

Pensions – the basics



Part of the Department for Work and Pensions



Introduction

Everyone needs to plan for their retirement. People are living longer and healthier lives, so it's even more important to think about how and when to save for retirement and how long to continue working.

Pensions can be confusing and many people don't know where to begin, especially when there are so many other things to spend your money on. But the truth is that a pension is one of the most effective ways to save money, because you can get tax relief (see page 6) on the money you save in a pension scheme.

So, if you do a bit of planning, you can really help yourself get ready for retirement. Making changes now can make a difference to your life in the future. The earlier you start, the better, but don't assume you've left it too late to make decisions about your pension arrangements.

This guide will help you understand the basics about pensions. This includes:

- what you can get from the State (the Government) when you retire
- some of the choices you can make about your money to prepare for your retirement
- where you can get more information so you can start planning for your retirement now, and
- practical steps you can take to help you save for your retirement.

This leaflet is only a guide and does not cover every circumstance. We have done our best to make sure that the information in this leaflet is correct as of April 2008. It is possible that some of the information is oversimplified, or may become inaccurate over time, for example because of changes to the law. We recommend that you get independent advice before making any financial decisions based on the information in this leaflet.

Contents

Pensions: a note about the future Page 5

1 Getting started Page 6

- What is a pension and why do I need one? ... Page 6
- When should I start saving? Page 8
- How much will I need when I retire? Page 9
- How do I know if I should save more? Page 9
- Are there other ways to save? Page 11
- What happens when my situation changes? ... Page 12

2 Understanding your options Page 14

- What is the State Pension? Page 14
- What is State Pension age? Page 14
- What is the basic State Pension? Page 16
- How is my basic State Pension worked out? Page 17
- What is the additional State Pension? Page 22
- What if I want more money than my
State Pension when I retire? Page 27
- What is an occupational pension scheme? Page 28
- What is a personal pension? Page 36
- What is a stakeholder pension? Page 42

Learn more from our website at:

www.thepensionsservice.gov.uk

Can I save money in more than one occupational or personal pension at the same time? Page 45

Is there a limit to how much I can save in a personal pension scheme? Page 45

What if I don't want to retire at State Pension age? Page 46

Pension Credit – are you 60 or over? Page 47

3 What should I do next? Page 48

Useful contacts Page 50

Useful publications Page 61

You can phone us from 8am to 8pm, Monday to Friday.

0845 60 60 265

Pensions: a note about the future

The Pensions Act 2007, which became law on 26 July 2007, made changes to the State Pension system in the UK. In general, these changes will only affect you if you reach State Pension age on or after 6 April 2010. (State Pension age is the lowest age from when you can start to claim your State Pension.)

These changes include:

- introducing of a new system of credits which will increase the number of people who would become entitled to a State Pension
- increasing the basic State Pension by the increase in the rate of average earnings – this will happen by the end of the next Parliament at the latest
- increasing the State Pension age from 65 to 68 between 2024 and 2046, and
- stopping people from ‘contracting out’ of the additional State Pension when they are in defined-contribution occupational pension schemes and personal pension schemes. All these terms are explained later in this leaflet.

You can read more about these changes on The Pension Service’s website (www.thepensionsservice.gov.uk).

However, you should be aware that the Government also plans to bring in more laws to introduce a new low-cost saving scheme (called personal accounts) and more measures to improve the State Second Pension from 2012. The changes may affect you. Visit www.thepensionsservice.gov.uk/pensions-reform/personal-accounts.asp for more information about personal accounts.

1 Getting started

What is a pension and why do I need one?

A pension is a way to have a regular income to live on when you retire. It is one of the most effective ways to save money for your retirement because you can get tax relief on the money you save in a pension scheme. (We explain more about tax relief and pensions in section 2 of this guide.)

If you are a member of a private pension scheme (see page 8), the amount of pension you get when you retire depends on how the scheme works. This can include things like how long you have been a member of that scheme, how much has been paid in (contributed) over time, how the money is invested, or how much you earned when you were at work. For more information about how different private pensions work, see Section 2.

In the case of the State Pension, you pay money from your wages to the Government through your National Insurance contributions. In some circumstances, even if you are not working, you are treated as if you have contributed. If you have enough National Insurance contributions, you will then receive State Pension when you retire.

Everyone needs money to live on when they retire and it's really important to think about long-term savings. Your retirement could be around a third of your life. When you are retired, you will still need to pay bills and you will want to have money to spend to enjoy your extra leisure time.

How can pensions help me save money for my retirement?



The State Pension will give me a start, but to have the lifestyle I want when I retire, I'll need to think about saving a bit more.



MOST PEOPLE

The basic State Pension will give you a start.

MANY PEOPLE

Many people are saving money with a second pension, to give them extra income when they retire. This could be the additional State Pension or an occupational, personal or stakeholder pension.



There are a number of different types of pension:

- the State Pension – this is made up of the basic State Pension and the additional State Pension, and
- private pensions – these include occupational pensions (sometimes called 'work' or 'company' pensions) and personal pensions (including stakeholder pensions).

When should I start saving?

Like many other people, you might feel that your retirement is too far away to think about. Maybe you think you can't afford to save for the future now, when there are so many other things you have to pay for every day.

But the truth is that the earlier you start saving for your retirement, the more money you're likely to have to enjoy yourself – and pay the bills – when you retire.

Remember

- Don't worry if you can only save a few pounds a week at first. The important thing is that the sooner you start, the more time you will have to save and earn interest on your savings.
- As your earnings increase, think about increasing your pension payments.
- And don't assume you've left it too late to do anything – it's always worth reviewing your financial situation.

How much will I need when I retire?

The State Pension will give most people a basic income when they retire, but only each individual can decide the kind of lifestyle they want during retirement, and what they need to do to achieve it.

Everyone's situation is different, and everyone has different needs. Most people base their decision about how much to save on how much they can afford to save.

Some living costs may be lower when you retire, such as taxes, not having to travel to work or pay National Insurance contributions. You may have paid off your mortgage and you may no longer have to support a family. On the other hand, you will have more leisure time, and other costs, such as heating and health care, may increase.

How do I know if I should save more?

To help you decide if you should start saving more for your retirement, you need to look at your finances in the following ways:

- find out how much State Pension you may get when you reach State Pension age by getting a State Pension forecast. This could help you decide whether you are saving enough money for your retirement, and if you need to save more. See page 53 for details of how to get a State Pension forecast. Also see page 52 for important information about changes to State Pension forecasts.
- if you are a member of an occupational pension scheme (sometimes called a work or a company scheme – see page 28), your employer or pension provider may send you a pension statement every year. This shows how much you might get from the scheme when you retire. If you haven't had a statement, you can ask your employer or pension provider to send you one.

