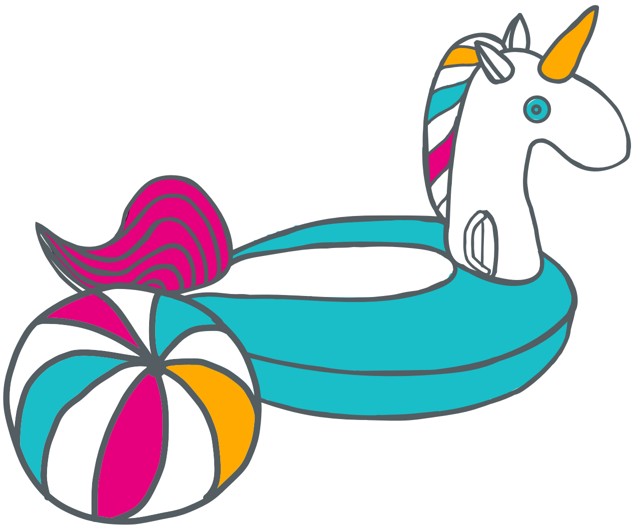
Looking for peace of mind?

Use your ITV DC Plan savings to buy an income you can count on for life

For some of us, there's comfort in knowing where the money is coming from. One of the things you can do with your DC savings is use them to buy an annuity (informally called a pension), so you can fix your income for the rest of your life, giving you the financial security to plan ahead.

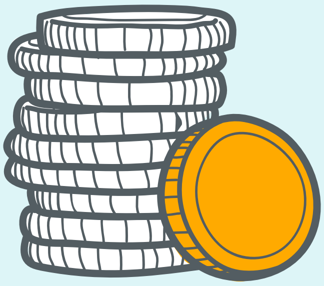
This leaflet explains what an annuity is and why it may or may not be right for you.



Key features

Security

A guaranteed income for life for you (and your eligible partner if you choose) – often bought from an insurance company/annuity provider.



Predictability

You choose the type of income you want when you buy your annuity. Once it starts to be paid, the benefits you receive are fixed. This means you have the predictability of knowing when and how much you will be paid for the rest of your life.

Take tax-free cash

Take up to 25% of the total value of your DC savings tax free up to a limit* and use the rest of your savings to buy an annuity – the more tax-free savings you take, the less money you'll have to buy your annuity which means the lower your retirement income will be.

If you want to continue building up retirement savings, you can continue to save into a different pension (but not the ITV DC Plan), but there are rules that prevent people using tax-free lump sum to make further contributions.

* The maximum lump sum you can take tax free across all registered pension schemes is £268,275 (or a higher amount if you have a protection from the Lifetime Allowance) (under current rules).

A steady tax bill

Your income from your annuity will be taxed at your marginal rate of income tax – a bit like your salary is taxed now. As your annuity provides a stable income, you can expect to pay a similar level of tax each year (subject to any other income you have or tax rate changes).

Key features

Consider your requirements

Annuities offer some flexibility to tailor your income choices to your circumstances. You could, for example, buy an annuity that continues being paid to your dependants at an agreed rate after you die, one that's paid at a fixed rate throughout your retirement or one that increases each year. The more 'extras' you purchase, the lower your own income will be.

Once you've chosen the type of annuity you want, you can't change your selection once it starts being paid (for example, to add a pension for a partner or spouse or to remove a spouse's pension if your spouse dies before you).

Choose your provider

There are lots of providers who will quote different rates for converting your DC savings into an annuity (called annuity rates) – so it pays to shop around. The DC Plan uses a company called HUB Financial Solutions to help you search for the one best suited to your circumstances.

HUB Financial Solutions will provide you with information, tools and support until your annuity has been set up. The cost of this service is paid for by the ITV DC Plan.

You don't have to use HUB Financial Solutions to arrange your annuity; if you prefer, you can shop around either yourself or through an independent financial adviser that you choose.

Get guidance and advice to help you decide

Buying an annuity isn't right for everyone. We strongly recommend you get guidance from Pension Wise, the Government's free and impartial service, to help you decide what's right for you. You may also find that it pays to speak to an independent financial adviser.

See the next page for details of Pension Wise and getting advice.

You're not alone

Deciding how to use your DC savings can be a complex choice that will depend on your personal circumstances and what other retirement income you have. But you're not alone – ITV Pensions will support you and there are other services that can help you make choices that suit your plans and fit your circumstances.

