whether this is the right choice for you.

### **Optional pension for a spouse or civil partner**

You can give up part of your pension to provide a pension after your death to your spouse or civil partner.

We will only pay a pension to your surviving spouse or civil partner following your death in retirement if you choose this when you retire. You need to make this choice at retirement, you cannot change your mind later.

### **Taking your pension and continuing to work**

You can take your pension and keep working.

Your pension is added to your overall taxable income for the tax-year, so check which tax band this will put you in.

### **Ill health retirement**

#### ***If you are over 55***

If your health is preventing you from working, you can access your pension as normal. Your pension is reduced for early payment.

#### ***If you are under 55***

If you are permanently unable to work due to health problems, you might be able to access your pension early. Please talk to us as soon as possible if you are in this position and we can guide you through this. Your pension is reduced for early payment.

## Choices with other providers

Most people are happy to stick with the choices we offer. Taking your pension from us can often be the best option, but transferring your pension can give you more freedom and flexibility over how you take your money.

### How does a transfer work?

A pension transfer means giving up your pension in return for a sum of money, which is called a 'transfer value'.

Your transfer value could be a large amount of money which you could transfer to another registered pension scheme to then take as cash or invest.

While it is invested it could go up in value, but there is a risk it could go down in value too.

Once you transfer your pension, there are lots of different ways you can use your money, and even leave it to loved ones.

### Is transferring a good idea?

Transferring can be worth exploring, depending on your circumstances.

Having more flexible ways to access your money can really help if you are in poor health and your life expectancy is limited, or you are single or have no dependents.

You might want to get your hands on more money up front and even leave money to your loved ones.

But, there are risks to doing this. Transferring means, you will give up your pension and the guarantees and security that go with it, such as:

- a guaranteed pension that lasts as long as you live
- yearly increases in line with inflation, up to a cap
- the option of a tax-free lump sum when you retire
- the option of a pension for your spouse or civil partner after you die

Because of these guarantees, if your transfer value is more than £30,000 you must take professional financial advice first.

To make it easy for you to get advice and explore whether transferring might be good for you, find out how we can help you find a financial adviser at:



[churchofengland.org/financial-advice](https://www.churchofengland.org/financial-advice)

If you transfer your pension, you cannot transfer it back to us.

## Choices with other providers

### 1. Leave your pension invested



You can leave your pension invested. The longer you leave it the more chance your pension will have to grow, but it can also go down in value.

Any money left in your pension 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 pension 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.

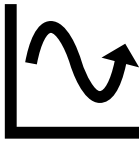
Pension Wise has a useful calculator to help you decide if this is the right choice for you.

 [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.**

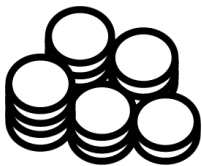
With this option, any money left when you die can pass on to your loved ones, in some cases tax-free.

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)

## Choices with other providers

### 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 pension 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 into 'drawdown' first while you value financial flexibility and buy an annuity later in life when you value security of income more.

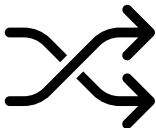
As you cannot change your mind once you have bought an annuity, and annuity prices vary significantly, shop around to make sure you get the best deal.

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 pension to get an adjustable income and the rest to buy a guaranteed income.

If you have different pensions, 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)



## 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 MoneyHelper website.



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

## Contact us

The Church of England Pensions Board is the trustee and administrator of PB Classic.

Our office is located at Church House, 29 Great Smith Street, SW1P 3PS.

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)**