Combined Nuclear Pension Plan ("CNPP")

Annex to the Guide to the GPS Pension Scheme – Defined Contribution

Freedom and choice in pensions – new flexibilities at retirement for GPS Section members with Defined Contribution (DC) accounts

From 1 October 2015, you will have greater flexibility over what you can do with your DC investment account when you retire. You will be able to do a combination of the following at retirement:

- Use some or all of your DC investment account to buy an annuity with an insurance company.
- Take a tax free cash lump sum broadly equivalent to 25% of the total value of your DC investment account. The remainder of your DC investment account would have to be used to buy a pension annuity.
- Take up to 100% as cash, by transferring the whole of your DC investment account to an external pension provider. However please note that only the first 25% of the cash lump sum will be tax free – the remaining 75% will be taxed at your highest rate by adding it to the rest of your income. You'll be able to do this only once and at retirement.
- Transfer your DC investment account to an external pension provider, where you will continue to invest it or use it to fund a drawdown arrangement. Under a drawdown arrangement your investment account stays invested while you withdraw money from it. You continue to choose where your pension is invested so your fund and the income you take will rise and fall with the market. It should be noted that the more you withdraw in the early years, the less you will have available to use to provide income in the future, meaning there is more danger of you running out of money.

Trustee of the Combined Nuclear Pension Plan
August 2015