Mercer

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Mercer Master Trust

Retirement Section

Flexible access to your retirement savings

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The Mercer Master Trust Retirement Section allows you to draw flexibly on pension savings built up in a company pension scheme.

It can enable you to invest your pension savings and draw regular payments (known as ‘flexible income drawdown’), or take ad hoc lump sums.

You will have been referred to this service because your pension scheme doesn’t provide the options to take flexible income drawdown or ad-hoc lump sums from it.

How it works

If you are eligible to join the Mercer Master Trust Retirement Section, the retirement savings you have built with the company pension scheme that introduced you to this service, can be transferred to an account in it.

You will be able to choose how to have your retirement savings invested and decide when, how much and how often you wish to withdraw money from them.

Getting started

Step 1

Before you take any action

Please read the Frequently Asked Questions on pages 3-5 to find out more about the Mercer Master Trust Retirement Section.

If you haven't already done so, please book a consultation with the Government Pension Wise service. (You can ask your existing pension scheme administrator to do this for you, if you prefer.)

Pension Wise offers free, impartial guidance about your defined contribution pension options and will help you understand what your overall financial situation will be when you retire.

Pension Wise will discuss your options to help you make a decision. You'll also find out about all the things you need to consider when deciding on your options before retirement.

Step 2

Request a call-back

Go to workplace.aviva.co.uk/mmt-retirement-section

Then scroll down and complete and submit the online form to arrange a call-back from the Mercer Master Trust Retirement Section administrator, Aviva.

Step 3

We'll send you a personal illustration

Aviva will call you to discuss your options. If you wish to proceed, they will send you a personal illustration and an application form to complete and return.

If you decide to go ahead, the service will also handle all the administration required to transfer and invest your company pension. It will also set up flexible income drawdown or ad hoc payments for you.

Visit PensionWise
moneyhelper.org.uk/pensionwise

Frequently Asked Questions

Why have I been introduced to the Mercer Master Trust Retirement Section?

The pension scheme that referred you to this service does not offer the options to take flexible income drawdown or ad-hoc lump sums from your retirement savings.

If you wish to draw on your retirement savings in this way, the Mercer Master Trust Retirement Section allows you to do so.

If you choose to join the Mercer Master Trust Retirement Section, you will be transferring your retirement savings to a pension arrangement that is managed by professional trustees and authorised and regulated by the Pensions Regulator.

What is the Mercer Master Trust?

The Mercer Master Trust is a pension scheme that looks after workplace retirement savings for people from many different employers.

It is run by professional, independent, trustees who have a legal duty to act in the best interests of all members. This includes confirming that the Mercer Master Trust offers its members value for money.

The Mercer Master Trust is authorised and regulated by the Pensions Regulator.

How does the Mercer Master Trust Retirement Section work?

If you join the Mercer Master Trust Retirement Section, the retirement savings you have built with the company pension scheme that introduced you to this service, will be transferred to it.

You will choose where to invest your money. You will also decide when, how much and how often you want to withdraw money from your retirement savings.

A member of our support team will help you set up your account in the Mercer Master Trust Retirement Section and, once established, you will be able to manage your plan through a secure member site and you will have ongoing access to a telephone helpline.

How old do I have to be to join the Mercer Master Trust Retirement Section?

You can transfer your retirement savings into the Mercer Master Trust Retirement Section and start to draw on them from age 55 (age 57 from 6 April 2028).

How much can I withdraw from my retirement savings?

You can draw out as much as you like, either as regular or ad hoc payments.

It's important to bear in mind that, if you draw on your savings at an unsustainable level, you may run out of money. Also, if you withdraw a large amount in any tax year, you may have to pay a higher rate of income tax than you do currently.

What is Pension Wise?

If you are aged 50 or over, the Government Pension Wise service is available to give you free and impartial guidance on your retirement choices from 'defined contribution' pension schemes.

For information, and to arrange a face-toface, online or telephone consultation about your options, visit moneyhelper.org.uk/ pensionwise

We strongly recommend that you do this.

How much income tax will I pay?

This will depend on how much you withdraw and your total income in any tax year. When you start to draw your retirement savings, you can usually take up to 25% of their value as a tax-free lump sum.

Before transferring your retirement savings, you should check with your current pension scheme whether or not you are eligible to take more than 25% of their value tax-free. If you are, you should consider taking financial advice, as your entitlement to take a tax-free cash sum of more than 25% of your retirement savings may be lost if you transfer the money out of the current scheme.

What investment choices will I have?

If you don't select another investment option before the retirement savings you built in your employer's pension plan are transferred into the Plan, they will be invested in the Mercer Retirement: Drawdown M1 fund.

If you would like to take a more hands-on approach, you will have the option to invest in a wider range of funds. This allows you to create your own investment portfolio from a selection of funds that cover a variety of asset classes, such as equities (including shares of property and infrastructure companies), bonds and cash.

How much will it cost if I join the Mercer Master Trust Retirement Section?

There are no charges for setting up your account. Ongoing charges will be deducted from your retirement savings to meet the costs of administration and investment. The charges will depend on which investment fund(s) you choose.