Support from ITV

It's good to talk, right? ITV Pensions will be running regular group sessions to help you understand your options and what steps you can take to get ready for retirement, whether you're just starting out or getting ready to access your savings. We'll invite members to join us from time to time or you can book a session by calling **01772 884488** or emailing **enquiries@itv-pensions.com**.

General guidance through MoneyHelper

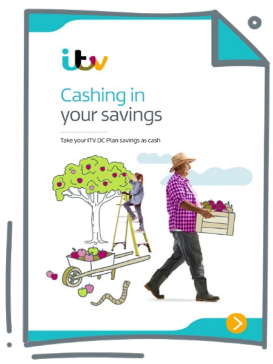
You should book a phone appointment with Pension Wise (part of MoneyHelper), the Government's free and independent guidance service. Pension Wise will explain your options and give you guidance on how to use your retirement savings. Anyone with defined contribution savings can book an appointment from age 50 – the earlier you book, the more time you'll have to consider your options. Find out more through **MoneyHelper Pension Wise** service.

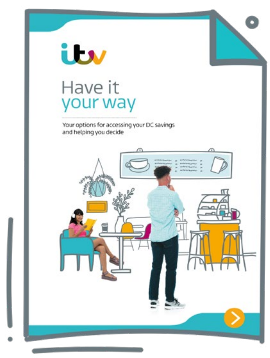
Advice tailored to you

ITV Pensions and Pension Wise can explain your choices but they're not allowed, by law, to advise about your specific circumstances. Even if you've never thought about speaking to an independent financial adviser (IFA) before, now might be the time to do so. You may find it really pays off. An IFA will help you decide the best way to access your savings. What's more, they'll look at the big picture by considering all your savings. If you decide to buy an annuity, they can help you understand the providers and products available.

If you don't have an IFA, you can find one who's authorised and regulated by the Financial Conduct Authority at: **Unbiased** or **MoneyHelper – Find a retirement adviser**. To help pay for your advice, read up about the **Pensions Advice Allowance**.

To read about other ways of accessing your DC savings take a look at the leaflets in the **Retiring** section of the DC Plan website.





4 things to consider

1 Predictability or flexibility?

Consider: whether you value certainty or want more flexibility about your income.

You'll need to think about whether you value a secure and predictable income rather than a flexible income. The idea of a guaranteed income for life may sound appealing, but that security comes at a price. Insurance companies have to be quite cautious when setting annuity rates, so annuities can be relatively expensive to buy. Lots of factors influence the cost of your annuity, such as how many 'extras' you provide and when you buy your annuity – the younger you are, the more your annuity will cost (because it's assumed it'll be paid for longer). The opposite is also true – the older you are, the cheaper your annuity will be to purchase.

2 Your sources of income

Consider: if you have other income and how that may affect your thinking.

You'll want to consider all your sources of income before deciding how to use your DC savings. If your ITV DC savings are your main source of retirement income, you may be looking to provide a more secure retirement income – at least to cover your basic expenditure – so buying an annuity may suit you. However, if you have other sources of income or a large amount of retirement savings, you may decide to use only part of your savings to provide an annuity and access the rest flexibly or as cash. Remember, you may get a State pension which could be as much as £10,600 a year (for the 2023/24 tax year).

3 The future

Consider: your future needs as well as your current situation.

Over time, your needs and priorities may change, so it's worth thinking ahead when you're making decisions about how to use your DC savings. Remember, you can use your savings to purchase an annuity at a time that works for you, for example, if you want more certainty about your income as you get older. If you use your DC savings to purchase an annuity, you won't be able to contribute to the DC Plan again. Also, if you get means-tested benefits or would be entitled to them, buying an annuity could have an impact, so you may want to consider this when deciding if and when to buy an annuity.

4 When you die

Consider: what happens to your pension when you die.

You can buy an annuity that continues to be paid to your eligible partner at an agreed rate after you die and/or one which is paid for a guaranteed length of time (see next page), although providing these features will reduce your own pension. If you choose an annuity that provides for you only, pension payments will stop when you die.

Deciding what type of annuity you want

Normally you can't change your mind once you've bought an annuity. So, if you're interested in this option make sure you think about what you need that income to provide, both now and in the future. There are different options for the type of annuity you buy. Here's a few things to consider:

Who do you need to provide for?

Consider: if you need to provide for yourself or for others too.