- if you are a member of a personal pension scheme (see page 36), your pension provider will send you a pension statement every year. This shows how much your personal pension fund is likely to be worth when you retire. If you haven't had a statement, you should contact your pension provider and ask them to send you one.
- if you think you might have one or more company or personal pensions that you do not know the full details of, the Pension Tracing Service can usually help by tracing it for you, free of charge. It can be easy to lose contact with a previous employer and their pension scheme if, for example, you have changed jobs a number of times through your working life. See page 54 for how to trace a lost pension.

If you don't think you will have enough money to live on when you retire, think about whether you can afford to save more by increasing what you pay into an existing pension. Or, you could start another pension or look into other ways to save. See section 2 and the next page for more information about how to do this.

Take action

- Find out how to get a State Pension forecast (see pages 52 and 53).
- Trace a pension, free of charge, by contacting the Pension Tracing Service (see page 54).

Are there other ways to save?

A pension is not the only way to save for your retirement. If you are getting near to retirement age or you already have a private pension, you may want to look into other savings options, such as putting your money into an individual savings account (ISA). This is also a very efficient way to save, as you do not have to pay tax on your savings. For more information about ISAs, contact HM Revenue & Customs for a copy of their ISA fact sheet. This gives basic information about different types of ISA and how much you can save in each tax year. See page 55 to find out how to contact HM Revenue & Customs.

You may plan to use other means to give you money to live on when you retire, for example, investing in property, investing in bonds, stocks and shares, or selling your business or your home. You need to find out how much these may be worth, or how much regular income you may get from these investments when you retire.

You may also choose to stay in work longer. This can help you to build up a better income for your retirement as well as giving you more income now. See page 46 for more information about working for longer.

The Financial Services Authority has a helpline and a website which can give you more information about savings and investments and about financial planning in general. See page 56 for more information about the Financial Services Authority and their contact details.

What happens when my situation changes?

Most people's life, and their personal circumstances, will change again and again before they reach State Pension age. These changes might mean you need to save more, or that you need to reduce your pension payments for a while.

For example, you might change your job or decide to become self-employed, you may not be able to work for long periods of time while you look after children, or you are caring for someone. You may be injured or ill and not able to work. All these things can affect your ability to save money in a pension scheme.

Other important changes can change the amount of money you may get. For example, if you go to live and work abroad, get married or form a civil partnership, get divorced or your civil partnership is dissolved (legally ends). (A civil partner is someone who has entered into a formal arrangement, known as a 'civil partnership' with a same-sex partner so they have similar legal rights as a married couple.)

When important changes like this happen, it's a good idea to look at your pension arrangements. You can contact The Pension Service to get an up-to-date pension forecast. You can also contact the Pensions Advisory Service for more information and help about pensions and the Financial Services Authority to find out more about how to review your pension and look at other financial plans. (See the opposite page for how to contact these organisations.)

Take action

- Contact HM Revenue & Customs for more information about ISAs and to get a copy of their fact sheet on ISAs. See page 55 for details.
- Call the Financial Services Authority's helpline, or visit their website, to get more information about planning your finances, savings options and pension schemes, and how changes in your life can affect your pension. See page 56 for details of how to contact them. Also see page 62 for how to obtain copies of their detailed free guides about pensions.
- Contact the Pensions Advisory Service for information and help about pensions. See page 57 for details.
- Get help and advice from a local independent financial adviser. See page 60 to find out how.
- Contact The Pension Service to get a State Pension forecast – there are details on pages 52 and 53. Also see page 61 for how to obtain The Pension Service's free leaflets about pensions.

2 Understanding your options

What is the State Pension?

The State Pension is made up of:

- the basic State Pension, and
- the additional State Pension.

You may get one or both of them when you reach State Pension age. To get them, you need to have paid, been treated as having paid, or been credited with paying, certain amounts of money over a period of time. See page 16 to find out more about this.

Remember, although the State Pension will give you a basic income, you need to think about other savings, too, so that you can have the lifestyle you want when you retire.

You'll find information about occupational, personal and stakeholder pensions on pages 28 to 44. You can also see some information about other ways to save on page 11.

What is State Pension age?

The date you reach State Pension age depends on when you were born.

- If you are a woman and you were born on or before 5 April 1950, your State Pension age is 60.
- If you are a man and you were born on or before 5 April 1959, your State Pension age is 65.

For everyone born after these dates, State Pension age is increasing.

The State Pension age for women is going to rise to 65. This will happen between 2010 and 2020. If you are a woman and you were born between 6 April 1950 and 5 April 1955, the age when you reach State Pension age depends on your date of birth. From 6 April 2020, the State Pension age for women will be the same as it is for men.

From 2024, the State Pension age for both men and women will increase by one year in every decade to reach 68 in 2046. This change will affect anyone born on or after 6 April 1959.

However, you do not have to retire when you reach State Pension age. You can:

- continue to work even though you are claiming your State Pension, or
- put off claiming your State Pension until later. This will give you a higher weekly pension, or a one-off lump-sum payment (which you will have to pay tax on), depending on how long you put off claiming for.

Take action

- Find out the exact date you will reach State Pension age by using the calculator on The Pension Service's website (www.thepensionsservice.gov.uk). Or, see page 61 for information on how to order the more detailed leaflet about State Pensions which has tables to help you work out your State Pension age.
- See page 46 to find out more about working longer and putting off claiming your State Pension.

What is the basic State Pension?

The Government pays the basic State Pension to people who are entitled to it, have reached State Pension age and have claimed it.

You qualify for basic State Pension if you have a minimum number of years when you:

- paid enough National Insurance contributions
- were treated as paying National Insurance contributions, or
- were credited with National Insurance contributions.

See pages 19 and 20 for more information about paying National Insurance contributions.

Most employers will take your National Insurance contributions straight out of your wages. You can see how much you're paying on your pay slip. Your employer also pays National Insurance contributions for you. If you are self-employed, it is your responsibility to make sure you pay your own National Insurance contributions.

If you haven't always worked and paid National Insurance contributions from your wages, you may still be able to receive National Insurance 'credits'. In certain situations, the Government may add (credit) some payments (contributions) to your National Insurance record for you, so you will still build up a State Pension for those years. These situations include:

- periods you have been out of work,
- if you've not been able to work because you've had long-term illnesses or injuries, or
- when you've received Carer's Allowance because you were caring for someone who was seriously sick or disabled.

You may also get help from Home Responsibilities Protection to protect your basic State Pension, if you are:

- caring for a child under 16 and you receive Child Benefit for that child
- caring for a sick or disabled person, or
- an approved foster carer.

Home Responsibilities Protection does not credit you with National Insurance contributions, but it does reduce the number of years that you need to have paid contributions to get a State Pension.

How is my basic State Pension worked out?

People get different amounts of State Pension. This depends on how many years they have paid, or been treated as having paid, or been credited with National Insurance contributions. These are known as 'qualifying years'.

