Better with MONEY

BetterWithMoney.com

Demystifying Pensions

July 2026

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About Better with Money

Better with Money was set up to reduce financial misery and confusion in the UK. We aim to bring money matters to life in an accessible and interesting way, helping you to think clearly about money and inspire action around your finances.

Nadine Reynolds: Financial Wellbeing Consultant

With 13 years in the banking industry and the last 6 years specialising in financial wellbeing, I have been able to guide, support and educate many individuals on their financial journeys whether it be savings, investing, homebuying or money management to name but a few.

The legal bit...

This webinar is providing **information only** and doesn't constitute legal, debt or financial advice for your personal circumstances. If you act on it, you acknowledge you do so at your risk.

While every effort's been made to ensure accuracy, financial changes happen regularly so this presentation may only be valid for a short time after the date shown.

This webinar is intended to provide you with the knowledge and tools to take action around your finances and to ask a financial adviser for help if needed.

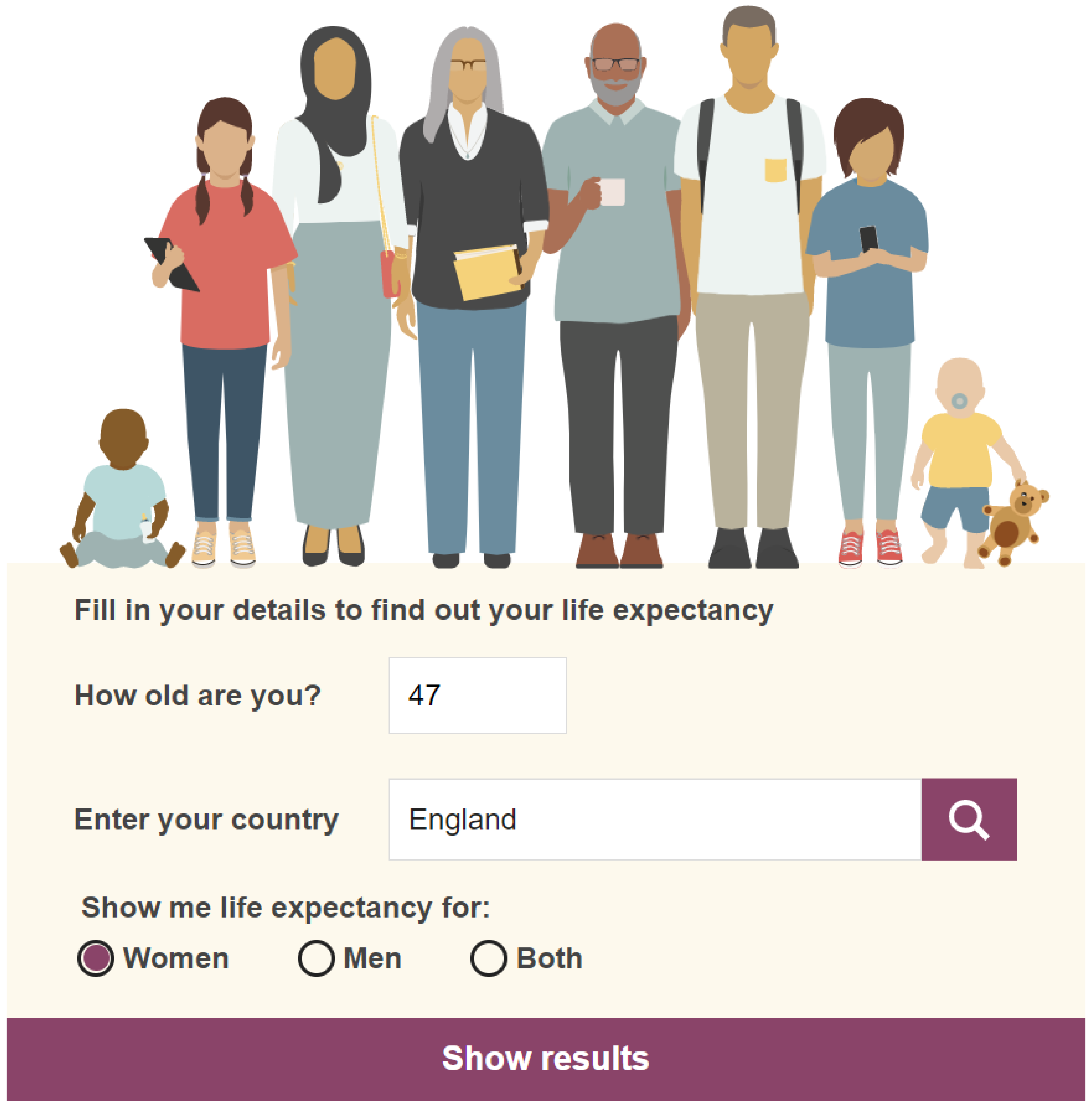
This session is not regulated by the Financial Conduct Authority.