You can buy an annuity that provides for you only and which stops being paid when you die. Alternatively, you can choose an annuity that continues to be paid to your eligible partner at an agreed rate after you die (for example, half of the income you were receiving). If you add an annuity for your partner, your own income will be lower.

What sort of income do you want?

Consider: if you want a *fixed* or *increasing* income.

You can decide whether you want your annuity to be paid at a fixed rate throughout your retirement or to increase each year (and if so, by how much). If you select an annuity that increases over time, it will normally start at a lower value than one that's fixed, but it will increase (in line with inflation or at a fixed rate of increase) during retirement.

Do you need a guarantee period?

Consider: if you want benefits to continue if you die shortly after buying your annuity.

Your annuity will be paid for life. You can also set a minimum length of time that it's paid for (for example, 5 or 10 years). If you die within this guaranteed period, the annuity would continue to be paid at the full rate to your eligible partner until the end of the guarantee period. If you don't have a guarantee period, your annuity stops when you die; a reduced-rate annuity would then be paid to your eligible partner if you've chosen this option. The income provided by an annuity that has a guarantee period will be lower than one without.

Do you have health issues?

Consider: if your health could result in a higher income.

The cost of buying your annuity is worked out based on a number of factors including how long you might be expected to live. If you have a diagnosed medical condition, smoke or have other factors that may reduce your life expectancy, you may be eligible for an 'enhanced terms' annuity. This type of annuity will typically provide a higher income than a standard one.

4 steps to get your ducks in a row

If you think you'd like to buy an annuity with your DC savings, there are a few steps you can take to get ready.

1 Find out about your options

Buying an annuity is just one way to use your DC savings and provide income in retirement. Before you decide what's right for you, take a look at the other leaflets in the **Retiring** section of the DC Plan website.

2 Get help and advice

Book a guidance session with Pension Wise – any time from age 50. Consider speaking to an independent financial adviser too – it could really benefit you and change how you think about your retirement income. See **You're not alone** for details.

3 Review your investments

You may want to sync your DC Plan investment choice with your plans in the years before you intend to access your savings. If you're investing through:

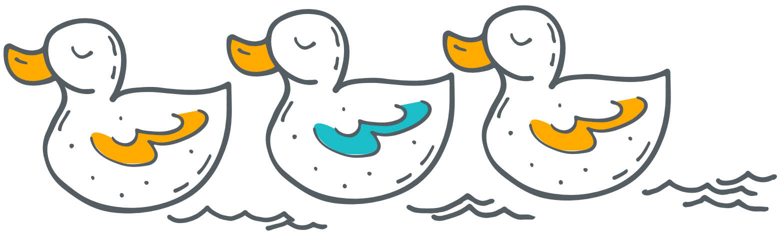
- Guided: there are 3 options aimed at members who plan to use their savings to buy an annuity or to provide a mix of tax-free cash and annuity.
- Customised: you'll need to decide what mix of funds is suitable. This is particularly important as you approach the time you want to access your savings, when sudden falls in value may be more of a concern.

Find out more in the **DC Plan's investment guide**

4 Review your target retirement age

It's important to review your target retirement age, particularly if you're investing through Guided approach – your target retirement age dictates when the Guided investment cycle completes. If your target retirement age doesn't reflect your plans, you could end up missing out on potential investment returns or taking more risk than you're comfortable with.

To change your target retirement age, complete a **target retirement date form** form in the **Documents & forms** section of the DC Plan website.



Need to get in touch?

Specific queries about your savings

If you have a specific query about your DC savings or would like a retirement quote, please get in touch with XPS, the DC Plan's administrator. You'll need to confirm your National Insurance number, so please have this to hand.

itvpension@xpsgroup.com

0118 214 2836

ITV DC Plan, XPS Administration,
PO Box 562, Middlesbrough, TS1 9JA

General queries about the DC Plan

If you have a general question about the DC Plan, get in touch with ITV Pensions.

enquiries@itv-pensions.com

01772 884488

ITV Pensions, 5 Fulwood Park, Caxton Road,
Fulwood, Preston PR2 9NZ

Don't let a scammer enjoy your retirement

Fraudsters would love to get their hands on your retirement savings — and their tactics are becoming even more sophisticated.

Anyone cold calling you about pensions shouldn't be! It's illegal. If you're contacted about a 'great' offer, be very wary, particularly if you're thinking of transferring your savings out of the DC Plan — scammers see this as a golden opportunity.

Find out **How to avoid pension scams** and how to recognise the signs on the Financial Conduct Authority website.

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