

Request drawdown for a Nucleus pension

Nucleus platform user guide

Edition 05

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Introduction

This document provides a guide on how to request full or partial drawdown of a Nucleus Pension.

Guide

How do you start?

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

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Wrap summary

Name [Example, John](#)
 Client reference 10000001
 Adviser D Cameron - 12345

| Type | Name | Account ID | Joint owner(s) | Assets in/out | Money in | Money out | Valuation | % of portfolio |
|------------------------------------|---------|------------|----------------|---------------|--------------------|--------------|--------------------|----------------|
| Isa | Isa | N111111 | | £0.00 | £2,085.09 | £0.00 | £2,101.06 | 1.13 |
| Pension | Pension | N111112 | | £0.00 | £183,054.43 | £0.00 | £183,025.45 | 98.87 |
| Pension (Inactive) | Pension | N111113 | | £0.00 | £0.00 | £0.00 | £0.00 | 0.00 |
| Memo assets | | | | | | | £0.00 | 0.00 |
| Portfolio Total | | | | £0.00 | £185,139.52 | £0.00 | £185,126.51 | |

At the pension summary screen, select 'Take income' from the 'Account detail' drop down menu. If the client is subject to the money purchase annual allowance the commencement date will be shown.

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Pension - N151304

Account details

| | | | |
|---|-----------------|--|-------------|
| Account number | N151304 | Owner(s) | West, Sally |
| Adviser | C Lawson - 1939 | Valuation @15/04/2015 | £3,638.65 |
| Account name | | Pension Input Period | |
| Retirement age | 75 | Beneficiaries | |
| Subject to Money purchase annual allowance | No | Money purchase annual allowance commencement date | |

Drawdown type

The 'Drawdown type' from dropdown list is 'Flexi-access' or 'Capped'. If the client does not have a capped drawdown account on the platform the drawdown type defaults to flexi-access.

Select the drawdown account you wish to add to from the 'Designate funds to existing account' section. For flexi-access, leaving this field blank will generate a new flexi-access drawdown account.

Adding funds to an existing capped drawdown account will force a GAD review of the whole account.

Take income

The next part of the form details the Lifetime allowance (LTA). This section will auto-complete for you as you enter the rest of the drawdown details on the application.

Drawdown details

The 'Drawdown options' are either 'Full' for full drawdown or for partial drawdown select either 'Amount' or 'Percentage'.

Full drawdown

Please ensure you send Nucleus a signed 'Take income' form or 'Drawdown' form and refer to the declaration guidance at the end of this guide.

When you select 'Full' as the drawdown option, the 'Drawdown details' fields will auto complete for you. The drawdown amount and PCLS amount (25%) is displayed in light grey.

Take income
Pension - N119608

| | | | |
|----------------|-----------|-------------------------------------|-----------------|
| Client number | 100019542 | Client | Griffiths, Mike |
| Account number | N119608 | Account type | Pension |
| Drawdown type | Capped | Designate funds to existing account | N237529 |

| | |
|-------------|-------|
| LTA % | 15.06 |
| LTA % total | 33.45 |

Drawdown details

Please select a drawdown option

| | |
|------------------|------------|
| Drawdown options | Full |
| Drawdown amount | 188,236.51 |
| Drawdown % | 100.00 |

Please select a PCLS option if required

| | |
|--------------------|------------|
| PCLS option | Percentage |
| PCLS income amount | 47,059.13 |
| PCLS % | 25.00 |

Partial drawdown

Please ensure you send Nucleus a signed 'Take income' form or 'Drawdown' form and refer to the declaration guidance at the end of this guide.

Drawdown options

You can enter the value for drawdown as a (cash) 'Amount' or by 'Percentage'.

PCLS option

Select Percentage e.g. 25% and the actual drawdown amount is then auto-calculated for you. Alternatively you can state an 'Amount' and the 'Drawdown %' is auto-calculated for you.

You can select a PCLS of less than 25% as an amount or percentage however please note, you cannot request the remaining PCLS from this drawdown request at a later date.

The screenshot shows a form titled 'Drawdown details' with the following fields:

- Please select a drawdown option**
 - Drawdown options: Amount (dropdown menu)
 - Drawdown amount: 25,000.00 (text input)
 - Drawdown %: 13.66 (text input)
- Please select a PCLS option if required**
 - PCLS option: Percentage (dropdown menu)
 - PCLS income amount: 6,250.00 (text input)
 - PCLS %: 25.00 (text input)

What is transferred from the pension to the drawdown account?

When processing drawdown, we first take the required drawdown amount from available cash, leaving 0.17% in available cash for fees/charges etc. on the pension. The rest of the assets are transferred on a proportional basis. For example, if a fund takes up 4% of the pension account valuation, then 4% of the value required for drawdown is transferred from this fund.

