

# Phased drawdown

Nucleus platform user guide

Edition 01

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## Introduction

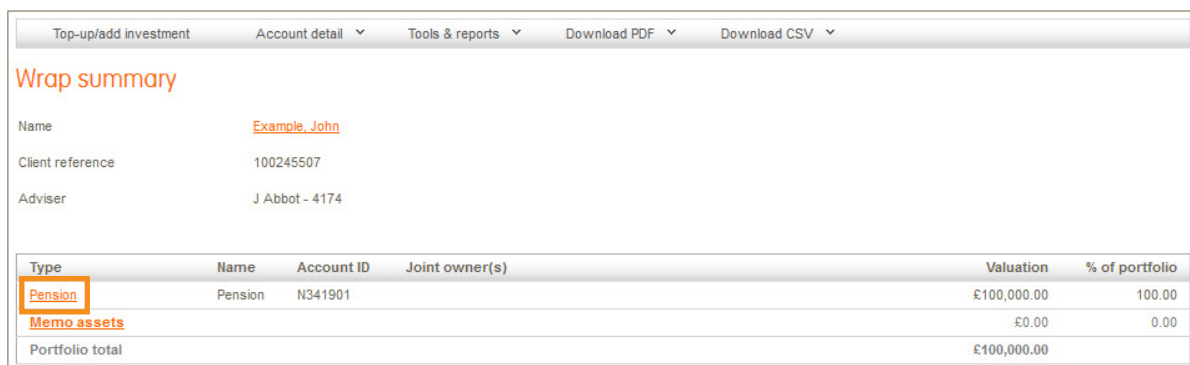
This document provides a guide on how to request phased drawdown for the following scenarios:

- From a new and existing Nucleus Pension account
- Amendments to an existing phased drawdown instruction.

## Guide

### Where do you instruct phased drawdown on an existing pension account?

First select the pension account from the 'Wrap summary screen'.



Top-up/add investment   Account detail ▾   Tools & reports ▾   Download PDF ▾   Download CSV ▾

### Wrap summary

Name                      [Example, John](#)

Client reference            100245507

Adviser                      J Abbot - 4174

Type	Name	Account ID	Joint owner(s)	Valuation	% of portfolio
<b>Pension</b>	Pension	N341901		£100,000.00	100.00
<b>Memo assets</b>				£0.00	0.00
<b>Portfolio total</b>				<b>£100,000.00</b>	

At the pension summary screen, select 'Take income' from the 'Account detail' drop down menu.

**Pension - N341901**

Account details

Account number	N341901	Owner(s)	Example, John
Adviser	J Abbot - 4174	Valuation @ 24/02/2020	£100,000.00
Account name	Pension	Pension input period	
Retirement age	75	Beneficiaries	
Subject to MPAA	No	MPAA commencement date	

## Where do you instruct phased drawdown as part of a new business application?

### New client to Nucleus

For a new client to Nucleus, please refer to the Nucleus user guide: new clients and new business (available from the library) for guidance on how to set up a new client.

Once you have created your new client on the platform, follow the steps below.

### Existing Nucleus client

At the Wrap summary page for the client, select 'Top-up/add investment'.

**Wrap summary**

Name: [Example, John](#)

Client reference: 100245507

Adviser: J Abbot - 4174

Type	Name	Account ID	Joint owner(s)	Valuation	% of portfolio
<a href="#">Pension</a>	Pension	N341901		£100,000.00	100.00
<a href="#">Memo assets</a>				£0.00	0.00
<b>Portfolio total</b>				<b>£100,000.00</b>	

## Keying a Phased drawdown instruction

You may now add a 'New account' or top-up an existing account. From the drop down menu for new accounts, select the appropriate account type then click on 'Add'. Remember, as the client is going into immediate drawdown please select a Pension account and tick the immediate drawdown box as well as the contribution type.