Because men and women have different State Pension ages at the moment, the number of qualifying years for a full basic State Pension is different for people reaching State Pension age before 6 April 2010:

- Women must normally have between 39 and 44 qualifying years to get a full basic State Pension. This depends on the date they reach their State Pension age.
- Men must normally have 44 qualifying years to get a full basic State Pension.
- To get the minimum basic State Pension (25% of a full basic State Pension) you normally need 10 or 11 qualifying years, depending on your State Pension age. If you have fewer qualifying years than this, you will not normally get a basic State Pension.

- If you have Home Responsibilities Protection, the number of qualifying years you will need to get a State Pension will be reduced.

If you want to increase your qualifying years, you may be able to pay voluntary National Insurance contributions to increase the amount of basic State Pension you receive.

Once you are entitled to the full basic State Pension, you cannot pay National Insurance contributions to get more.

Changes to State Pension rules

The rules for basic State Pension are changing for people who reach State Pension age on or after 6 April 2010.

Both men and women reaching State Pension age on or after 6 April 2010 will need only 30 qualifying years to get a full basic State Pension.

If you do not have 30 qualifying years for a full basic State Pension, each qualifying year that you do have will give you $\frac{1}{30}$ of the full basic State Pension.

You can get more information about changes to the State Pension rules at www.thepensionservice.gov.uk or in the leaflet about the State Pension (see page 61 for how to order a copy).

Basic State Pension – the main facts

When can I claim it?

You can claim the basic State Pension up to four months before you reach State Pension age. But you don't have to retire at State Pension age and can choose to put off claiming your State Pension until later.

When do I get it?

You can get the basic State Pension from State Pension age onwards as long as you have made a claim.

How much do I pay?

The basic State Pension is based on the amount of National Insurance contributions you have paid (or are treated as having paid, or have been credited with).

How much do I get?

If you decided to retire in the tax year 2008/09 and you qualified for a full basic State Pension on your own National Insurance contributions, you would get £90.70 a week. But if you only qualified for the minimum basic State Pension (25% of the full amount), you would get £22.68 a week.

How do I pay my National Insurance contributions?

You get the basic State Pension if you have paid, you are treated as having paid or you have been credited with enough National Insurance contributions.

- If you are in paid work and you earn more than £105 in any week (for 2008/09) from one employer, you will pay National Insurance contributions from your wages.
- If you are in paid work and you earn between £90 and £105 in a week (for 2008/09) from one employer, you will be treated as if you have paid National Insurance contributions.

- If you have not been able to pay National Insurance contributions (for example, if you haven't been able to work because of illness or because you have been looking after a sick or disabled person and getting Carer's Allowance), you may be given National Insurance credits.
- If you have been caring for children, you have been a foster carer, or you have been looking after a seriously ill or disabled person (but you are not able to get Carer's Allowance), the number of qualifying years you need may be reduced to help increase your State Pension.
- For any period you are self-employed, you must pay National Insurance contributions to HM Revenue & Customs yourself. If you are on a low income you may be able to apply not to pay National Insurance contributions, but HM Revenue & Customs must agree to this.
- In some situations you may be able to use your wife's, husband's or civil partner's (see page 12) National Insurance contributions to help you get a better State Pension.

Remember

You don't receive your State Pension automatically. You have to claim it. The Pension Service will usually send you a letter about this when you are four months away from State Pension age. If you are four months or less away from State Pension age and you have not received your letter about claiming, contact The Pension Service. You can claim over the phone or ask for a claim form to be sent to you (see page 51 for details of how to do this).

Take action

- If you reach State Pension age before 6 April 2010 you can get a State Pension forecast. Your forecast will include an estimate of the amount you can expect to get from your basic State Pension and from your additional State Pension when you retire. See pages 52 and 53 to find out how to get a forecast.
- Ask The Pension Service for the leaflet about the State Pension. This leaflet has helpful information for carers and parents and people who are self-employed. See page 61 to find out how to order a copy of this leaflet.
- Ask The Pension Service for the leaflet about pensions for women. See page 61 to find out how to order a copy of this leaflet.
- Contact HM Revenue & Customs to find out more about National Insurance contributions. See page 55 for their contact details.

To find out how to contact The Pension Service see page 51.

What is the additional State Pension?

The additional State Pension is money paid to you by the Government each week. The amount you get depends on your earnings and National Insurance contributions paid during the whole of your working life. You do not have to be getting the basic State Pension to get additional State Pension.

Your additional State Pension is also called the State Second Pension. This used to be known as the State Earnings-Related Pension Scheme (SERPS).

You may get a shared additional State Pension if you got divorced, your marriage was annulled or your civil partnership (see page 12) ended after December 2000.

For any period you are self-employed you cannot get any additional State Pension for the National Insurance contributions you pay.

Changes to additional State Pension

The rules for the additional State Pension are changing. In the future it will become a simple, single rate, weekly top-up to the basic State Pension (based on earnings between certain limits). These changes to the additional State Pension will make it easier for you to understand how your State Pension is calculated and to estimate how much you will receive. For more information about additional State Pension and future changes, see our website www.thepensionservice.gov.uk.

Additional State Pension – the main facts

When can I claim it?

You can claim the additional State Pension at the same time as you claim your basic State Pension, up to four months before you reach State Pension age. But you don't have to retire at State Pension age and can choose to put off claiming your State Pension and additional State Pension until later.

When do I get it?

You can get the additional State Pension from State Pension age onwards as long as you have made a claim for basic State Pension.

How much do I pay?

The additional State Pension is based on the amount of National Insurance contributions you have paid (or are treated as having paid), above the level needed to qualify for the basic State Pension.

How much do I get?

The amount of additional State Pension you will receive depends on your earnings. The more you were earning (up to the National Insurance 'upper earnings limit' which is £40,040 for 2008/09), the more additional State Pension you will get. Since 2002, people who earn a low or moderate wage (a low wage is between £4,680 and £13,500 and a moderate wage is between £13,501 and £31,100) can also get an increased additional State Pension.

So, if you work for an employer and you earn more than £4,680 (in 2008/09), you will be included in the additional State Pension scheme. And, in some cases, carers and people with long-term illnesses or disabilities can build up an additional State Pension, even if they are not in work. See page 61 for how to order a leaflet which explains more about this.

Are there any times when I cannot get additional State Pension?

You cannot build up additional State Pension for any period of time when you:

- are not working (but see the section 'How much do I get?' on the previous page and above for certain exceptions)
- are self-employed
- earn less than a certain amount a year (£4,680 for 2008/09)
- have 'contracted out' of the additional State Pension (see below) and instead you pay into a personal pension, and you earn more than £13,500 (in 2008/09), and
- have 'contracted out' of the additional State Pension (see below) and instead you pay into an occupational pension scheme and you earn above £31,100 (in 2008/09).

Contracting out

If you work for an employer and you earn more than £4,680 (in 2008/09), you will be included in the additional State Pension scheme. But you can choose to leave (contract out of) the additional State Pension if you think this will give you a higher income or other benefits when you retire.

