

Nest Guided Retirement Fund



What is it?

Nest Guided Retirement Fund is an option you can choose if you want to start taking money from your Nest pot at retirement.

Who is it for?

You can choose this option if you are aged between 60 and 70 and have at least £10,000 in your pot. If you meet the criteria above, are invested in a Nest Retirement Date Fund and don't tell us what you want to do with your pot at your intended retirement date, we will automatically move your pot into the Nest Guided Retirement Fund.

If your pot is less than £10,000, you can consider paying more money into it. You could also look into whether you have any other suitable pots that could be transferred into Nest to reach the £10,000 minimum.

What are the benefits?

Consistency

Nest aims to make available a stable and sustainable level of money which you can withdraw until age 85, leaving a separate pot that can be used to purchase a guaranteed income for life. This should reduce the risk of your pot running out.

Easy access

You can make withdrawals online via the Nest website and have them paid directly to your bank account.

Flexibility

You can take your pot in full, or choose a different retirement option, at any time if your circumstances change.

Support

Nest will continue to manage your pot and invest your money with the aim of providing sustainable withdrawals.

How does it work?

We will split your pot into parts each designed and invested differently to meet different needs throughout your retirement.



My Nest Wallet

Money in your Nest Wallet is available for you to withdraw to help with everyday expenses, regular bills or spend in any way you wish.

Every year up until you are 85, Nest will move money from your Nest Vault into your Wallet. We'll aim to move a similar amount each year.

The actual amount paid into your Nest Wallet will depend on, amongst other things, the investment performance of the money invested in the Nest Vault part of your fund. This means the amount of money available for withdrawal each year could be lower than in previous years.

You can choose when to make a withdrawal, with a limit of no more than one withdrawal per calendar month.



My Nest Vault

This part of your pot is designed to provide money for future years' withdrawals.

Each year up until age 85, Nest will move money from your Nest Vault into your Nest Wallet.

From age 65 Nest will also put some money from the vault each month into a 'later life pot', designed to provide you with money to buy a guaranteed lifetime income from age 85 if you wish.

You should not normally expect to make withdrawals from the Vault. If you do want to take money out of the Vault, you'll need to come out of the Nest Guided Retirement Fund and choose another retirement option to access your money.



My Nest Safe

This part of your pot is designed to help you pay for emergencies, unexpected events or possibly the odd treat.

Nest will put a one-off amount of money into your Nest Safe when your pot is moved into the Nest Guided Retirement Fund.

If the investment performance of the Nest Vault is exceptional, we may move some money across into your Nest Safe in the future. If you are continuing to make contributions these will also be paid into the Nest Safe.

You can make a withdrawal from this pot at any time.

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How are withdrawals managed?

Each withdrawal must be requested using the Nest website. Withdrawals can be made once per calendar month, or less frequently if desired, with a minimum withdrawal amount of £20.

What happens to my pot when I die?

In these circumstances the remaining fund will usually be paid to your nominated beneficiaries, if you have made a nomination, or at the discretion of the trustee, if you have made an expression of wish. If you haven't made a nomination or an expression of wish, benefits will usually be paid to your estate.

How are withdrawals taxed?

Usually 25% of each withdrawal will be tax free with the remainder (75%) being taxed at your marginal tax rate. Nest will use your tax code - where we have it - to deduct the tax, if necessary, before making a payment. Where we do not have your tax code, the emergency tax rate will be used in line with HMRC guidance.

If you are making withdrawals and continuing to pay contributions, you may also be liable to an additional tax charge if contributions exceed £4,000 per year.

Where can I find out more?

You can find out more about how the Nest Guided Retirement Fund works at www.nestpensions.org.uk/retirement

You'll also find useful information in our member help centre at nestpensions.org.uk/memberhelpcentre



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The Trustee cannot provide you with any advice in respect of your retirement and investment options and nor does the Trustee provide any views, opinions or assurances that the Nest Guided Retirement Fund is appropriate for your own personal circumstances. You should keep your decisions regarding retirement options and investments under regular review and always consider obtaining independent financial advice before taking any action in respect of your retirement pot.

The value of investments may go down as well as up and the return of your investment is not guaranteed. Any fund objective or target should not be considered as guarantee of performance of any fund.