The screenshot shows the 'Application for John Example' form, specifically the 'Select account' section. The form is titled 'Application for John Example' and has a 'Next' button in the top right corner. Under the heading 'Select account', there are two main sections: 'New accounts' and 'Top up'. In the 'New accounts' section, there is a dropdown menu for 'Select the account type you wish to open:' with 'Pension' selected and an 'Add' button next to it. Below this is a table for 'Pension' accounts. The table has columns for 'Account holder', 'Give the account a name', 'Contribution type', 'Other account holder(s)', and 'Annual advice fee'. The first row shows 'John Example' as the account holder, 'Pension' as the name, and '0 %' as the annual advice fee. Under 'Contribution type', there are checkboxes for 'Payments', 'Re-register', 'Transfer', and 'Immediate drawdown'. The 'Transfer' and 'Immediate drawdown' checkboxes are checked. There is a 'Remove' button with a red 'X' icon. In the 'Top up' section, there is a dropdown menu for 'Select the account you wish to top up:' with 'Pension - N341901' selected and an 'Add' button next to it. Below this is a question 'Is the client subject to the Money purchase annual allowance?' with a 'No' dropdown menu. There is another 'Next' button in the bottom right corner.

Account holder	Give the account a name	Contribution type	Other account holder(s)	Annual advice fee
John Example	Pension	<input type="checkbox"/> Payments <input type="checkbox"/> Re-register <input checked="" type="checkbox"/> Transfer <input checked="" type="checkbox"/> Immediate drawdown		0 %

As you have ticked the immediate drawdown box, you will be taken to the immediate drawdown page during the new business journey.

## How do you submit the phased drawdown application?

The phased drawdown instruction is entered on the Take Income page (when accessed via an existing Pension) or Immediate Drawdown page (when accessed via a new business journey).

For the purposes of this guide you will see screenshots from the Take Income screen. The same fields are replicated on the Immediate Drawdown screen when you carry out a new business application.



It's not possible to add multiple, active phased drawdown instructions to the same pension. If there is an active phased drawdown instruction in place on a pension the immediate drawdown and take income screens will not allow you to key another phased drawdown instruction.

## Take income

The first section of the page contains the client and account details and details the Lifetime allowance (LTA). The LTA section will auto-complete for you as you enter the rest of the drawdown details on the application.

The screenshot shows the 'Take income' form for 'Pension - N341901'. The form displays client and account details. The 'Client number' is 100245507 and the 'Client' is 'Example, John'. The 'Account number' is N341901 and the 'Account type' is 'Pension'. The 'Drawdown type' is 'Flexi-access' and the 'Designate funds to existing account' is '<New>'. The 'LTA %' is 0.00 and the 'LTA % total' is blank. There are 'Next' buttons in the top right and bottom right corners.

Client number	100245507	Client	Example, John
Account number	N341901	Account type	Pension
Drawdown type	Flexi-access	Designate funds to existing account	<New>
LTA %	0.00		
LTA % total			

The 'Drawdown type' from the drop down list must be set to 'Flexi-access' to submit a phased drawdown instruction. You will not be able to submit phased drawdown instruction for capped drawdown.

If the client holds an existing Drawdown account you will be able to designate funds into that account. This drop down will default to 'New' which will create a new Drawdown account for the phased drawdown funds to be designated to.

## Drawdown details

For phased drawdown, you must enter an amount or percentage under 'Drawdown options' that is less than the current value of the Pension account. This is the amount that will be transferred from the Pension account to the Drawdown account with each phased drawdown iteration. You must also select the PCLS option, which will be either an amount or a percentage.



It is possible to submit a single drawdown request on a pension that has an active phased drawdown instruction. The single drawdown instruction would be submitted as normal on the account and the signed client instruction sent to Nucleus via Jira to be processed.

Please note, you will not be able to do this during the 11 working days that the phased drawdown instruction is at the statuses of Disinvesting or Processing. For more details, please see page 9.

## Phased drawdown options

Drawdown details

**Please select a drawdown option**

Drawdown options: Amount ▼

Drawdown amount:

Drawdown %:

**Please select a PCLS option if required**

PCLS option: Percentage ▼

PCLS income amount:

PCLS %:

**Please select a phased option if required**

This will repeat the crystallisation on a regular basis

Frequency: None ▼

None

Monthly

Quarterly

Annual

Half Yearly

Under the phased options, the frequency drop down will default to 'None'. Leaving this option as 'None' will result in a single drawdown instruction being submitted. To submit a phased drawdown instruction, you must select a frequency of monthly, quarterly, half-yearly or annual from the drop down list.