If you decide to contract out, you give up some or all of your additional State Pension for that period of contracted-out employment and will build up a different pension instead. You can do this by choosing one of the following:

- You can join your employer's contracted-out occupational (sometimes known as a work or company) pension scheme. If you do this, you will automatically be contracted out of the additional State Pension from the date that you join the scheme. Both you and your employer will pay lower-rate National Insurance contributions. Most, or all, of your second pension will then come from your employer's scheme. Your basic State Pension will not be affected.
- You can join a contracted-out personal or stakeholder pension scheme. You can choose to do this if your employer doesn't run a contracted-out occupational pension scheme, or they do but you don't want to join it.

If you leave your job, or you decide you are not happy with your existing occupational or personal pension arrangements, you do not have to stay contracted out.

Should I contract out?

Contracting out is not right for everyone. Look carefully at your situation. Think about getting advice from the Pensions Advisory Service or from an independent financial adviser before you decide. See section 3 for more information and contact details.

Are you self-employed?

For any period when you are self-employed, you will not build up any additional State Pension because you pay a lower rate of National Insurance contributions. So, you will not be able to contract out and you need to think about other ways to save for your retirement.

Changes to contracting out in the future

The Government has said that it will stop people contracting out for money-purchase pension schemes (these are also called defined-contribution or DC schemes) and personal and stakeholder pension schemes. You can get more information about how this may affect you in the leaflet '*Contracting out of the State Second Pension*'. See page 61 for details of how to get a copy.

For more information about money-purchase pension schemes, see page 29.

Take action

Page 61 tells you how to get hold of leaflets on the following topics from The Pension Service.

- '*State pensions*' – this leaflet tells you more about the additional State Pension. It will also help you decide what's best for you if you are self-employed and explain what to do if you are a carer or parent to make sure you get as much State Pension as you can in the future.
- '*Contracting out of the State Second Pension*' – this leaflet gives you information about leaving the State Second Pension.

To check if you are already contracted out, call the HM Revenue & Customs 'contracted-out pensions' helpline. See page 55 for their contact details.

To find an independent financial adviser near you, see page 60.

To find out how to contact the Pensions Advisory Service, see page 57.

What if I want more money than my State Pension when I retire?

The State Pension will give you a basic income when you retire, but only you can decide the kind of lifestyle you want for your retirement, and what you need to do to achieve it.

There are ways to help you increase your income when you retire. You can do any or all of the following:

- make payments into a private pension (these include occupational, personal and stakeholder pensions)
- work for longer
- put off receiving your State Pension.

Over the next few pages, you will find information about these choices to help you start planning for your retirement now.

What are the benefits of saving in a private pension scheme?

There are two main benefits of saving for your retirement in a private pension scheme:

- you can get tax relief on the money you save, and
- if you work, your employer can choose to help you save more by making extra payments into your occupational or group personal pension scheme.

See page 30 for more information about how tax relief works in occupational pension schemes. If you are not working, or if you are self-employed, you can still get tax relief on money you save in a personal or stakeholder pension scheme. See the example on page 35. You can also contact HM Revenue & Customs for more information on tax relief. See page 55 for details of how to contact them.

Remember

- No financial products, including pensions, are completely free of risk. The amount of pension you get may depend on how well the scheme has performed by the time you retire.
- Private pensions are a long-term investment. This guide gives you basic information about the choices currently available. For more information to help you decide what's best for you, you may find it useful to contact the Financial Services Authority or the Pensions Advisory Service. Or, you can get advice from an independent financial adviser (you may have to pay for their services). See section 3 for more information and contact details.

What is an occupational pension scheme?

An occupational pension scheme is sometimes called a work or a company pension scheme. It is an arrangement an employer makes to give their staff a pension when they retire. If you don't join, you could miss out on tax relief as well as your employer making payments towards your pension. You can get an occupational pension on top of any State Pension you may be entitled to.

There are two main types of occupational pensions. Both types have trustees or scheme managers to look after the interests of their members.

1 Salary-related pension schemes

These are also called defined benefit schemes, DB schemes or superannuation schemes.

In a salary-related scheme, the pension you get is based mainly on the number of years you belong to the scheme and your earnings. Your pension can be based on your earnings at the time when you retire or leave the scheme, or your average earnings during the time you paid into the

scheme. In some schemes only your basic salary counts towards your pension. But, some schemes also include other payments, such as overtime and bonuses.

You usually have to make payments into the scheme on top of those that your employer pays.

2 Money-purchase pension schemes

These are also known as defined contribution schemes or DC schemes.

In a money-purchase scheme, your contributions (and any contributions your employer makes) are invested in things like bonds, stocks and shares. The amount you get when you retire depends mainly on the total amount of money you and your employer have paid into the scheme, how well the investment has grown, and the age you decide to retire.

When you retire you may be able to take some of your pension savings (up to 25%) as a tax-free lump sum. You must then use the rest of the fund to pay for your pension, or to buy an annuity from an insurance scheme. An annuity is a pension which is paid for the rest of your life. This is why this type of occupational scheme is called a 'money-purchase scheme' – when you retire, you use the money in your fund to give you a regular income for the rest of your life. The FSA can give you more information. See page 56 for details of how to contact them.

Take action

If you are not already a member of an occupational pension scheme, find out if your employer offers this type of scheme.

If you are already a member of an occupational pension scheme, remember you may be able to increase the amount you pay into your scheme. Ask your employer for more information.

What are the benefits of an occupational pension?

The following are the three important benefits of an occupational pension.

- You get tax relief on what you pay into an occupational pension. This means that at the basic rate of income tax of 20% for 2008/09 (22% for 2007/08), for every £100 that goes into your pension, the amount you pay in tax will be reduced by £20 (£22 for 2007/08). At the higher rate of income tax of 40% (for 2008/09 and 2007/08), for every £100 that goes into your pension, the amount you pay in tax will be reduced by £40.
- Your employer may make payments into your occupational pension. Most employers who run occupational pension schemes make contributions to the scheme on top of those you pay.
- You can get extra benefits. Occupational pension schemes often give benefits such as life assurance or, if you die, a pension for your dependants. You need to check with your pension scheme provider to see exactly what benefits you will get.

Take action

You can contact your pension provider for more information about how tax relief works in occupational pension schemes. Or you can contact HM Revenue & Customs. See page 55 for details of how to contact them.

Occupational pensions – the main facts

When do I get it?

This depends on the rules of the occupational scheme you belong to. You will usually be able to start claiming your pension and benefits at age 60 or at age 65. Ask your employer for details if you are not sure what the retirement age is for your scheme. However, you don't have to retire from all work to get an occupational pension – and in some cases you can even continue working for your employer.

How much do I pay?

The rules are different depending on which pension scheme you belong to. Usually, you pay a monthly contribution that is a percentage of your salary. You may also be able to make extra contributions if you want to increase the amount of your pension fund when you retire.

How much do I get?

