



**Your retirement. Your income.**  
Pension income options explained.

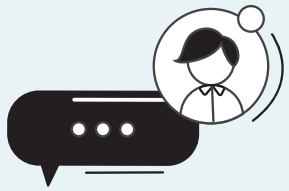
**Pense**

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We arrange millions of pounds in retirement options every week, providing expert advice to help you make informed decisions.





**Help at each step** – Our interactive tools offer personalised illustrations based on your pension, making it easy to understand the different options available to you. If you prefer, you can also speak to one of our experts who will be more than happy to answer any questions you may have.



We search the whole market for you

# About Pense - making sense of pensions

Exploring your pension income options can be daunting, which is why we're here to make it as easy and stress-free as possible.

For far too long, people have paid excessive fees for financial advice, often without receiving the value or tailored service they deserve. In addition, people that don't take advice are missing out on thousands of pounds each year when they retire, simply by accepting the offer from their current pension company and not shopping around.

At Pense, we're here to disrupt this outdated model.

We believe expert pension advice should be accessible and affordable to everyone, no matter how little or how much they have in their pension, because everyone deserves advice that genuinely benefits them without the high costs.

The Royal London Longevity Study shows that individuals who seek professional financial advice are on average, over £47,000 better off over a decade than those who don't.

Our mission is both simple and powerful. We want to democratise financial advice, making it accessible to everyone, so that all individuals can secure a better retirement from taking expert advice.

Proudly rated five stars on Trustpilot, we focus exclusively on pension income at retirement, bringing a depth of expertise that ensures you get the best possible pension outcome.

We specialise in helping people understand all their pension options at retirement, whether that's through lifetime annuities, fixed-term annuities, or flexi-access drawdown. Our expertise ensures you find the right option for your needs.

With a comprehensive view of the entire market and cutting-edge technology, we provide whole of market advice to help you achieve the best possible outcome with your pension.

# Advised service vs non-advised

## What's the difference?

When it comes to making important decisions about your pension income, there are two options available to you: an advised service or a non-advised service.

A non-advised service is a DIY approach where you are responsible for researching and selecting products without any input or guidance from a qualified adviser.

While this option may seem attractive due to its perceived cost-effectiveness and speed, it can come with significant risks.

Without expert advice, you may not fully understand the products you are considering, including any associated risks or benefits. This could lead to costly mistakes, such as selecting a product that is not suitable for your needs, or failing to consider all of your options.

These mistakes are often irreversible.

At Pense, our advised service provides you with access to a regulated, fully qualified financial adviser who will offer personalised advice based on your individual needs and circumstances. This means that you can make informed decisions about your retirement income and select the right product that aligns with your goals.

An advised service may appear to cost more than a non-advised service, however we have made significant investment in technology to reduce our costs and pass on savings to our customers. As a result, our comprehensive, fully advised service is available at the same, if not lower cost than a non-advised service.

At Pense, we believe that working with a qualified adviser is essential to maximising your retirement income. By doing so, you can enjoy peace of mind, knowing that you've made the right choices for your retirement.

visit us online at [pense.co.uk](https://pense.co.uk)

# How to avoid choosing the wrong product

Pense has you covered with these 5 benefits:

Questions? **0808 2812 558**



## Did you know?

Many people don't shop around and get advice, so they are potentially missing out on additional income at retirement.

| BENEFIT   | NON-ADVISED SERVICE | ADVISED SERVICE |
|---|---------------------|-----------------|
| Highest level of FCA protection                 | ✗                   | ✓               |
| Personalised recommendations                    | ✗                   | ✓               |
| Guarantee of selecting the best possible option | ✗                   | ✓               |
| Transparency of fees                            | ✗                   | ✓               |

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**1** **Expert, regulated advice** – from a qualified adviser specialising only in pensions that doesn't cost you a penny if you choose not to proceed.

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**2** **We are FCA regulated** – meaning we are required to ensure that our services leave you in a better financial position.

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**3** **We specialise in 'at retirement'** – meaning we have access to the best possible rates and products.

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**4** **We search the entire market** – saving you time and effort, so you can relax and leave the work to us.

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**5** **Our duty of care** – we'll advise you on the best option even if that means recommending that you leave your funds where they are.

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# Protected by the Financial Services Compensation Scheme (FSCS)



At Pense, we are an FCA (Financial Conduct Authority) regulated firm, which means that we are committed to providing you with full financial advice and guidance, as well as the protection and security that comes with FSCS coverage.

The Financial Services Compensation Scheme (FSCS) is a government-backed scheme designed to protect consumers if a financial firm goes out of business or is unable to meet its financial obligations.

As an FCA-regulated company, we only work with product providers that are also FCA regulated and offer FSCS protection.

This means that if something were to happen to one of the firms we recommended, your investments and savings will be covered up to the FSCS limit, giving you peace of mind and financial security.

Financial security is a top priority for anyone planning for retirement. That's why it's important to work with an FCA-regulated advisory practice.

However, it's important to note that not all financial products and services are covered by the FSCS, and there are limits to the amount of compensation you can claim.

Working with an FCA-regulated intermediary like us can provide you with a level of protection that you may not have if you were to invest on your own or work with an unregulated firm.

It's always important to ensure that you understand the level of protection available to you.

By working with an FCA-regulated retirement income specialist like Pense, you can be confident that your investments and savings are covered to the maximum extent possible.



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Office address: 1 Derwent House, Richmond Business Park, Lakeside, Doncaster, DN4 5NL You can find us on the online FCA register ([register.fca.org.uk](https://register.fca.org.uk)) under the reference number: 231629

## Understanding the products that provide a pension income

We explain in simple terms, your 3 main options:

OPTION A

### Lifetime Annuity

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OPTION B

### Fixed-Term Annuity

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OPTION C

### Flexi-Access Drawdown

Questions? **0808 2812 558** 7

# Lifetime Annuity

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A lifetime annuity is a secure investment option where you can convert the value of your pension fund into an income that is paid to you for the rest of your life. The amount of income you receive is based on factors such as your age, health, and lifestyle.