Drawdown details

**Please select a drawdown option**

Drawdown options: Amount ▼

Drawdown amount:

Drawdown %:

**Please select a PCLS option if required**

PCLS option: Percentage ▼

PCLS income amount:

PCLS %:

**Please select a phased option if required**

This will repeat the crystallisation on a regular basis

Frequency: Monthly ▼

First payment date:

Final payment date:  or  No end date

## Keying a Phased drawdown instruction

Once you have selected a frequency, you must input a start date for the phased drawdown instruction and either an end date or tick the 'No end date' box. The start date must be 11 working days in the future and the end date must correspond with the first payment date and the frequency. For example, a frequency of monthly and a start date of 6 January would require an end date of the 6th of any month. However, a frequency of quarterly and a start date of 6 January would require an end date of 6 April, July, October or January.



If we're unable to process phased drawdown before the 11 working day cut-off for the first payment date, we will move the payment date to the first available date to ensure the client receives their requested PCLS as soon as possible.

Please note, this new payment date will persist for future phased iterations and any change would have to be made via the maintenance screen. A Jira will not be raised to inform you of this.

## Adviser payment details

Please remember that any initial fee submitted with a phased drawdown instruction will be deducted with each phased drawdown iteration. If you have submitted a 1% initial fee on a monthly phased drawdown instruction, that 1% fee will be deducted each month once drawdown has been processed and the PCLS figure paid to the client.

Adviser payment details	
Annual advice fee	<input type="text" value="0"/> % <input type="button" value="v"/>
Initial fee	<input type="text" value="0.00"/> % <input type="button" value="v"/>

## Income payment details



If an up-front fee is required, please request this using our ad-hoc fee process.

Income payment details are submitted independently of the phased drawdown instruction. This means you have the flexibility to request any amount of income up to the maximum income amount and the frequency and payment date for income does not have to match the phased drawdown instruction.

Income payment details	
Max income	<input type="text" value="2,994.90"/>
Frequency	<input type="button" value="Quarterly"/> <input type="button" value="v"/>
Amount	<input type="text" value="500.00"/>
First payment date	<input type="text" value="01/02/2020"/>

Please note, you must manage the pension income as you would any other income instruction on the Nucleus platform.



Pension income must be activated by our admin team after the first phase of drawdown has been processed. The first income payment may not be made on the date you have chosen if there is insufficient time to make the payment after income is activated. In this situation, income is paid at the earliest possible date, with future income payments being made on the same day of the month.

## Bank account details

You will be able to pay PCLS into any bank account held by the client or choose to designate the money into an existing, active General account.

Bank account details

Bank account details for PCLS

Account name Designate funds to existing account   
Test

Sort code

Account number

Roll number

The PCLS payment instruction will be in place for all phased drawdown iterations.

## Phased drawdown submission

Once you have entered the phased drawdown details and submitted the phased drawdown instruction, via take income or new business, you will see a summary of the phased drawdown details alongside the rest of the application summary.

Phased drawdown details			
Frequency	Monthly	First payment date	06/03/2020
Final payment date	06/04/2021		

This information will also appear on the PDF version of the summaries, which the client can sign instead of signing the Nucleus pension drawdown form, which can be found on the Nucleus library.



If you have an existing manual phased instruction in place, please speak to your CRM to discuss how this can be migrated over.

## How do you amend the details of an ongoing phased drawdown instruction?

### Where can you view phased drawdown details?

At the Wrap summary screen, select 'Maintenance' from the 'Account detail' drop down menu.

On the maintenance screen you will see a summary of the most recent phased drawdown instruction on the pension account.

Phased drawdown

Pension - N341901

Valuation @ 24/02/2020 £100,000.00

Payee	Frequency	Amount	PCLS amount	Next payment	Final payment	Bank account	Status
John Example	Monthly	£4,000.00	£1,000.00	06/03/2020	06/04/2021	09-00-00 12345678	Active

## How can you amend the phased drawdown instruction?

Click the edit icon at the top right of the phased drawdown panel to amend the details of the phased drawdown instruction.

