



Take Control

Award-winning adviser, Tristan Hartey offers some expert advice on planning for the future, pensions and retiring

The advantages of saving into a pension

Once you've decided to start saving for retirement, you need to choose how to do so. Pensions have many important advantages that will make your savings grow more rapidly than might otherwise be the case.

A pension is essentially a long-term savings plan with tax relief – your regular contributions are invested so that they grow throughout your career and then provide you with an income in retirement. Generally, you can access the money in your pension pot from the age of 55.

How tax relief tops up your pension pot

Once your income is over a certain level, the government takes tax from your earnings. You can see this on your payslip. If you put money into a personal pension scheme, it qualifies for tax relief. This means that as well as the money you're putting in, some of your money that would have gone to the government as tax now goes into your pension pot instead. The government will still put tax relief into your pension pot, even if your income is too low to pay tax.

Top-ups from employers

To help people save more for their retirement, employers are gradually being required to enrol their workers into a workplace pension scheme if they are not already in one. This is called 'automatic enrolment' and is gradually being made compulsory for all employers.


If your work gives you access to a pension that your employer will pay into, then unless you really can't afford to contribute or your priority



is dealing with unmanageable debt, staying out is like turning down the offer of a pay rise.

Of course, if your employer will contribute to your pension regardless of whether you pay into it, then you should join the scheme whatever your financial circumstances.

A tax-free lump sum when you retire

You can usually take up to a quarter of your pension savings as a tax-free lump sum. If you have built up your own pension pot in a defined contribution scheme (as opposed to a salary-related pension scheme) you can then use the rest of your pot as you choose from age 55 onwards. 

If you want to discuss your pension, get in touch to arrange a complimentary consultation with one of our advisers. Call 0808 168 5866 or email info@harteywm.co.uk



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