Auto-disinvestment for PCLS and fees

If there is insufficient cash to pay the PCLS and/or an Adviser initial fee from the drawdown account, the available cash is ring-fenced (moved to reserved cash) and the assets are sold down proportionately to create the required cash amount. We ring-fence the available cash to ensure it is not used for other processes e.g. rebalancing.

Please note: Cash is not ring-fenced until we have received the relevant application paperwork and start processing the drawdown application.

Please note: PCLS will not be released until there is sufficient cash to pay out the PCLS and maintain the minimum 0.17% cash balance requirement. If cash is not available, auto-disinvest will sell down the appropriate assets and PCLS can then be paid out when there is sufficient cash available. If you choose to sell assets in the pension in advance of submitting the application, we would recommend you consider this plus the first income payment to avoid any delay.

I want to pay as much PCLS as possible as an immediate payment to the client

If the client doesn't have enough cash to pay the full value of the PCLS, you can choose to pay out as much PCLS as possible from the account as an immediate payment.

Any remaining PCLS to be paid would be paid on settlement of the auto-disinvestment trades.

Please select a PCLS option if required

| | |
|---|--------------|
| PCLS option | Percentage ▾ |
| PCLS income amount | 15,908.50 |
| PCLS % | 25.00 |
| Available cash | 7,511.02 |
| Make immediate PCLS payment using available cash? | Yes! ▾ |
| Remaining PCLS amount following disinvestment | 8,397.48 |

The remaining PCLS amount will be paid within 2 business days of settlement of the final disinvestment trade.

I want specific funds moved into drawdown

At this time we do not have the functionality for you to select specific funds for drawdown online however we can process this manually. Please do not use the online 'Take income' form, instead, follow current process and print the 'Pension drawdown' form available in the library. Please post the signed form including the drawdown specifics i.e. total cash, the full names of assets and total units.

Please make sure there is sufficient available cash in the pension for the PCLS to be taken or instruct a sell before posting the drawdown documentation to Nucleus client relations.

Adviser payment details

'Annual advice fee' can be keyed as a percentage or an amount. The fee is calculated daily and paid out on a monthly basis.

'Initial fee' can also be keyed as a percentage or an amount. The initial fee payment is calculated from the valuation of the drawdown account after the PCLS has been paid out.

| Take income summary | | | |
|---------------------|-----------|--------------|---------------|
| Client number | 100000001 | Client | Cameron, John |
| Account number | N111112 | Account type | Pension |
| Residual details | | | |

Income payment details

For a capped drawdown the 'Max GAD income' is auto calculated for you. The rest of the sections to complete are set out depending if you select '% of GAD', 'Amount', 'Max GAD' or 'No Income' as the Payment option.

% of GAD: select this if the client does not wish to take the maximum GAD income (select up to 150%)

Amount: key the specific amount the client requires (subject to the 150% limit)

Max GAD: select to ensure client receives the maximum income they are entitled to. The '% of GAD' field then defaults to 150%.

Please note income is subject to tax which is deducted before the client receives their pension income payment.

Income not required?

Leave this section at nil income if the client does not wish to start income at this time.

First payment date

To ensure we can process the first income payment on the elected date, please select a date for a minimum of 10 working days (provided the cash is available) from the date Nucleus should receive the application paperwork. If there is any doubt, please contact the client relations team for guidance.

If we are unable to pay the client's first income on the elected date, we will pay out the first single income payment on the first available date and continue income payments on this date each month thereafter (if this is the requested frequency). You can change the income payment date in the 'Account maintenance' screen when the drawdown account has been opened. If changing the frequency, date or amount, please take into account the GAD year.

Capped drawdown – income payment details

The screenshot shows a form titled "Income payment details" with the following fields:

| | |
|--------------------|------------|
| Max GAD income | 11,223.60 |
| Payment option | Max GAD |
| Frequency | Annual |
| % of GAD | 150.00 |
| Amount | 11,223.60 |
| First payment date | 15/04/2015 |

Flexi-access drawdown – income payment details

For flexi-access drawdown the GAD rate does not apply and the GAD fields are not displayed.

The screenshot shows a form titled "Income payment details" with the following fields:

| | |
|--------------------|------------|
| Max income | 140,937.38 |
| Frequency | Monthly |
| Amount | 1,500.00 |
| First payment date | 01/05/2015 |

Bank account details for PCLS

Clients' bank account details are pre-populated. If we hold a record of multiple bank accounts for the client, select the required bank account from the drop down list which appears at 'Account name'.

If the client wishes to pay PCLS to an existing General account, select the required General account from the dropdown list which appears at 'Designate funds to existing account'.

The screenshot shows a form titled "Bank account details for PCLS" with the following fields:

| | | | |
|----------------|------------|-------------------------------------|-------------------|
| Account name * | [Dropdown] | Designate funds to existing account | General - N335662 |
| Sort code | [Text] | | General - N335662 |
| Account number | [Text] | | |
| Roll number | [Text] | | |

Is a different bank account required for PCLS?