The amount of pension you will get depends mainly on the type of scheme you belong to and how long you have paid into it:

- In a salary-related pension scheme, the amount of pension you get is mainly based on the number of years you belong to the scheme, and what you earn.
- In a money-purchase pension scheme, the amount of pension you get depends on how much money you and your employer have paid into your fund and how well the scheme's investments have performed by the time you retire.

Every year, your employer or scheme may send you a statement of how much pension you might get when you retire. This will help you decide if you need to save more. If you do not get a statement every year, you can ask your employer or pension provider for one. See pages 28 and 29 for more information about these two different types of pension schemes.

Things to remember when you join an occupational pension scheme

- Before you join an occupational pension scheme, two of the most important things to check are how much you will have to pay, and what contributions your employer is going to make.
- An occupational pension scheme is connected to your job. So, if you leave your job you need to check what will happen to your pension. You may be able to transfer your pension to another occupational scheme. It depends on whether or not your new employer will let you transfer your pension.
- If you decide to keep your money and benefits in your previous employer's occupational pension scheme, you can still join another occupational pension scheme.
- No financial products, including pensions, are completely free from risk. For example, your employer may go out of business. Or, they may decide to change or close their occupational pension scheme for another reason, which could mean you get less than you expected. Also, the amount of pension you get may depend on how well the scheme has performed by the time you retire.

Some common questions about occupational pensions

What if I work part-time?

If you work part-time and your employer has an occupational pension scheme, you will usually be allowed to join it.

Do I still get the additional State Pension?

If your occupational pension scheme is contracted out, you will lose some or all of your additional State Pension.

What if my employer doesn't offer an occupational pension scheme?

Most companies with more than five employees now have to offer you either an occupational pension scheme, or give you access to a stakeholder pension scheme. Or, you can choose to take out a personal pension.

What happens if my employer goes out of business or the occupational pension scheme ends (known as 'winding up') for some other reason?

If your employer goes out of business or your pension scheme winds up (for whatever reason), there is a chance that you may get less pension than you expect when you retire.

The Government has set up two organisations:

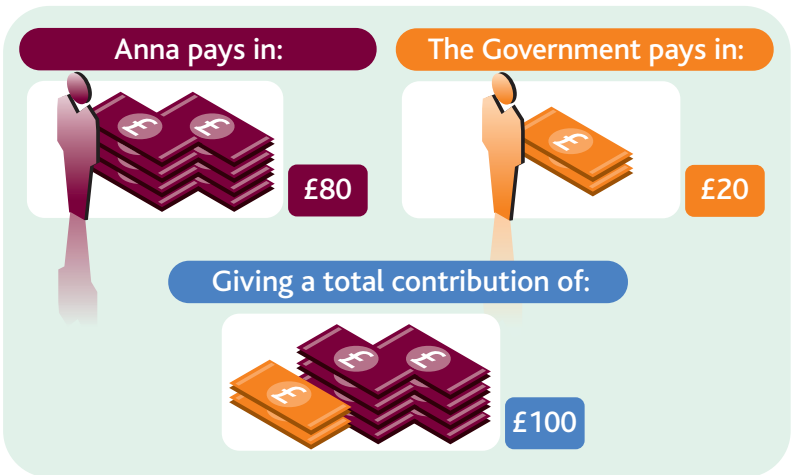
- the Pension Protection Fund, which may pay compensation to members of defined-benefit pension schemes if their employer goes out of business, and
- the Pensions Regulator which helps protect members of all work-based pension schemes.

However, if you think your pension scheme may wind up, it's important to make sure you understand your choices and that you find out what is best for you to do, depending on your situation.

Take action

- The Financial Services Authority and the Pensions Advisory Service can give you information and help you with occupational pension schemes. See pages 56 and 57 to find out how to contact them.
- For legal or financial advice about your personal situation, you can contact a citizens advice bureau (details are on page 59) or an independent financial adviser (details are on page 60).
- To find out more about the Pension Protection Fund or the Pensions Regulator, see page 58 for details of how to contact them.

Tax relief is one of the reasons many people choose a personal or stakeholder pension to help save for their future



In 2008/2009:

Anna pays £80 into her pension scheme.

The Government pays in £20.

This gives a total contribution of £100.

Anna pays tax at the basic rate. This means she pays 20p tax on every pound she earns for 2008/2009 (22p in 2007/08). But, because the Government gives tax relief on money people save in a pension, she doesn't have to pay income tax on the money she has saved in her pension fund.

This means that for every £80 she saves in a personal or stakeholder pension, the Government adds an extra £20. And, the more she saves, the more money she gets in tax relief.

What is a personal pension?

You can buy a personal pension from lots of pension providers such as banks, life assurance companies or building societies. A personal pension is completely personal to you, which means you can continue to pay into it if you change jobs.

It is a good idea to think about a personal pension if you:

- cannot pay into an occupational pension scheme, or you do not want to
- are self-employed, or
- are not working but you can afford to pay for a pension.

Personal pensions are money-purchase schemes. These are also known as defined contribution schemes or DC schemes.

In a money-purchase scheme, your contributions (and any contributions your employer makes) are invested for you in things such as bonds or stocks and shares. The amount you get when you retire depends mainly on the total amount of money you and your employer have paid into the scheme, how well the investment has grown, and the age you decide to retire.

When you retire you may be able to take some of your pension savings (up to 25%) as a tax-free lump sum. You must then use the rest of the fund to pay for your pension, or to buy an annuity from an insurance scheme. An annuity is a pension which is paid for the rest of your life. This is why a personal pension is called a 'money-purchase' scheme – when you retire, you use the money in your fund to give you a regular income for the rest of your life.

What are the benefits of a personal pension?

There are several benefits of paying into a personal pension scheme:

- you get tax relief on your contributions (the example on page 35 shows you how this works)
- you can choose to take a tax-free lump sum of up to 25% of your total pension when you retire
- you may be able to choose the funds you invest in, if you want to
- other people can pay into a personal pension for you (your partner or other members of your family can help you to save for your retirement), and
- you don't need to be working to save in a personal pension scheme.

Personal pensions – the main facts

When do I get it?

This depends on the rules of the scheme you belong to. You will usually be able to start claiming your pension and benefits from the age of 50. (But, by 2010, this will usually be from the age of 55.) But, the longer you continue to work and to pay into your scheme, the more money you are likely to get when you decide to retire. Most people choose to wait until they are 60 or 65. Remember, you don't have to retire from work to get your pension benefits.

When do I make payments?

Usually, your pension provider will ask you to make regular, monthly payments into your personal pension. But some people, especially self-employed people, prefer to make contributions once a year.

How much do I get?

The amount of pension you get depends on how much money you have paid into your fund by the time you retire and how well the scheme has performed. Every year, your pension provider will send you a statement of how much your personal pension fund is likely to be worth. This will give you an idea of what you can expect to get when you retire, and will help you decide if you need to save more.

