Turning Savings into Income

Money

The main ways a pension pot becomes retirement income.

Annuity

- Guaranteed income for life
- Removes longevity risk entirely
- Irreversible once purchased
- Rate depends on age, health, rates
- Can include inflation protection, at a cost

Drawdown

- Stays invested, you withdraw as needed
- Flexible; can be left to heirs
- You bear investment and longevity risk
- Can run out
- Requires ongoing decisions

THE DIFFERENCE THAT MATTERS

Many people use both: an annuity covering essential costs, drawdown for the rest.

General education, not financial advice. This is a decision where regulated advice is particularly worth taking.