If the client requires the PCLS to be paid to a bank account that we do not hold a record of, we require a signed client instruction to add the new bank account to the platform. Please attach the completed 'Change to client bank details' form (available in the General section of the library) to Jira messaging. Alternatively, you can post the form to Nucleus client relations.

When the request has been processed, you can then proceed with the application as the bank account will be available for selection from the updated bank account list.

Income payment

Withdrawal method

Income payments can only be paid from available cleared cash on the Nucleus drawdown account.

Please select from the following two options to advise how the income payments should be managed:

None: if you intend to monitor the account. Please ensure there is sufficient cleared cash to meet the withdrawal.

Pro rata: if you wish Nucleus to monitor the cash element of the account, auto-disinvestment can be set up to automatically sell-down your client's holdings to meet the pension income amount. We also sell an additional 0.17% to restore the cash balance to meet the minimum cash requirement. Please be aware some assets may be excluded from auto-disinvestment such as monthly traded and suspended assets.

Income payment

Withdrawal method Pro-rata ▼

How can I change Income choices?

After the first income payment is made, if the client wishes to change income frequency, amount or date, you can instruct this from the 'Maintenance' page. If the first income payment has not yet been paid, please raise a request through our query system Jira and we will process this.

How can I stop funds being sold pro-rata to fund income?

If you only wish specific units to be sold down to fund the income payments, you can stop the pro-rata auto-sell down on the 'Maintenance' page after the drawdown account has been set up.

Bank account details for taxable income

See above 'Bank account details for PCLS' for guidance.

Bank account details for taxable income

Account name John Example ▼

Sort code 800011

Account number 10001245

Roll number

Press 'Next' to review the 'Take income' summary, click 'Back' if you wish to make any amendments.

Request drawdown for a Nucleus pension

And finally, complete the anti-money laundering declaration at the bottom of the summary, and then 'Submit'.

Take income summary

| | | | |
|----------------|-----------|--------------|---------------|
| Client number | 100000001 | Client | Cameron, John |
| Account number | N111112 | Account type | Pension |

Drawdown details

| | | | |
|-------------------|------------|----------------------|--------|
| Drawdown amount | £25,000.00 | Drawdown percentage | 13.66% |
| LTA percentage | 1.67% | LTA percentage total | 1.67% |
| PCLS amount | £6,250.00 | PCLS % | 25.00% |
| Withdrawal method | Pro-rata | | |

Adviser payment details

| | | | |
|-------------|-------|-------------------|-------|
| Initial fee | 1.50% | Annual advice fee | 0.50% |
|-------------|-------|-------------------|-------|

PCLS payment

| | | | |
|-------------------|-----------|---------------------|--------------|
| Amount | £6,250.00 | Bank account name | John Example |
| Bank sort code | 800011 | Bank account number | 10001245 |
| Withdrawal method | Pro-rata | | |

Taxable income regular payments

| | | | |
|-----------------------|------------|---------------------|--------------|
| Max GAD income | £1,771.88 | GAD percentage | 150.000 |
| Amount | £147.65 | Frequency | Monthly |
| First withdrawal date | 30/04/2014 | Bank account name | John Example |
| Bank sort code | 800011 | Bank account number | 10001245 |
| Withdrawal method | Pro-rata | | |

Anti-money laundering declaration

I can confirm that our AML record for this client is up to date and the bank account, that the pension income is to be made to, is in the client's name.

The following confirmation message shall appear and you can now select 'Print' for a copy of the application.

Take income summary

Your take income request has been submitted.

What happens next?

Please check and sign the anti-money laundering declaration on the 'Take income' summary and request the client signs the 'authorisation' section. Please attach a copy of the signed form to Jira and assign this to Nucleus, or alternately please post to Nucleus client relations.

When will I know that 'Take income' has been processed?

There is 'Benefit Drawdown Events' section that will appear at the bottom of the clients' pension portfolio page which confirms Lifetime allowance % used, drawdown value and tax-free Lump Sum amount.

| Benefit Drawdown Events | | | | | |
|-------------------------|-----------|---------------------------|----------------|-------------------|-----------|
| Effective date | Trade ID | Lifetime Allowance % Used | Drawdown Value | Tax-Free Lump Sum | Reference |
| 04/04/2014 | 126229178 | 40.39 | £100,000.00 | £25,000.00 | 100000037 |

Model portfolios and rebalancing

When crystallising a Nucleus pension, the model portfolio and rebalancing options are automatically copied to the drawdown account.

Further support

Hopefully you will now be able to complete an application for immediate drawdown. If you need any further help, please contact your client relations manager who will be happy to assist.



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www.nucleusfinancial.com