Understanding Pensions

- Why do we need a pension?
- Where will my retirement income come from?
- State pension basics
- How much do I need in retirement?
- Gender pension gap
- Finding old pension schemes
- Transferring old pensions
- Q&A

Why do we need a pension?

- A pension provides us with an income when we wan to reduce or stop work in later life
- State Pension provides an income of £241.30 p.w or £12,548 p.a. in tax year 2026/27
- For those born after 5 April 1960, there will be a phased increase in State Pension age to 67, and eventually 68
- By 2050, 1 in 4 people in the UK will be over 65

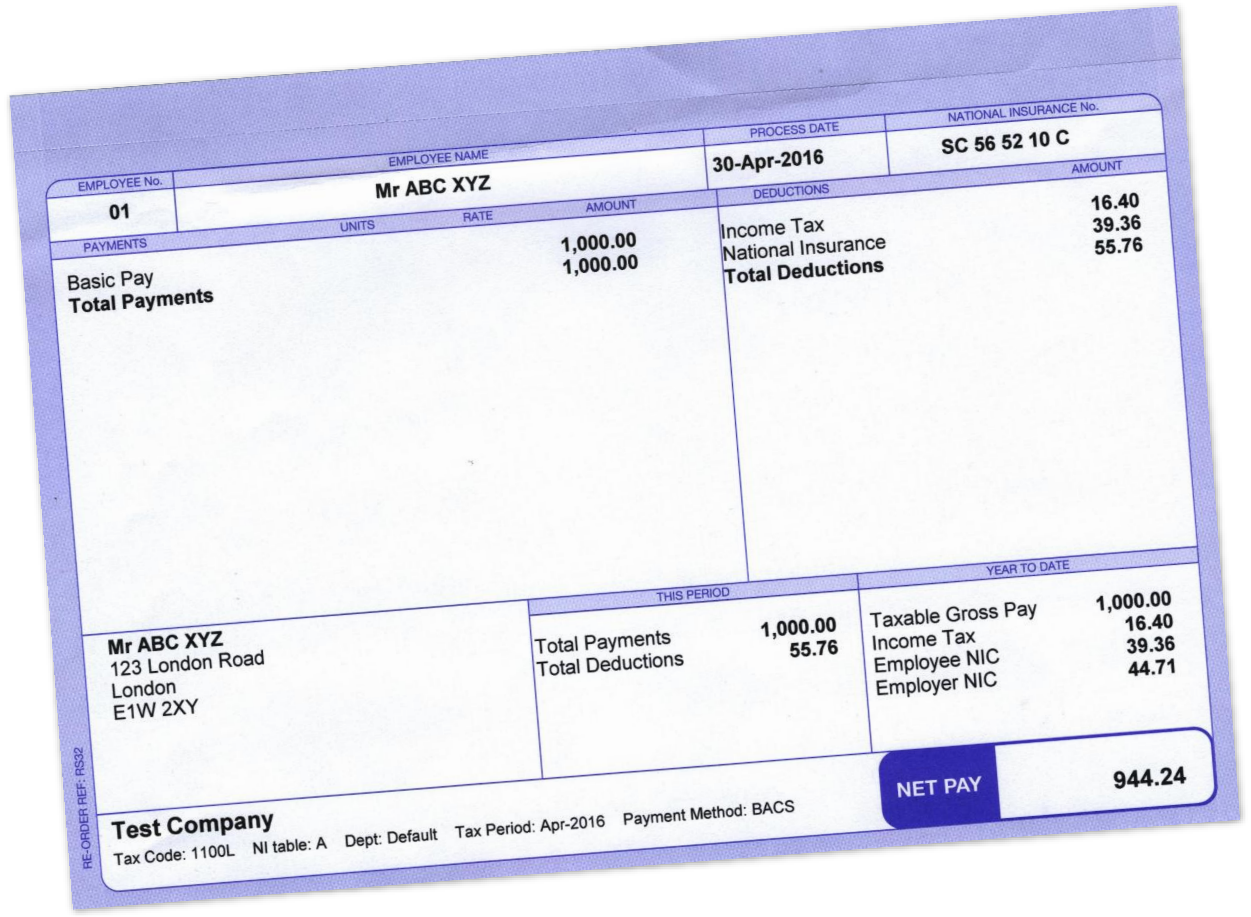


What is your life expectancy?
https://www.bbc.co.uk/news/health-44107940

BBC: Life Expectancy

Where will my retirement income come from?