Things to remember when choosing a personal pension scheme

Choosing a personal pension scheme is an important decision and there are many things to consider, including the following:

- Before you decide to take out a personal pension, compare the costs you will have to pay against the costs of a stakeholder pension (see page 42 for more information about stakeholder pensions). Make sure the personal pension you choose is the right one for you, because you may have to pay extra charges if you decide to transfer to a different type of scheme later on.
- Find out what the rules are on making contributions. For example, can you increase or decrease the amount you pay if your situation changes?
- Find out how much you can save, and whether the pension scheme is contracted out of the additional State Pension.
- Find out how the pension provider will invest the money.
- Find out how much the pension provider will charge you for setting up your pension and for managing it. Remember, high costs don't always mean it's a good pension.

Because of all these things, it's a good idea to ask several pension providers for quotes and do some research. One place to start is the Financial Services Authority. The Financial Services Authority publishes lists of all the pension providers it approves, and it provides information to compare different pension schemes.

You could also contact the Pensions Advisory Service for more information about personal pensions. Or, you could ask an independent financial adviser to help you choose a suitable personal pension. The advisor may charge you or

receive commission from the pension provider. You should check this at the start.

As with any other agreement you make about a contract, it is important to consider the advice you are given very carefully. Always read the small print before you sign or agree to anything.

Group personal pensions

Some employers may make arrangements to offer their staff the chance to buy a personal pension instead of an occupational pension. Personal pensions arranged in this way are called 'group personal pensions'. Find out if your employer has made this arrangement and if it is suitable for you.

Although some people refer to them as company pensions, they are not run by employers and you should not confuse them with occupational pensions.

There are two important advantages of group personal pensions, which individual personal pensions do not have:

- Because an employer organises group personal pensions, it is likely that they will also pay into the group scheme on your behalf – more likely than if you took out a personal pension by yourself.
- Your employer may have negotiated special deals with the group pension provider, such as paying reduced charges.

But, if you leave your employer, it is very likely that they will stop paying into your pension. You may also lose any special deals that your employer has negotiated for the group scheme. Find out as much as you can from your employer before you join or leave the scheme, and contact the pension scheme provider to find out what your options are.

Take action

- For more information about personal pensions, group personal pensions, approved pension providers and annuities, contact the Financial Services Authority. See page 56 for their contact details.
- Contact the Pensions Advisory Service for information and help on personal pension schemes. See page 57 for their contact details.
- To find an independent financial adviser near you, see page 60.

What is a stakeholder pension?

Stakeholder pensions are money-purchase personal pensions. As with other types of personal pensions, the pension you get does not depend on your salary and the money you save is put into investments for you. You will then use this money to buy an annuity from an insurance company for when you retire. See page 36 for more information about money-purchase pension schemes and annuities.

A stakeholder pension may be a good choice for you if you cannot pay into an occupational pension or a personal pension scheme. If you are self-employed or you are not earning, a stakeholder pension could also be the best choice for you.

What are the benefits of a stakeholder pension?

There are some differences between stakeholder pensions and other types of personal pensions. Stakeholder pensions have to meet certain standards set by the Government to make sure they offer value for money and that they are flexible and secure:

- You get tax relief on your contributions. The example on page 35 shows you how this works.
- The charges are capped – this means there are upper limits to how much you have to pay the pension fund provider.
- There are low minimum payments.
- They are more flexible than many other private pension schemes – you can choose when to pay and how often and there are no penalties (for example, fines) if you miss a payment.
- Other people, as well as your employer, can pay into a stakeholder pension for you. This means that your partner or other members of your family can help you to save for your retirement.
- You don't need to be working to save in a stakeholder pension scheme.

Stakeholder pensions – the main facts

When do I get it?

As with other types of personal pensions, you will usually be able to start claiming your pension and benefits when you reach age 50. (By the year 2010 this will usually be age 55.) But, the longer you continue to work and to pay into your scheme, the more money you are likely to get when you decide to retire. Most people choose to wait until they are 60 or 65. Remember, you don't have to retire from work to get your pension benefits.

How much do I pay?

One of the advantages of stakeholder pensions is that you can choose how much you pay in – and you can make payments whenever you have some spare cash. To get the most out of your pension, it is best to make regular payments if you can, but you can stop payments for a while if you need to and it won't cost you anything. You should remember that the less money you put into your pension scheme now, the less you will get back as income when you retire.

How much do I get?

This depends on how much you have paid into your stakeholder pension scheme, and how well the scheme has performed by the time you retire. Your pension scheme provider will send you a pension statement every year. This will tell you how much your fund is worth and how much you might get when you retire, if you continue to contribute at your current level.

Some common questions about stakeholder pensions

Can I move to a different pension scheme?

Yes. You will not usually have to pay a fee if you want to move your stakeholder fund to another pension provider or another stakeholder pension scheme.

Does my employer have to offer a stakeholder pension scheme?

Most companies that employ five or more people must offer their employees a chance to join a stakeholder pension scheme, unless they offer another suitable option.

Can I still get the additional State Pension if I have a stakeholder pension?

If you earn between £4,680 and £13,500 per year (in 2008/09) and are paying into a stakeholder pension, regardless of whether or not it is contracted out, you may still be able to get an additional State Pension when you reach State Pension age. This is because the additional State Pension helps those on a lower income. (See page 24 for more information on contracting out.)

Take action

- For more information and help about stakeholder pensions, contact the Pensions Advisory Service. See page 57 for details.
- Ask the Financial Services Authority for their fact sheet 'Stakeholder pensions and decision trees'. For details of how to get this, see page 62.
- Visit:
www.thepensionsregulator.gov.uk/stakeholderpensions for more information about stakeholder pensions.

Can I save money in more than one occupational or personal pension at the same time?

Yes. Tax rules introduced in April 2006 have made it easier to save in more than one occupational or personal pension, or in both at the same time.

Saving in more than one pension scheme can give you flexibility and choice, but it can also lead to you paying more in administration costs. What is best for you can depend on your situation, what you need when you retire and what pension savings you have already made.

To help you decide the best choice for you, you may find it useful to talk to an independent financial adviser. Remember, you may have to pay for their advice.

Is there a limit to how much I can save in a personal pension scheme?

Yes. Because you get tax relief on the money you save in a pension scheme, there are limits on how much you can save each year and how much tax relief you can get on your total savings.

You can find out more about how much you can save from HM Revenue & Customs or from the Financial Services Authority. See pages 55 and 56 for details of how to contact them.

What if I don't want to retire at State Pension age?

You do not have to retire when you reach State Pension age. You can continue to work while you claim your State Pension. Or, you can put off receiving your pension until later and then get more State Pension each week. If you put off getting your State Pension for at least 12 months, you can get a one-off lump-sum payment (you will have to pay tax on this).

Working for longer can help you to build up a better income for when you retire, as well as giving you more money now. People are living longer now, which means that it is more important than ever to plan ahead for your future.