For those with certain health conditions or lifestyle factors that may reduce their life expectancy, an enhanced annuity (which is simply a lifetime annuity with enhancements) could be a suitable option.

An enhanced annuity provides a higher income in retirement to individuals with specific health conditions or lifestyle choices such as smoking, high blood pressure, diabetes or a history of certain illnesses.

An enhanced annuity can provide a significantly higher income than a standard annuity, as the provider takes into account the shorter life expectancy and offers a higher payout.

For example, if you have a medical condition that may affect your life expectancy, the annuity provider may offer you a higher income in order to reflect this. This could be up to 47% higher\* than a standard annuity.

It's important to note that not all providers offer enhanced annuities, and those that do may not offer the same level of enhancement. This is why it's important to shop around and compare different annuity providers to ensure you are getting the best deal for your individual circumstances.

\*healthy vs non-healthy individual, June 2026, source - IRESS

# Additional options for your Annuity

Questions? **0808 2812 558**

**Tax-free cash - also known as PCLS (pension commencement lump sum)** – is a valuable part of your pension savings.

Usually, you can take up to 25% of your pension fund as tax-free cash, which means you get to keep more of your hard-earned money.

However, even if you don't want to take the tax-free cash, there may be other tax-efficient ways to take your income.

Our team will guide you through all options, ensuring that you have all the information you need to make informed decisions.

**There are different options available for your pension income payments:**

|                   |  |
|-------------------|--|
| <b>LEVEL</b>      | This option provides a fixed income payment for life.  |
| <b>ESCALATION</b> | You can choose for your pension income to increase each year, typically by 2%, 3%, 5%, or by the level of inflation. Choosing this option may result in a lower starting income. |

Your pension income can be paid monthly, quarterly, half-yearly or yearly, and all can be paid in advance, or in arrears.

You can also choose to take your tax-free cash without taking any income, although there may be restrictions. We will guide you through these options to help you find the best solution for your needs and goals.

**Guarantee period** – The guarantee period is a part of an annuity that makes sure the money paid out will go to the right person, even if the person who bought the annuity passes away before the guarantee period is over. For instance, suppose an individual decides to buy an annuity with a 10-year guarantee period and then passes away after 5 years. The people they chose to get the money will still receive the annuity payments for the remaining 5 years of the guarantee period, even though the person who bought the annuity is no longer alive.

Essentially, the guarantee period provides some extra security for the person buying the annuity and their beneficiaries. While a guarantee period will typically reduce the amount of the annuity payments, it can be a worthwhile investment for those who value the added security it provides.

## Additional options for your Annuity – Continued

**Protecting your pension income on death** – It's important to think ahead and consider what would happen to your pension income if you were to pass away after retirement. You have a few options to choose from.

**No protection** – If you don't have anyone who depends on you financially, you may choose not to have protection for your pension income in case of your death. This means more of your pension fund can be used to generate income for you during your retirement.

**Protecting a spouse or dependant** – If you were to pass away, you may choose to have a portion of your pension paid to your spouse or dependant for the rest of their life, typically 33%, 50%, 66% or 100%. However, this choice could reduce your own income.

**Value Protection** – You can also opt for value protection which can safeguard up to 100% of your pension fund in the event of your death after retirement. The full amount of the fund will be returned, minus any income payments taken prior to your passing. It's important to note that a tax liability may apply in some cases.

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### Did you know?

You don't have to take your income in retirement from the company that you have saved with all those years and usually you can get more by shopping around.

It's important to know that you have the freedom to shop around for the best possible income in retirement.

This is called an Open Market Option, which means you can explore all the different annuity providers and options available to find the one that suits you best. But with so many options out there, we understand that it can be overwhelming.

That's why we're here to help!

We'll help you search the entire market to find the best product for you, so you can relax and enjoy your retirement without any worries. Head over to our website today to get started.



# More about Enhanced Annuities

If you're a smoker, drinker or overweight, this could actually work in your favour!

Traditionally, annuity companies based income on mortality tables, which showed the average age of death for people in the UK. However, enhanced annuities mean your unhealthy habits could mean a bigger payout.

Lifestyle factors that can increase your pension income...

CERTAIN MEDICATION

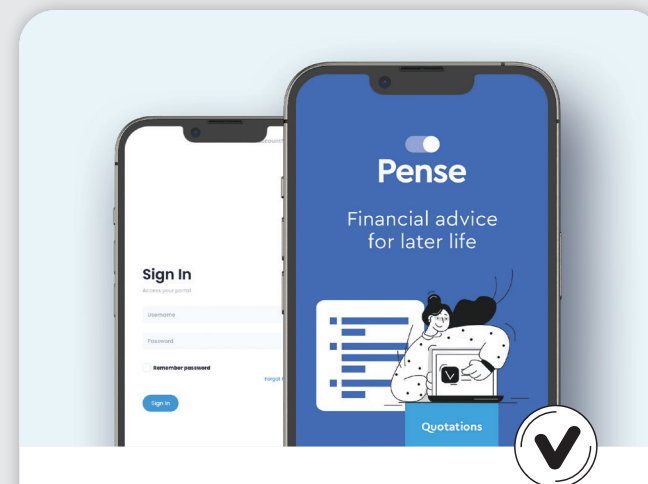
OVERWEIGHT

SMOKING

PAST OR PRESENT MEDICAL CONDITIONS

WHERE YOU LIVE

**While health issues are challenging, they present an opportunity to secure a higher pension income**



## OUR CUSTOMER PORTAL

To get a better idea of how each option affects your annuity income, we recommend using our online calculators.

These calculators are simple to use and allow you to compare different options to find the one that best fits your needs.

You can access the calculators easily by visiting our website and logging in to the portal.