As a guide, the total cost (known as the 'Total Expense Ratio') of investing in the Mercer Retirement: Drawdown M1 fund, including administration charges, is 0.45% per year of the value of the funds invested.

Do I have to join the Mercer Master Trust Retirement Section to access my retirement savings flexibly?

No, there are other pension schemes that allow you to do this, and you also have the option to use some or all of your retirement savings to buy a guaranteed income for life (known as an annuity) from an insurance company.

For further information about your choices and to arrange a free consultation about options for taking your retirement savings, please visit moneyhelper.org.uk/pensionwise

What is a 'defined contribution' pension scheme?

In a defined contribution pension scheme you build retirement savings based on contributions and investment returns. How much you receive from a defined contribution pension schemes depends on the amount paid in and the return achieved by investing contributions after administration and investment charges are deducted.

Can I transfer other pension pots into the Mercer Master Trust Retirement Section?

No, the Mercer Master Trust Retirement Section is specifically designed to allow you to invest the retirement savings you built in the company pension scheme that introduced you to this service and draw down on, or take ad hoc lump

Transferring pension savings is not right for everyone and it's important to check whether any valuable benefits a previous plan provides would be affected if you did this.

We recommend you seek financial advice if you have any concern about your decision to transfer pension savings from elsewhere into the Mercer Master Trust Retirement Section.

What are the risks?

If you draw on your savings at an unsustainable level, or if investment performance is lower than expected, you may run out of money. Also, if you withdraw a large amount in any tax year, you may pay more income tax than you would had you drawn on your savings in a different way.

Can I transfer my money out of the Mercer Master Trust Retirement Section in future?

You will be free to transfer any retirement savings you hold in the Mercer Master Trust Retirement Section to another UK registered pension scheme, that allows you to draw flexibly on them.

There is no penalty for transferring your retirement savings in this way.

What happens when I die?

Government has announced that most unused pension savings and death benefits paid by pension schemes will count as part of people's estates for inheritance tax purposes from 6 April 2027. In the meantime, the value of any retirement savings the Mercer Master Trust Retirement Section holds for you will normally be paid as a tax-free lump sum if you die before age 75. If you die after age 75, any retirement savings paid to your beneficiaries will normally be taxable.

The Mercer Master Trust Trustees have discretion to decide who should receive your retirement savings. Please ensure you nominate a beneficiary, or beneficiaries, to ensure the Trustees know who you would like these paid to.

You will be able to complete or update your nomination at any time, via the Mercer Master Trust Retirement Section website or by asking the Mercer Master Trust administrator to send you a form.

Can you advise me whether joining the Mercer Master Trust Retirement Section is the right thing for me to do?

Whilst members of our support team can give you information about the Mercer Master Trust Retirement Section, they are not able to offer financial advice.

You may wish to consult an authorised financial adviser. Please note, an authorised financial adviser is likely to charge for their services.

Before making any decision about your retirement savings, we strongly recommend you consult the Government Pension Wise service. This is available to give you free and impartial guidance on your retirement choices from defined contribution pension plans.

For information, and to arrange a face to face, online or telephone consultation about your options, visit moneyhelper.org.uk/pensionwise

Who will look after my retirement savings?

The parties involved in managing and running the Mercer Master Trust Retirement Section are:

Independent Trustees - The Mercer Master Trust is managed by the Trustee Board, which is made up of three independent professional trustees. The Trustee Board has a duty to manage the Mercer Master Trust in the best interests of you and your beneficiaries and in accordance with its Rules. This includes confirming that the Mercer Master Trust offers its members value for money.

Mercer – Mercer is responsible for running the Mercer Master Trust. This involves ensuring that it is financially sustainable and appointing and managing all of the key providers, including the Mercer Master Trust administrator. In addition, the Trustees have appointed Mercer as the Mercer Master Trust investment manager.

Aviva – Aviva is the Mercer Master Trust administrator. It manages members' savings accounts from day-to-day. Aviva's duties will include processing your flexible income payments, deducting tax, arranging investment fund switches and communicating with you from time to time on behalf of Mercer.

How can I find out more?

If you would like find out more and receive a personal illustration, please go to workplace.aviva.co.uk/mmt-retirement-section and fill in the online form to request a call-back from the Mercer Master Trust administrator, Aviva.

Important notes

The Mercer Master Trust is provided by the Mercer Master Trust Trustee Board acting in conjunction with the founder of the Mercer Master Trust, Mercer Limited, which is authorised and regulated by the Financial Conduct Authority. Registered in England No.984275. Registered Office: 1 Tower Place West, Tower Place, London EC3R 5BU.

Disclaimer

This brochure is intended for general information only. It does not contain investment, financial, legal, tax or any other advice and should not be relied upon for this purpose. The information is not tailored to your particular personal and/ or financial position. If you require advice based on your specific circumstances, you should contact a professional adviser. Comments are based on our current understanding of legislation, taxation and HMRC practice which may change in the future. The value of investments can go down as well as up, so you could get back less than you invest. Past performance does not guarantee future results and the effects of inflation will reduce the future spending power of money.

For the avoidance of doubt this is for information only and is not personal financial advice. If you require financial advice you should seek this from an authorised financial adviser.

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