You could also think about different options for your retirement. You may not want to retire from work completely – you may want to work part-time, change jobs or have less responsibility. You need to think about which options are best for you and which ones help to give you the income you want, before and after you retire.

Take action

- Ask for a leaflet about how to get extra State Pension or a lump-sum payment also known as 'State Pension deferral'.
- Ask for the leaflet for people over 50. This leaflet tells you about working longer. It also tells you about the help and advice you can get from the Government and voluntary organisations if you're over 50. It includes information about looking for work, changing jobs and learning new skills.

See page 61 to find out how to get copies of these leaflets.

Pension Credit – are you 60 or over?

In certain circumstances, when you retire you might be able to get Pension Credit or another income-related benefit. This depends on your household income and other savings.

If you, or your partner, are aged 60 or over, you will probably get Pension Credit if the money you have coming in is less than: £124.05 a week if you are single; or £189.35 a week if you have a partner (2008/09). These amounts may be more for people who are caring for someone, who are severely disabled, or who are responsible for certain housing costs such as mortgage interest repayments.

If you are 65 or over, you may get extra money if you have saved some money towards your retirement, such as savings or a second pension.

Take action

Ask for the leaflet about Pension Credit to get more information. Find out on page 61 how to get a copy of this leaflet.

3 What should I do next?

There are a number of things you can do now to start planning for your retirement.

- Work out your State Pension age. Recent changes to the State Pension system in the UK mean that the age from which you can start to claim State Pension might be affected. See page 51 for information on how to do this.
- If you are going to reach State Pension age before 6 April 2010, find out how much State Pension you may get by asking for a forecast. This forecast will give you an idea of what you can expect to receive from the Government when you reach State Pension age. It will also help you to decide if you are currently saving enough for your retirement. Find out how to get a State Pension forecast on pages 52 and 53.
- If you don't already belong to an occupational pension scheme, ask your employer for information about the scheme they offer and think about whether it is right for you.
- If your employer doesn't provide an occupational pension, consider talking to an independent financial adviser to find out which personal or stakeholder pension would be right for you. You may have to pay for their advice.
- If you are already a member of an occupational pension scheme, your employer or pension provider may send you a pension statement every year. This shows how much you might get from the scheme when you retire. If you haven't had a statement, you can ask your employer or pension provider to send you one.

- If you are already a member of a personal pension scheme, your pension provider will send you a pension statement every year. This shows how much your personal pension fund is likely to be worth when you retire. If you haven't had a statement, you should contact your pension provider and ask them to send you one.
- If you are self-employed and you don't already have a second pension, consider talking to an independent financial adviser to find out which personal or stakeholder pension would be right for you. You may have to pay for their advice.
- If you think you might have one or more company or personal pensions that you do not know the full details of, contact the Pension Tracing Service. You may have lost touch with your pension scheme, because you changed job, or the company changed its name. Whatever the reason, if you are not in contact with the company you should get in touch with the Pension Tracing Service. They may be able to help you to trace your pension, free of charge. You can find the Pension Tracing Service contact details on page 54.

Useful contacts

This section includes the contact details of some organisations you may find useful.

Call charges

Calls to **0800** numbers are free from BT land lines but you may have to pay if you use another phone company, a mobile phone, or if you are calling from abroad. Calls from mobile phones can cost up to 40p per minute, so check the cost of calls with your service provider.

From 1 August 2007, calls to **0845** numbers from BT land lines should cost no more than 4p per minute with a 6p call set up charge. You may have to pay more if you use another phone company or a mobile phone, or if you are calling from abroad.

Calls from mobile phones can cost up to 40p per minute, so check the cost of calls with your service provider. Calls to **0870** numbers from BT land lines should cost no more than 8p per minute with a 6p call set up charge. You may have to pay more if you use another phone company or a mobile phone, or if you are calling from abroad.

Textphones

The textphone numbers provided by The Pension Service are for people who find it hard to speak or hear clearly. If you do not have a textphone, some libraries or citizens advice bureaux may have one.

Textphones do not receive text messages from mobile phones.

How to contact The Pension Service

The Pension Service is part of the Department for Work and Pensions. It has been set up to provide a dedicated service for today's pensioners and the pensioners in the future. You can talk to The Pension Service about your State Pension, Pension Credit and other entitlements. Or, you can ask them what you can expect when you reach State Pension age.

Phone: **0845 60 60 265** (or **0845 60 60 275** if you speak Welsh and live in Wales)

Textphone: **0845 60 60 285** (or **0845 60 60 295** if you speak Welsh and live in Wales)

Lines are open from 8am to 8pm, Monday to Friday.

Website: www.thepensionsservice.gov.uk

Claiming State Pension

You don't receive your State Pension automatically. You have to claim it. The Pension Service will usually send you a letter about this when you are four months away from State Pension age. If you are four months or less away from State Pension age and you have not received your letter about claiming, contact The Pension Service. You can claim over the phone or ask for a claim form to be sent to you (see the section above for contact details).

Work out your State Pension age

Find out the exact date when you will reach State Pension age by using the calculator on the website at www.thepensionsservice.gov.uk. Or order the State Pensions leaflet which contains tables to help you work out your State Pension age. See page 61 for how to do this.

Information about State Pension forecasts

If you are going to reach State Pension age before 6 April 2010, you can get a pension forecast from The Pension Service's State Pension Forecasting Team. (See the next page for how to do this.)

However, at the moment they can't provide a State Pension forecast for people who are going to reach State Pension age on or after 6 April 2010.

This is because the computer systems used to provide State Pension forecasts are currently being updated by the Department for Work and Pensions to reflect the new State Pension rules (brought in by the Pensions Act 2007 – see page 5). The Department for Work and Pensions aims to have the changes to the computer systems in place by autumn 2008. From then, the State Pension Forecasting Team will be able to provide a service that everyone can use.

During this time, the information in this leaflet explains how the changes might affect your State Pension. Or, you can speak to an adviser by calling **0845 3000 168**.

How to get a State Pension forecast

- Online – you can get a forecast on-line at www.thepensionservice.gov.uk
- By phone – you can ask for a State Pension forecast by calling the State Pension Forecasting Team. They'll fill out the form for you and send you a forecast in the post. It may take up to 15 working days from when they receive your call, to prepare your forecast. You can call the State Pension Forecasting Team on **0845 3000 168** (textphone **0845 3000 169**). Lines are open 8am to 8pm Monday to Friday, and 9am to 1pm on Saturdays.
- In writing – if you prefer, you can fill in and return an application form (BR19). There are two ways to do this:
 - download an application form from The Pension Service website, print it out, fill it in by hand and return it by post.
 - download an application form and fill it in on your own computer, print it out and return it by post.

You should send your completed form to:

State Pension Forecasting Team
The Pension Service
Room TB201
Tyneview Park
Whitley Road
Newcastle upon Tyne
NE98 1BA.

It may take up to 15 working days to prepare your forecast once The Pension Service receive your application.