Find out more about our customer portal

Visit [pense.co.uk](https://pense.co.uk)

# Factors that have a significant impact

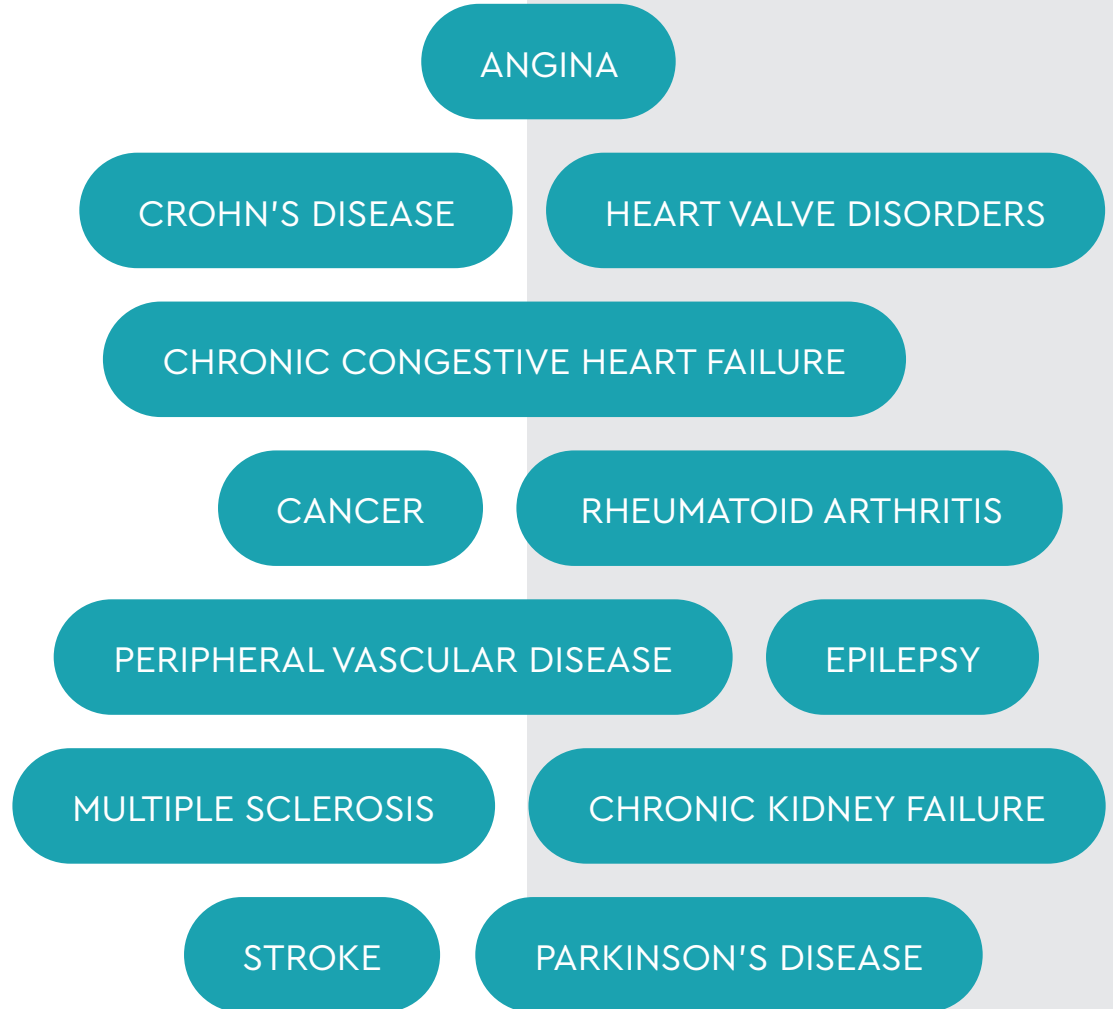
If you've had a serious illness like heart disease or cancer, you could get a significantly higher income from your annuity.

If you choose the dependent's pension option when you purchase an annuity, it means that your spouse or partner will continue to receive a pension after you die.

Even if you are healthy, your spouse's health can also affect how much pension they receive. If your spouse has health problems, it may be possible to qualify for a higher pension income to help provide for them.

Over 1,500 conditions, on their own or combined, could qualify for extra income, some of which are listed here.

**Serious health problems can dramatically increase how much you receive**



## Lifetime Annuity – Example

# Graham

Graham is 64 years old with a fund size of **£100,000** taking 25% tax free lump sum. He is a fit and healthy accountant living in Glasgow.

His current annuity income is **£5,985** per year. Let's see what would happen to Graham's annuity income if his circumstances were different.\*

| CHANGE TO CIRCUMSTANCES                                    | % INCREASE | EXTRA INCOME (£) |
|--|------------|------------------|
| Graham is a taxi driver living in Doncaster                | 0%         | £0               |
| Graham is overweight                                       | 0.19%      | £11.04           |
| Graham smokes 10 cigarettes per day                        | 10.6%      | £705             |
| Graham smokes and takes medication for high blood pressure | 11.4%      | £765             |

\*Certain annuity providers will offer uplifts for varying factors

All figures quoted are for illustrative purposes and correct as of June 2026, source - IRESS



Option B

# Fixed-Term Annuity

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A fixed-term annuity is a type of annuity that provides a guaranteed income for a set period, usually ranging from three to ten years. With a fixed-term annuity, you can take 25% of your fund as tax-free cash, then you have the flexibility to choose how much income you want to receive each year and for how many years from the remaining fund.

After the number of years you decide to take an income, you will receive a guaranteed maturity amount (GMA), which is the amount you initially invested, plus interest from the provider, minus any income you've received during the term. The GMA is set out at the beginning for you to see and that amount is guaranteed to be returned.

When your GMA is paid back to you, Pense will be here to provide advice and guidance on what to do next. Whether you choose to reinvest the GMA, withdraw it, or explore other options, our team of experts will be on hand to support you every step of the way.

Since April 2015, retirees have had the option to withdraw their pension fund as income without any restrictions. While it may be tempting to take the entire fund as income, it's important to consider the tax implications.

As mentioned, 25% of the pension fund can be taken as a tax-free lump sum however the rest is typically taxed.

The amount of tax you pay will depend on your overall income and tax bracket. Because of this, withdrawing your pension as a lump sum may not be the best choice for everyone.