Phased drawdown

Cancel Save

Pension - N341901

Valuation @ 24/02/2020 £100,000.00

Payee	Frequency	Amount	PCLS amount	Next payment	Final payment	Bank account	Status
John Example	Monthly	4000.00 £	25.00 %	06/03/2020	06/04/2021	09-00-00 12345678	Active

You will now be able to edit the frequency, drawdown amount, PCLS amount and payment dates for the phased drawdown instruction. The next payment date must always be at least 11 working days in the future and please remember that the final payment date must correspond with the frequency and first payment date you have entered. If no final payment date is required, please leave this field blank.

## How can I cancel the phased drawdown instruction?



You cannot edit any initial fee instruction or the bank account the PCLS payment is made to from here. You must raise a Jira request for this.

When editing a phased drawdown instruction, you will be able to select the option Cancelled from the 'Status' dropdown box. If you cancel a phased drawdown instruction you will not be able to reinstate the instruction from maintenance and any future phased drawdown instruction will need to be submitted via the Take income screen on the Pension account.

Phased drawdown

Cancelling instruction

**!** You are cancelling this Phased drawdown instruction and will not be able to reinstate it. Any future Phased drawdown instruction would need to be submitted via Take income on the Pension account.

Back Save

When cancelling the instruction, you will see this pop-up warning message to confirm you will not be able to reinstate the instruction from the maintenance page.



## When is it possible to amend a phased drawdown instruction?

It will only be possible to amend a phased drawdown instruction when it is at a status of Active. If the instruction is at any of the following statuses it will not be possible to make any changes to it.

- Disinvesting – 11 working days before the payment date the instruction will move to the Disinvesting status. The instruction will remain at this status for a maximum of nine working days.
- Processing – Two working days before the payment date the instruction will move to the Processing status. The instruction will remain at this status for a maximum of two working days.
- Completed – The phased drawdown instruction has completed either after reaching the final payment date or due to the pension fund exhausting.
- Cancelled – You have chosen to cancel the ongoing phased drawdown instruction.

## What is transferred from the pension to the drawdown account?

When processing phased drawdown, we will first reserve any available cash on the pension account, leaving 0.17% in available cash, and then sell the remaining required drawdown amount down to cash ahead of moving the requested drawdown amount from the pension to the drawdown account.



If the client is not taking their maximum taxable income, any cash left over will remain in available cash on the pension account and must be managed by the adviser firm.

Several assets (such as most equities) are excluded from being sold down as part of drawdown disinvestment and this exclusion will be extended to sells required for a phased drawdown instruction. If the pension account contains a mix of excluded and non-excluded assets, any sells required will be placed on the non-excluded assets on a pro-rata basis.



Please remember, the sell trades will take place on the pension account and will only be instructed on a pro-rata basis across the assets held on the account. You will not be able to elect to sell down from specific funds for phased drawdown.

## When will sell trades be created on the Pension account?

The sell trades will be created 11 working days prior to the requested payment date. This is to ensure there is enough time to allow trades to settle before we process drawdown and make the PCLS payment two working days before the requested payment date. You will not be able to make any changes to the phased drawdown instruction, or submit a request for single drawdown, during this 11 day period.

## What will happen at the final payment date?

At the final payment date, we will process the last phased drawdown iteration and pay out the associated PCLS amount to the client. The status of the phased drawdown instruction will move to Completed and no further drawdown processing will occur.

## What will happen if the client has insufficient funds for their next phased iteration?

If the pension account value is less than the request phased drawdown amount, the account will enter exhaustion processing. We will ensure that the value of the pension account, less 0.17% of the account value which is held for fees and charges, is moved from the pension to the drawdown account and the associated PCLS amount is paid to the client.

The status of the phased drawdown instruction will move to Completed and no further drawdown processing will occur. The pension account will be left open and can be used for future transfers in if required.

## Will the client receive a pension crystallisation letter with each phase?

A pension crystallisation letter will be generated with each phased drawdown iteration. However, this letter will not be posted to your client and will be viewable online only, under the client's Correspondence screen. We are currently unable to issue emails to alert clients when a new letter is uploaded online.

## Further support

Hopefully, you will now be able to complete and make changes to a phased drawdown instruction on the Nucleus platform. If you need any further help you can find a video guide in the 'How to videos' section of the Nucleus library, or you can contact your client relations manager who will be delighted to help.



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