How to trace a lost pension

You can ask for a free pension trace by contacting the Pension Tracing Service.

Website: www.thepensionservice.gov.uk

Phone: **0845 6002 537** (lines are open 8am to 6pm)

Textphone: **0845 3000 169**

Or, write to:

Pension Tracing Service
The Pension Service
Tyneview Park
Whitley Road
Newcastle upon Tyne
NE98 1BA.

How to contact HM Revenue & Customs

HM Revenue & Customs is responsible for collecting taxes, including National Insurance contributions, as well as paying tax credits and Child Benefit.

Phone: **0845 302 1479**

Lines are open from 8am to 5pm, Monday to Friday.

Website: **www.hmrc.gov.uk**

For information about Individual Savings Accounts (ISAs)

Phone: **0845 604 1701**

Lines are open from 8.30am to 5pm, Monday to Thursday, and from 8.30am to 4.30pm on Fridays.

Website: **www.hmrc.gov.uk/isa/index.htm**

For information about contracted-out pensions

Phone: **0845 9 150 150**

Lines are open from 8am to 5pm, Monday to Friday.

Website: **www.hmrc.gov.uk/nic/cosr-schemes.htm**

(You will need to quote your National Insurance number.)

How to contact DirectGov

The DirectGov website has the widest range of Government information and services in one place. As well as Government departments, the site has links to other organisations that can offer you advice and support – including information about pensions, money and tax.

Website: www.direct.gov.uk

How to contact the Financial Services Authority

The Financial Services Authority is the independent watchdog set up by the Government to monitor financial services and protect your rights. It aims to help you understand financial services and get a fair deal.

Phone: **0845 606 1234** (consumer helpline)

Textphone: **0845 730 0204**

Website: www.moneymadeclear.fsa.gov.uk

for information about pensions and other financial matters.

Visit www.fsa.gov.uk/register to see the Financial Services Authority's register of firms they have approved which provide financial services.

How to contact the Pensions Advisory Service

The Pensions Advisory Service is an independent not-for-profit organisation that provides free information and guidance on the whole range of pensions including the State Pension and company, personal and stakeholder schemes. It can also help you if you have a problem, complaint or dispute with your occupational or private pension provider.

Phone: **0845 601 2923**

Lines are open from 9am to 5pm, Monday to Friday.

Website: **www.pensionsadvisoryservice.org.uk**

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB.

How to contact the Pension Protection Fund

Website: www.pensionprotectionfund.org.uk

Knollys House
17 Addiscombe Road
Croydon
Surrey
CR0 6SR

Phone: **0845 600 2541**

Textphone: **0845 600 2542**

Fax: **020 8633 4903**

E-mail: information@ppf.gsi.gov.uk

How to contact the Pensions Regulator

Customer support

Phone: **0870 6063636**

9am to 5.30pm, Monday to Friday

Fax: **0870 2411144**

Email: customersupport@thepensionsregulator.gov.uk

General office enquiries

01273 811800

Or, write to:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW.

How to contact Citizens Advice

Citizens advice bureaus help people sort out their legal, money and other problems by providing free, independent and confidential advice. They will be able to tell you more about the different types of pension there are available. You can find your nearest office by visiting their website at www.citizensadvice.org.uk or by looking in your local phone book.

There are also many other similar local services that provide information and advice about money. See the 'Information Services' section in your local Yellow Pages.

How to find an independent financial adviser

IFA Promotion, The Personal Finance Society and the My Local Advisor website can help you find financial advisers in your area who specialise in planning for your retirement and pensions. If you decide to get advice from an independent financial adviser, you may have to pay the adviser a fee for their services, or pay indirectly through commission (commission is the payment that financial advisers get from the product provider for each sale they make).

Your financial adviser will give you a document explaining their services and charges before they give you any financial advice. You should always ask for details of what pensions your adviser can offer and how much you will have to pay in fees or commission.

IFA Promotion

Phone: **0800 085 3250**

Textphone: **0800 083 0196**

Website: **www.unbiased.co.uk**

The Personal Finance Society

Website: **www.thepfs.org**

You can also visit:

www.mylocaladviser.co.uk

Useful publications

The Pension Service publishes a series of free leaflets about pensions. You can order them by calling **0845 7 31 32 33** or by visiting the resource centre of The Pension Service website (www.thepensionsservice.gov.uk). These leaflets cover the following topics:

- State Pensions
- Pension Credit
- Pensions for women
- Contracting out of the State Second Pension
- How to get extra State Pension or a lump-sum payment (also known as State Pension deferral)
- Information for the over 50s – a practical guide to the advice, services and support you can get from the Government and voluntary organisations for people over 50.

You can get the following more detailed free guides about pensions from the Financial Services Authority.

- FSA guide to pensions 1 – Starting a pension
- FSA guide to pensions 2 – Reviewing your pensions
- FSA guide to pensions 3 – Annuities and income withdrawal
- Stakeholder pensions and decision trees

To order copies of these guides call their consumer helpline on **0845 606 1234**, or visit their website (www.fsa.gov.uk/consumer).

We recommend that you consider your own situation carefully and that you look for more information about the choices you are considering. You can read more leaflets from The Pension Service or see their website (www.thepensionservice.gov.uk) or contact some of the other organisations mentioned in this guide that can provide guidance and advice. You can find a list of contact details in section 3.

We would like your views about this leaflet.

Please answer the questions below, tear off this slip and return it to the Freepost address over the page. Your answers are completely confidential and will only be used to improve the leaflet.

How helpful was this leaflet in answering your questions?

Very helpful Quite helpful Not very helpful Not helpful at all

How easy was it to find the information you wanted?

Very easy Quite easy Not very easy Not easy at all

Are there any parts of this leaflet we could improve in any way?
If so, which parts and how would you improve them?

Do you think you will refer to this leaflet again in the future?

Yes No

Now that you have read this guide, what are you going to do to plan for your retirement?

Please use this space to make any other comments about this leaflet

You do not have to fill in this part, but if you do it will help us to understand more about our customers.

Are you: male female

How old are you? _____

What is your postcode? _____

Product code PTB1 Apr 08

You should only use this form to comment about the leaflet. We only use this form to help us improve our service. We cannot answer questions about benefits or allowances that you ask on this form.

You do
not need
a stamp.

**Freepost RLXH-JUEU-GZCH
Pension Guide
Northampton
NN3 6DF**

Important information about this leaflet

This leaflet is only a guide and does not cover every circumstance. We have done our best to make sure that the information in this leaflet is correct as of April 2008. It is possible that some of the information is oversimplified, or may become inaccurate over time, for example because of changes to the law. We recommend that you get independent advice before making any financial decisions based on the information in this leaflet.

This leaflet is available in other formats.

Call **0845 7 31 32 33** to find out more.

If you find it difficult to hear or to speak clearly, there is a textphone service available on **0845 604 0210** where you can order these leaflets.

Or, you can visit **www.thepensionservice.gov.uk** to read the guide.

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