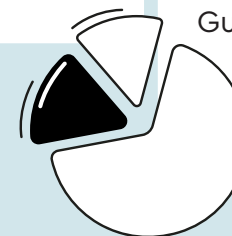
Overall, a fixed-term annuity can be a good option for those who want a guaranteed income for a set period while maintaining flexibility over their retirement funds.

At Pense, we can provide you with personalised advice based on your individual needs and circumstances to ensure a fixed-term annuity is right for you.

# How a Fixed-Term Annuity works

This is an example based on a £100,000 pension fund. Note that figures are for illustrative purposes only and may change daily. For a personalised illustration, please use our customer portal or call us.

| PENSION FUND    | TAX-FREE CASH           | AMOUNT REMAINING   | INCOME FROM REMAINING AMOUNT  | GUARANTEED MATURITY AMOUNT (GMA)   |
|-----------------|-------------------------|--|---|--|
| <b>£100,000</b> | <b>25%</b><br>(£25,000) | <b>£75,000</b><br>(minus any fees)<br>Fixed-Term Annuity | <b>£5,985<sup>pa</sup></b><br><hr/> 5 years<br><br>5 Years income of £5,985 per year is paid to the annuitant (this can be paid in monthly installments). | <b>£58,437</b><br><br>Returned after 5 years and all options are re-opened.<br><br>Overall return of £88,362 is the income received plus the Guaranteed Maturity Amount. |



(Source: Iress May 2026)

## FIXED-TERM ANNUITY QUICK FACTS

- Most fixed-term annuity providers will allow you to come out of the plan during its term if your circumstances change.
- You can take the tax-free cash as a lump sum without taking any income.
- Death benefits that can be selected are the same as traditional annuities. Please see our Guide To Death Benefits later in the brochure.
- You can also select a GMA of £0 and "strip-out" your funds in full.

For more information on fixed-term annuities, visit the pension guides on our website or call our freephone number **0808 281 2558** to request our annuity brochure.

Fixed-Term Annuity – Example

# Phillip & Sue

Philip has **£75,000** to buy an annuity and would like to compare a traditional lifetime annuity against the fixed-term annuity option.

The lifetime annuity is fixed for the rest of Philip's life based on his health and circumstances today.

Let's see what would happen if his circumstances changed in the future.

## LIFETIME ANNUITY

Income for life of **£5,135** per year

This income is fixed for life, meaning Philip would not benefit income-wise from future ill health. He has also purchased 100% spouse protection, meaning a lower income. Therefore the income would remain the same even if Sue were to die before him.



## 5 YEAR FIXED TERM

Let's match the lifetime income for 5 years of **£5,139** per year

After 5 years, a guaranteed maturity amount (GMA) would be paid of **£65,674** and with this, all of Philip's options are open again.

Philip now has **£65,674** to invest for a pension income.

After being reassessed and looking at different scenarios, let's see what could happen to Philip's income in 5 years time.

All figures quoted are for illustrative purposes and correct as of June 2026 source - IRESS

| SCENARIO 1  | SCENARIO 2   | SCENARIO 3  |
|---|--|---|
| Philip & Sue are fit & healthy (no change)  | Sue had a mini stroke prior to the fixed-term annuity maturing. She has made a full recovery, but is now taking medication                 | Unfortunately Sue has passed away and Philip no longer needs 100% spouse protection   |
| The pension income generated from <b>£65,674</b> would be <b>£4,123</b> per year based on 100% spouse protection. | Philip would now qualify for an enhanced annuity. The <b>£65,674</b> would now provide <b>£4,329</b> per year with 100% spouse protection. | Income for a single life annuity in Philip's name with <b>£65,674</b> would be <b>£4,635</b> per year for the rest of his life. |

All figures quoted are for illustrative purposes and correct as of June 2026, source - IRESS

## Is a Fixed-Term Annuity suitable for you?

A fixed-term annuity can be a good option if you value flexibility and don't want to commit to a lifetime annuity from the outset. With a fixed-term annuity, you can keep your options open and choose the product and features that match your circumstances at the end of the term.

One of the risks with fixed-term annuities is that the maturity amount you receive at the end of the term may not provide the retirement income you need if market conditions change, such as if annuity rates fall during the term.

However, it's worth noting that there is also the possibility of a higher income due to improved annuity rates or health deterioration during the term, meaning eligibility for an enhanced annuity that would pay more than a standard annuity.

If you want flexibility and are open to some risk, a fixed-term annuity may be worth considering for your retirement income solution. One of our qualified advisers can help and advise on whether a fixed-term annuity is the right choice for your individual needs and circumstances.

# The cost of delay

Delaying taking your pension could cost you more money.

Delaying your pension income in the hope of securing a better deal may seem like a wise decision, but it can sometimes be costly.

Although annuity rates generally increase with age, the payments start immediately upon purchase. This means that the longer you wait to buy an annuity, the more income you're likely to miss out on.

It's important to understand that the cost of delay can be significant, potentially reducing the income you receive throughout your retirement.

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Moreover, if interest rates fall during the delay period, the income you receive in the future could be lower than if you had purchased the annuity earlier.

To help you better understand the impact of delaying your annuity purchase, visit our website for an interactive calculator that uses current annuity rates.

Our qualified advisers at Pense can advise you on when is the best time to purchase your annuity, ensuring it aligns with your retirement goals.

# Working example

## Barry

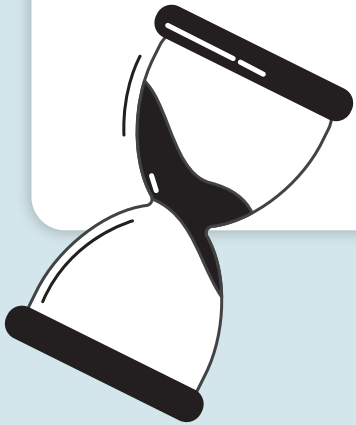
Barry has **£100,000** with which to buy an annuity. However, Barry has stated that he might wait 6 months before making his purchase, as he knows his income will be higher by that time.

