



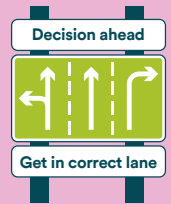
Water for the North West

Retirement options

United Utilities Pension Scheme (UUPS) - Defined Contribution section

This is relevant for members in the DC section and for the DC top up part of the Hybrid section.

When you decide to take your DC pot you will have choices to make. Don't worry, Aegon Assist can provide guidance. You could also contact Pension Wise, backed by the Government, for free impartial guidance. At retirement you have the following options:



1. Cash

You could take your entire DC pot as a cash lump sum (with 25% tax free, subject to available Lump Sum Allowance, and the remainder taxed as income).



Things to consider: It's important to understand how tax might affect you. You might end up paying more tax than you expect. You should also think about how you will support yourself financially throughout retirement.

2. Secure Income (Annuity)

You could take 25% of your DC pot as a cash lump sum (tax free if you have Lump Sum Allowance available) and use the remainder to purchase a regular taxable income that provides you with the type of income you want for the rest of your life. The annuity would not be through the UUPS, you would need to find your own annuity provider.



Things to consider: Once you have bought an annuity you can't change your mind or change the level of income or type of annuity (for example whether it increases or provides a pension to a dependant after your death).

3. Flexible Income (Drawdown)

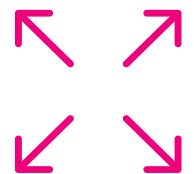
You could take 25% of your DC pot as a cash lump sum (tax free if you have Lump Sum Allowance available) and keep the remaining pot invested to provide an annual taxable income – which you could vary from year to year. Drawdown would not be provided through the UUPS, you would need to find your own drawdown provider.



Things to consider: You need to be happy managing your money and deciding how much and when to take money out of your pot. Also, the more you take out in the early years, the less you'll have later on. So, if you take out too much, you might not have enough money to live on in later life

4. A combination of the above

You can mix the options above. If this is something that you would like to consider Aegon will go through this with you.



2: Decision ahead

You're thinking of retiring, what you need to do.

If you are thinking about retiring you should contact Aegon in the first instance. If you require further assistance your details will be passed on to Aegon Assist who will contact you to talk you through your options and guide you through the process (at no cost to you). Further guidance is also available from Pension Wise.

Once you know what you wish to do and when, you should write to your line manager (either by letter or email) to tell them you want to retire, and the date you wish to leave.

The earliest you can take your DC pot is age 55* (however if you joined before 5 April 2006 you can take your pot from age 50). * This is increasing to age 57 from 6 April 2028