

Flexible Payments from Pensions

October 2019 Official Statistics



HM Revenue
& Customs


£2.4bn
IN FLEXIBLE
PAYMENTS


21%

This quarter (Q3 2019), £2.4 billion was withdrawn from pensions flexibly, a 21% increase from £2 billion in Q3 2018. In total, over £30 billion has been flexibly withdrawn from pensions since flexibility changes in 2015.


327,000
INDIVIDUALS


27%

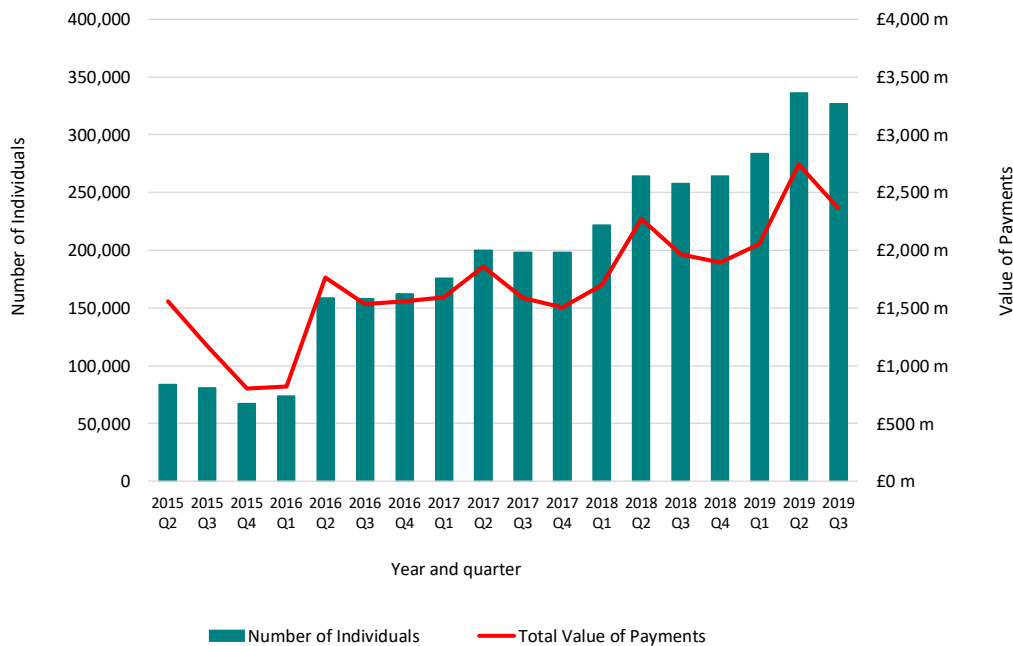
327,000 individuals withdrew from pensions this quarter, a 27% increase from 258,000 in the same quarter last year and a 3% decrease from 336,000 individuals in Q2 2019. The lower number of individuals compared to the previous quarter reflects the normal seasonal pattern. The number of individuals making withdrawals typically peaks in the second quarter of the calendar year (beginning of the tax year). Some individuals access their pension over a number of years and often use the flexibility to withdraw funds at the beginning of the tax year.


£7,250
AVERAGE
WITHDRAWAL


5%

The average amount withdrawn per individual in Q3 2019 was £7,250, falling by 5% from £7,600 in Q3 2018. Since reporting became mandatory in 2016 Q2, average withdrawals have been falling steadily and consistently, with peaks in the second quarter of each year.

Number of Individuals Taking Flexible Payments From Pensions and Value of Flexible Payments From Pensions



Background to Pensions Flexibility

Pension freedom tax rules allow members of defined contribution pension schemes to access their pension savings early, provided they have reached the normal minimum pension age (currently 55).

Scheme members can take their pension benefits in a number of ways. This could be as one or more payments a year for a number of years, several payments a year over a shorter timeframe or the full value of the fund could be taken in one payment.

HMRC only receives information on taxable flexible payments. Tax free payments or any elements of payments that are not taxed are not included in these statistics.

The numbers published for 2015-16 are not comprehensive. To manage the burden on industry, reporting was optional for 2015-16, but compulsory from April 2016. The increase in reported payments seen in 2016 Q2 onwards is expected to partly result from this.

About this release

This publication includes the number of flexible payments made from pensions, the number of individuals who have received these flexible payment and the total value of all flexible payments reported to HMRC.

Further information regarding pension flexibility can be found in the below link:

[Pension Flexibility Guidance](#)

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