By waiting six months Barry would receive an extra **£50** per year for the rest of his life. But he would miss out on 6 months worth of annuity payments of **£605 per month** in income that he would have received if he would have purchased his annuity 6 months earlier. He would therefore have to live **72 years** to make up his **£3,634** lost income and be at break even.

|                         | RETIRE TODAY<br>AGE 65 | RETIRE IN<br>6 MONTHS |
|-------------------------|------------------------|-----------------------|
| Pension income per year | <b>£7,268</b>          | <b>£7,318</b>         |

|                    | LOST INCOME    |
|--------------------|----------------|
| Six month's income | <b>£ 3,634</b> |

Please remember this does not take into account inflation, fluctuations in fund or changing annuity rates and the calculation simply assumes the pot size and annuity rates will remain the same.



All figures quoted are for illustrative purposes and correct as of June 2026, source - IRESS

**Find out more about our customer portal. Visit [pense.co.uk](https://pense.co.uk)**

Questions? **0808 2812 558**

Option C

# Flexi-Access Drawdown

For some people, retaining control over their pension income is key and flexi-access drawdown is the most flexible option in order to do so.

One of the advantages of flexi-access drawdown is that it allows you to keep your money invested, providing the opportunity for your pension savings to continue to grow. This may be particularly useful if you anticipate a longer retirement or want to leave some of your pension to your loved ones.

It's important to remember, however, that the value of investments can go down as well as up, and there is always a risk that you could run out of money if you withdraw too much, too quickly, or if your investments perform poorly.



Therefore, it's crucial to work with a qualified adviser to determine if flexi-access drawdown is the right choice for your individual needs and circumstances.

At Pense, our advisers can help you understand the risks and benefits of flexi-access drawdown, and provide personalised advice based on your individual needs and circumstances. By working with a qualified adviser, you can make informed decisions about your retirement income and select the right products that align with your goals.

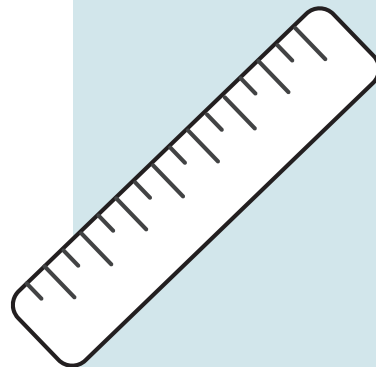
## How does Flexi-Access Drawdown work?

Flexi-access drawdown allows you to take money from your pension fund while leaving the remaining balance invested. Here's how it works:

- You can choose to take up to 25% of your pension pot as a tax-free lump sum. The rest of the money will remain invested.
- You can then choose to withdraw money from your pension pot as and when you need it. The amount you can withdraw is subject to income tax at your marginal rate.
- You can also choose to take regular payments from your pension fund, or make one-off withdrawals when you need them.
- While your pension savings are in drawdown, they will continue to be invested. The value of your pension can therefore increase or decrease depending on the performance of your investments.
- Options such as spouse benefits are not relevant.
- The fund stays in a favourable tax environment.

## The Risks

- Flexi-access drawdown will not be suitable for all people. Unlike an annuity, there is no guarantee that an income will be paid for life.
- Withdrawals may erode the pension fund and annuity rates may be lower in the future, leading to a reduced level or loss of retirement income if you were to purchase an annuity in the future.
- As the funds are invested, there is always the possibility that investments can go up or down. It's important to regularly monitor your flexi-access drawdown plan to ensure it continues to meet your needs. However, we offer an annual review at a fixed price to provide you with peace of mind and ensure the ongoing suitability of your plan.



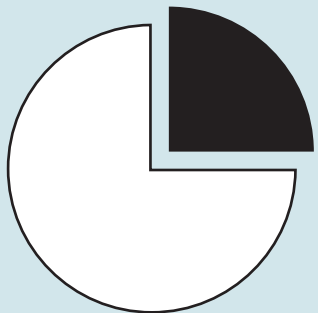
# What you need to know

Flexi-access drawdown allows you to take a tax-free lump sum from your pension of up to 25% of the total value, while the rest of your pension fund remains invested.

There's a huge choice of investment funds available giving your pension the best chance of continued growth.

At Pense, our advisers will help you understand which funds best suit your attitude to investment risk (ATR).

Flexi-access drawdown offers you many options. Change the income you are taking, stop the income altogether, withdraw your money in full, or use the money to buy another product, like an annuity or fixed-term annuity should annuity rates improve.



- Tax-free cash
- Funds remaining invested

With our help and guidance, there are 1000s of funds to choose from, ranging from extremely safe, government-backed cash accounts, to investing in developing markets.

# How do I know if Flexi-Access Drawdown is right for me?

Determining if flexi-access drawdown is right for you requires careful consideration of your individual needs and circumstances. It's important to think about factors such as your retirement goals, investment preferences and risk tolerance.

At Pense, we can provide personalised advice based on your needs and circumstances to help determine if flexi-access drawdown is the right choice for you.

Book a free call in our portal with an adviser today or call **0808 2812 558**.

The image shows two smartphones. The foreground phone displays the Pense app interface with the text 'Pense Financial advice for later life' and a 'Quotation' button with a checkmark. The background phone shows a 'Sign In' screen.

**OUR CUSTOMER PORTAL**

To better understand each option, you can use our online calculators which show you how each option affects the annuity income. It's easy to use and you can explore different options to find the best one for you.

**Find out more about our customer portal.**

**Visit [pense.co.uk](https://pense.co.uk)**

## Attitude to risk

When considering flexi-access drawdown, it's crucial to understand your attitude towards investment risk, this refers to how comfortable and capable you are of taking financial risks in pursuit of potential rewards.

To assess your attitude to risk, our financial advisers will evaluate factors such as your investment experience, financial goals and ability to handle fluctuations in the value of your investments.

We use a straightforward set of questions to gather this important information.

Understanding your attitude to risk is important because the investments held within your drawdown plan will influence both the potential growth of your pension and the level of volatility you may experience. Choosing investments that do not align with your risk profile could result in unnecessary worry during market downturns or, conversely, lower long-term growth than may be required to achieve your retirement objectives.



