



ST. JAMES'S PLACE
WEALTH MANAGEMENT

Think about the order in which you use your retirement pots



The way you access your funds can make a big difference to how much tax you'll pay in retirement

1

Let's say you
plan to retire at **68...**

With ISAs worth

£80,000

and a pension pot of

£200,000

Don't let your annual allowances
go to waste. Use them by 5 April 2022.

2

The money you put into the ISA has already been taxed, but you won't pay any additional tax on it if you start to withdraw the money to use in retirement.



However, the money you put into the pension received tax relief on the way in, so you will be liable for Income Tax on it when you start to withdraw it.

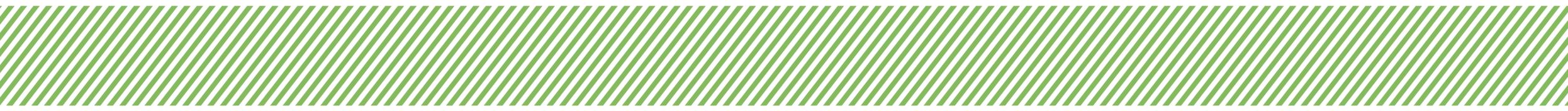


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3

Because of this, it makes sense to use the money from your ISA in retirement first and leave the pension pot until you need it. This also means your pension pot has more time to potentially grow.

There's also another benefit – the money in your ISA counts as part of your estate for Inheritance Tax (IHT) purposes, whereas your pension doesn't.



So using the ISA first removes it from your estate and means your loved ones are likely to inherit more from you and pay less IHT when you pass away.

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When it comes to **accessing your retirement pots**, advice is essential to make sure you're doing it in the most tax-efficient way possible. Contact us now to find out more.

The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and may fall as well as rise. You may get back less than the amount invested.

The levels and bases of taxation, and reliefs from taxation, can change at any time and are generally dependent on individual circumstances.