## Matching you to the right investments

Following the attitude to risk assessment, our advisers will recommend an investment strategy that matches your risk profile.

For example, if you're risk-averse, they might recommend a more conservative investment portfolio. On the other hand, if you have a higher tolerance for risk, they might recommend a more aggressive portfolio.

In summary, it's important to understand your attitude to risk when considering pension drawdown and our financial advisers will only recommend an investment strategy that matches your risk profile to ensure that the product is appropriate for your individual circumstances and financial goals.

You can book an appointment with one of our qualified advisers at a time to suit you, either online through our customer portal or by speaking with one of our experts.

## Flexi-Access Drawdown – Example

# James

Let's take a look at how flexi-access drawdown can help James maximise his income in retirement. James has a pension fund of **£250,000** after taking his 25% tax-free lump sum and is earning **£50,000** per year in retirement.

However, if he were to take out the remaining **£187,500** from his pension fund in one go, he would lose **£88,050** to taxation in that financial year.

This is because the added income would push him into a higher tax bracket, with a significant portion taxed at 40% and 45%.

Fortunately, there are options available to James that can help reduce the amount he would lose through taxation.



# Control the income

## Case Study - Bill

Bill has yearly income of **£7,488** from a pension fund after taking 25% tax-free cash of **£27,000**

**£12,570**  
tax-free  
allocation

**£5,082** from his  
pension pot per year

**£7,488** Existing income

Using a fixed-term annuity or flexi-access drawdown, Bill could take an income of **£5,082** per year and avoid paying any tax, as he does not go above **£12,570**. He could do this for around 5-6 years to take out the whole fund tax-free.

**Please note:**

Care should be taken as stripping out a pension fund could leave you in financial hardship in later retirement.

All figures quoted are for illustrative purposes and correct as of May 2026.

# Charges & fees to set up a Flexi-Access Drawdown plan

When setting up a flexi-access drawdown plan, you should be aware of the following costs. These costs are designed to ensure your investments are handled effectively:

- Ongoing Fees
  - Portfolio Charge
  - Discretionary Fund Management (DFM)
  - Platform Fee
  - Ongoing Financial Advice

This relates to the 'Annual Management Charges' of the individual funds within the investment and the fees taken by the professional fund managers who oversee and adjust each fund's holdings to optimise returns based on market conditions.

This fee covers the selection and management of the funds within your portfolio, helping to keep your investments aligned with your risk level and growth goals.

Charged by the platform provider that holds and organises your investments providing an ability to log in and view the value of your plan and monitor performance.

This fee covers the cost of your annual review meeting, any conversations with our advice team, as well as any administration (such as withdrawal requests).



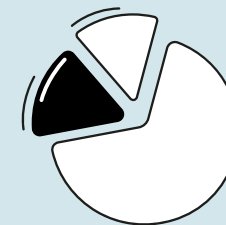
## Initial Advice Fee

There is an initial fee that covers the cost of advice, comprehensive pension checks and handling all the paperwork needed to set up your plan.

|                       |   |
|-----------------------|---|
| Industry Advice Fees* | Up to 5% of the pension with no cap e.g. for a £200k fund you could pay as much as £9,000 |
| Pense Advice Fee      | 3.5% of the pension fund with a capped maximum fee of £3,495                              |

\*source: <https://www.sjp.co.uk/individuals/charges/pensions-charges> - May 2026

# Charging Comparison Table



To demonstrate the value and affordability of Pense's service, we've compared typical industry charges, based on a range of firms, with our own pricing model. This side-by-side view highlights how our approach delivers strong cost efficiency without compromising on quality or support.

At Pense, we do not believe that fees should increase simply because a pension is larger. The work involved in providing advice remains the same, whether a client has £100,000 or £500,000. Charging more purely based on fund size does not reflect fair value, which is why our pricing is designed to be both transparent and proportionate.

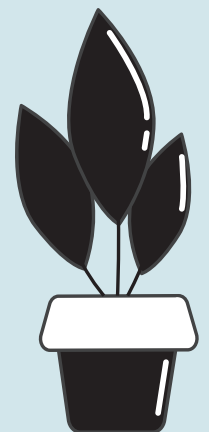
| CHARGE TYPE                         | INDUSTRY AVERAGE ANNUAL CHARGE | PENSE ANNUAL CHARGE | ANNUAL SAVING |
|-------------------------------------|--------------------------------|---------------------|---------------|
| Portfolio Charge                    | 0.49%                          | 0.07%               | 0.42%         |
| Discretionary Fund Management (DFM) | 0.37%                          | 0.09%               | 0.28%         |
| Platform Fee                        | 0.25%                          | 0.20%               | 0.05%         |
| Ongoing                             | 0.64%                          | 0.50% (max £750)    | 0.14%         |
| <b>Total Annual Charge</b>          | <b>1.75%</b>                   | <b>0.86%</b>        | <b>0.89%</b>  |

# Death benefits fact sheet

visit us online at [pense.co.uk](http://pense.co.uk)

What will happen to your pension savings after you pass away.

|  |  | LIFETIME ANNUITY | FIXED-TERM ANNUITY |
|--|--|------------------|--------------------|
| <b>Guarantee period</b>  | The Guarantee period is the period of time that you can choose to have the pension income paid, irrespective of whether you are alive. 5 or 10 years can be chosen and the pension income will be paid to your estate for the benefit of your beneficiaries.   | Yes              | Yes                |
| <b>Spouse/ dependant benefit</b>   | A range of benefits from 0%, 33%, 50%, 66% and 100% of the full pension income can be paid to the spouse of the annuitant on their death. Since April 2015 it has been possible to set up joint life annuities to cover the member and any beneficiary. Also since April 2015 any income in payment will be paid tax free to the beneficiary.  | Yes              | Yes                |
| <b>Value Protection (including flexi-access drawdown death benefits)</b> | Value protection can be added to certain types of annuities, providing protection for beneficiaries in case the account holder dies during the term. Your beneficiary can receive the remaining pension fund as a cash lump sum, which may be taxed depending on your age at death. If you pass away before 75, it's tax-free; if over 75, it's taxed at your beneficiary's marginal rate. Alternatively, Your beneficiary may be able to use the death benefit sum to set up a flexi-access drawdown plan (or annuity/fixed-term annuity), regardless of your age at death. The income would still be tax-free if you pass away before 75 and taxed at your beneficiary's marginal rate if you're over 75. A tax-free charity lump sum can be paid from flexi-access drawdown funds if you have no surviving dependants and have nominated a recipient charity. | Yes              | Yes                |
| <b>Death before retirement (uncrystallised funds)</b>                    | If a person dies before they start receiving their pension (i.e. while their funds are still uncrystallised), the full amount of their pension will typically be paid to their chosen beneficiary. If no beneficiary has been selected, the proceeds will be paid into the deceased person's estate. These proceeds are generally not subject to inheritance tax or income tax, however, it's worth noting that there are some exceptions and special cases that may affect the tax treatment of these funds.  | n/a              | n/a                |



# Navigating the next steps

If you're ready to make a decision, here's what's next?

Once you've received your quotes through our easy-to-use online portal or by speaking with one of our knowledgeable experts, the next step is for us to carry out pension checks on your existing plans.

This is an important step to ensure that you aren't giving up any hidden benefits that could impact your retirement income. As part of our duty of care, we will only transfer your pension to a new provider if it puts you in a better position. If we find anything that means it is more beneficial for you, we'll let you know, and there won't be any additional cost to you.

At Pense, our qualified advisers put you first by guiding you through the process, providing all the information you need to make informed decisions about your retirement income and creating a tailored retirement plan that meets your individual needs and goals.

scan the QR code or visit:  
**[pense.co.uk/letter-of-authority](https://pense.co.uk/letter-of-authority)**  
to get started.



# Letter of Authority

Give us permission to check your current pension for valuable benefits

A Letter of Authority (LOA) is a document that authorises us to request information from your current pension providers. This enables us to conduct a thorough analysis of each pension to ensure that you're not missing out on any valuable benefits. If we can't beat any existing benefits with your current provider (known as your ceding scheme), we will advise you to stay where you are with that fund.

Requesting an LOA with Pense is simple and hassle-free, simply scan the QR code below, or visit: [pense.co.uk/letter-of-authority](https://pense.co.uk/letter-of-authority). Once we have your authority, our qualified advisers will take care of the rest.

By conducting a thorough analysis of each pension, we can determine whether you're paying too much in fees, whether there are any hidden charges and whether you're invested in the most appropriate funds. We'll write to your current pension provider(s) to gather information about your plan(s) so that we can provide you with a comprehensive review of your retirement income options.

**There is no cost for this service.**

Questions? **0808 2812 558**

# Our commitment to you and the FCA Consumer Duty

We put you first and welcome the FCA's new consumer protection measures.

At Pense, we are committed to providing our clients with a high-quality service that puts their best interests first.

That's why we fully embrace the FCA's Consumer Duty legislation, which aims to ensure that financial firms like ours act in the best interests of our clients and provide them with the information they need to make informed decisions.

The Consumer Duty consists of 4 core elements:

- 1. Products and services** - products and services should be designed to meet the needs, characteristics and objectives of clients.
- 2. Price and value** - products and services should be sold at a price that reflects their value.
- 3. Consumer understanding** - consumers are equipped to make good decisions with information made available at the right time and presented in a way that is easy to understand.
- 4. Consumer support** - customer service should meet clients needs throughout their relationship with a firm, being responsive and helpful. It should be easy to get in touch for any help and support that a client requires.



At Pense, we take each of these elements very seriously, here's how:

**Products and services** - We know that every client is unique, with their own needs and long-term objectives. That's why we offer financial advice that's tailored to you, based on a thorough review of your individual circumstances. As an independent firm, we have no ties to any single provider, and we'll search the whole market to find the best deal for you.

**Price and value** - We believe in complete transparency when it comes to pricing and value. Our cutting-edge technology allows us to offer a service that's among the most affordable in the market. We charge a tiered initial advice fee that covers our costs to provide the service, and we won't charge you a percentage of your investment. As an ongoing client of Pense, you'll pay a fixed annual advice fee for a yearly review of your investments.

**Consumer understanding** - We've invested heavily in technology to provide you with a range of tools to make informed choices about financial products and services. Our client portal gives you 24-hour access to research and personalised quotes and illustrations, helping you plan for your retirement.

**Consumer support** - We're here to support you every step of the way. Every client has a dedicated support contact for all queries and support needs. You can reach us by telephone, email, live chat or through our customer portal.

We strive to offer a high-quality service that meets the unique needs and objectives of every client. If you're looking for a financial firm that puts your interests first, look no further than Pense.

# What is the cost of our service?

At Pense, we are dedicated to providing outstanding service without the premium price tag. By investing in state-of-the-art technology, we have streamlined our processes, enabling us to pass on the savings directly to our valued clients.

By harnessing the power of cutting-edge innovations, we proudly offer a superior level of service at a fraction of the cost compared to our competitors. We firmly believe that quality financial advice should be accessible to everyone, regardless of their pension size or budget. Our investment in technology empowers us to fulfill that commitment.

Our initial advice fee, which covers the cost of providing regulated financial advice, will be included in any annuity and fixed-term annuity quotes you receive, ensuring that there are no surprise bills after your case has been completed. For flexi-access drawdown, we charge an initial advice fee, which can be taken from your pension value before your money is invested.



# Affordable ongoing advice

Consistent, fair value for all.

For customers who require ongoing advice for products, such as flexi-access drawdown, which necessitate an annual review with a financial adviser, we charge a straightforward flat fee of just **£750**.

Traditional financial advice practices, including Independent Financial Advisers (IFAs), often charge a percentage of your pension investment as an ongoing fee each year. This approach can disproportionately affect those with larger pension funds, causing them to pay significantly more for the same service.

However, at Pense, we believe that customers should not be penalised by paying more for the same service, irrespective of their fund size. Our flat fee structure ensures that all clients receive equal value and support, regardless of their pension investment.

While there are always costs associated with any service, our mission is to make affordable financial advice available to everyone. This commitment guarantees our customers receive the best possible solutions for their hard-earned pension funds when they reach retirement, helping them make the most of their financial future.

Questions? **0808 2812 558**



# Things we do for you

- We handle all the provider paperwork for you, so you can sit back and relax.
- We will check all clauses and special conditions in detail, so you don't have to worry about hidden surprises.
- We'll uncover any hidden limitations or provisions that could impact your pension, giving you peace of mind.
- Our strong relationships with providers work to your advantage, so you can get the best possible deal.
- We'll make sure the process goes smoothly, so you can focus on enjoying your retirement.

## Free pension checking

Our free pension check focuses on evaluating your current pension arrangements to ensure you're not unintentionally giving up any valuable guaranteed benefits, such as guaranteed annuity rates or protected pension ages, by moving your funds.

Our experienced team of financial advisers will meticulously examine your existing pension plans and help you identify any potential pitfalls or hidden benefits, ensuring you make informed decisions for a secure retirement.

By taking advantage of our free pension checking service, you can feel confident that you're preserving essential benefits and making the most of your hard-earned pension funds.

scan the QR code or visit  
**[pense.co.uk/letter-of-authority](https://pense.co.uk/letter-of-authority)**  
to get started.



# The pension enquiry experts



We quote from every provider in the open market including:

**Standard Life**

**Pru**  
part of M&G plc

**L&G**

**AVIVA**

canada **life**<sup>TM</sup>

**JUST.**

**LVE**

**SCOTTISH WIDOWS**

We understand that the pension process can seem overwhelming at times, especially when there's a lot of paperwork involved that can be so hard to understand. That's where we come in.

We have a dedicated team of pension experts who are here to handle all of the paperwork and ensure that you're getting the most out of your pension plan.

We take care of all the provider paperwork for you, so you can sit back and relax knowing that the details are being handled by professionals.

Our experts will meticulously review all clauses and special conditions, ensuring that there are no hidden surprises that could impact your pension. We'll reveal any limitations or anything else that might cause concern, giving you peace of mind.

Our goal is to ensure that the entire process goes smoothly, allowing you to focus on enjoying your retirement to the fullest.

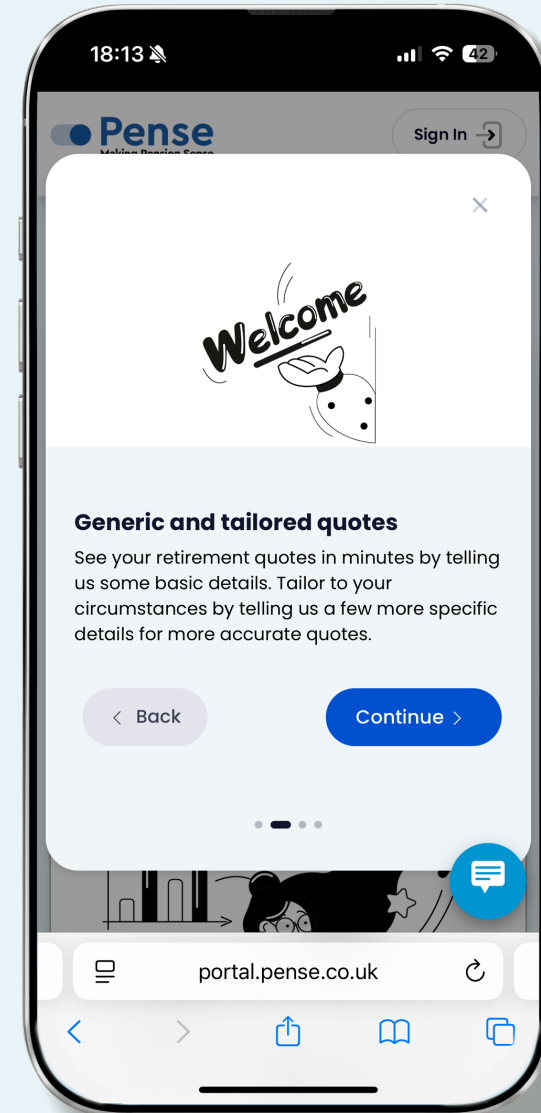
# Our new customer portal

Streamlining your retirement journey.

Introducing our new customer portal, designed to simplify your retirement income journey. Everything you need in one place, from pension income calculators and tailored quotes, through to real-time application tracking and secure messaging with our team of experts - managing your pension has never been easier.

Our calculators offer clear insight into the amount of pension income you may be eligible to receive, while application tracking allows you to keep up-to-date with progress updates. Plus, our messaging system provides direct access to our team for any questions or concerns you may have.

Experience the ease and security of our customer portal for yourself by visiting our website and logging in. If you need any assistance, our team is available to help you every step of the way. Get started at [pense.co.uk](https://pense.co.uk) today.



# Ratings & reviews

5 Stars on Trustpilot

See our Trust Pilot reviews at  
[uk.trustpilot.com/review/pense.co.uk](https://uk.trustpilot.com/review/pense.co.uk)  
or scan the QR code



visit us online at [pense.co.uk](https://pense.co.uk)

## My experience went so smooth.

My experience went so smooth, I was informed every step of the way. Amber was very efficient in every aspect and everything done by Pense took the pressure off us.

Would highly recommend Pense.

**Susan Sims**

## Brilliant service.

Brilliant service. Very knowledgeable personnel. Whole process was handled professionally and within the required time frame.

**John White**

## Quick, professional and painless.

When I decided to apply I was extremely nervous but I have found the whole experience with Pense really reassuring. I have felt listened to, cared for and thoroughly updated throughout the different stages. All in all I felt this was a successful transaction and totally painless and would thoroughly recommend Pense.

**Barbara Hammond**



# Making sense of pensions

[pense.co.uk](https://pense.co.uk)

Feedback?



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