- State Pension
- Inheritance
- Savings
- Work Income
- Workplace Pension
- State Benefits
- Property



EMPLOYEE No.	EMPLOYEE NAME	PROCESS DATE	NATIONAL INSURANCE No.
01	Mr ABC XYZ	30-Apr-2016	SC 56 52 10 C

PAYMENTS	UNITS	RATE	AMOUNT	DEDUCTIONS	AMOUNT
Basic Pay			1,000.00	Income Tax	16.40
Total Payments			1,000.00	National Insurance	39.36
				Total Deductions	55.76

Mr ABC XYZ
123 London Road
London
E1W 2XY

THIS PERIOD	
Total Payments	1,000.00
Total Deductions	55.76

YEAR TO DATE	
Taxable Gross Pay	1,000.00
Income Tax	16.40
Employee NIC	39.36
Employer NIC	44.71

NET PAY 944.24

Test Company
Tax Code: 1100L NI table: A Dept: Default Tax Period: Apr-2016 Payment Method: BACS

RE-ORDER REF: RS32

An introduction to the State Pension

- The full New State Pension is **£241.30 per week / £12,548 per year** for 2026/2027
- How much you get depends on your **National Insurance (NI) Record**
- You will need **35 qualifying years** to get the full New State Pension
- You need at least **10 qualifying years** on your National Insurance record to get any State Pension

How do I earn a qualifying year?

Earn at least £12,570 p.a.

Self-employed and pay NI

Claim child benefit, JSA, ESA or carer's allowance

When is my State Pension Age?

Birthday	State Pension Age
After 6 April 1978	68
6 April 1970 to 5 April 1978	67 (likely to increase to 68)
6 April 1961 to 5 April 1970	67
Before 6 April 1961	65 - 67

https://www.gov.uk/state-pension-age

How much New State Pension will I get?

Get a State Pension Forecast:

1. Apply online:
   https://www.gov.uk/check-state-pension

2. Fill in the BR19 application form and send it by post (found at website above)

3. Call the Future Pension Centre who will post the forecast to you
   Telephone: 0800 731 0175
   Telephone from outside the UK: +44 (0)191 218 3600
   Welsh language telephone: 0800 731 0453

How much income will I need in retirement?

RETIREMENT LIVING STANDARDS
PENSIONS AND LIFETIME SAVINGS ASSOCIATION

Source: www.retirementlivingstandards.org.uk

Retirement Living Standards

How much income will I need in retirement?

	MINIMUM	MODERATE	COMFORTABLE
SINGLE	£13,900 a year	£32,700 a year	£45,400 a year
COUPLE	£22,500 a year	£45,400 a year	£62,700 a year
WHAT STANDARD OF LIVING COULD YOU HAVE?	Covers all your needs, with some left over for fun	More financial security and flexibility	More financial freedom and some luxuries
HOUSE	DIY £200 a year to maintain condition of your property	£500 a year to maitnain condition of your property, £300 contingency	£600 a year to maintain condition of your property, £300 contingency.
FOOD	Between £57 & £111 a week on groceries, £30/£60 a month on food out of the home, £12/£24 per month on takeaways	Around £59/£103 a week on groceries, £33/£66 a week on food out of the home £11/£21 a week on takeaways, £111 month to take others out for a meal	Around £78/£139 a week on food, £42/£110 a week on food out of home, £22/£33 on takeaways, £110 month to take others out for a meal
TRANSPORT	No car free, bus pass £32 per month for 2 for 2 taxi trips, £193 per year for 3 rail trips	3 year old small car, replaced every 7 years £23 a month on taxis, £112 per year per person on rail fares	3 year old small car, replaced every 5 years, . £23 a month on taxis, £223 per year on rail fares
HOLIDAYS & LEISURE	A week long UK holiday, TV licence and broadband plus a streaming service with ads. £21 per person per week for activities	A fortnight 3* all inclusive hol in the Med & a long weekend off peak break in UK, TV licence, broadband two streaming services, £45 per person per week for activities	A fortnight 4* holiday in the Med with spending money and 3 long weekend breaks in the UK Extensive bundled broadband and TV subscription. £56 a week per person on activities
CLOTHING & PERSONAL	Up to £460 per person for clothing and footwear each year.	Up to £1,500 for clothing and footwear each year	Up to £1,500 for clothing and footwear each year
HELPING OTHERS	£20 for each birthday same amount for 12x Xmas presents	£30 for each birthday and Xmas present, £200 a year charity donation, £1,000 for supporting family members e.g. paying for grandchildren activities.	£50 for each birthday and Xmas present, , £300 per year charity donation £1,000 family support

Source: www.retirementlivingstandards.org.uk

Correct as at June 2026

Pensions – key features

A pension is a tax-efficient way of investing for later life, providing you with an income when you retire.

The most common type of workplace pension is a defined contribution scheme.

Key features

- Tax relief on contributions
- Tax-free investment growth
- Long-term investment vehicle
- Accessible when you reach age 55 (rising to age 57 in 2028)
- 25% tax free lump sum
- Flexible retirement income

Remember to update your Nomination of Beneficiary form!

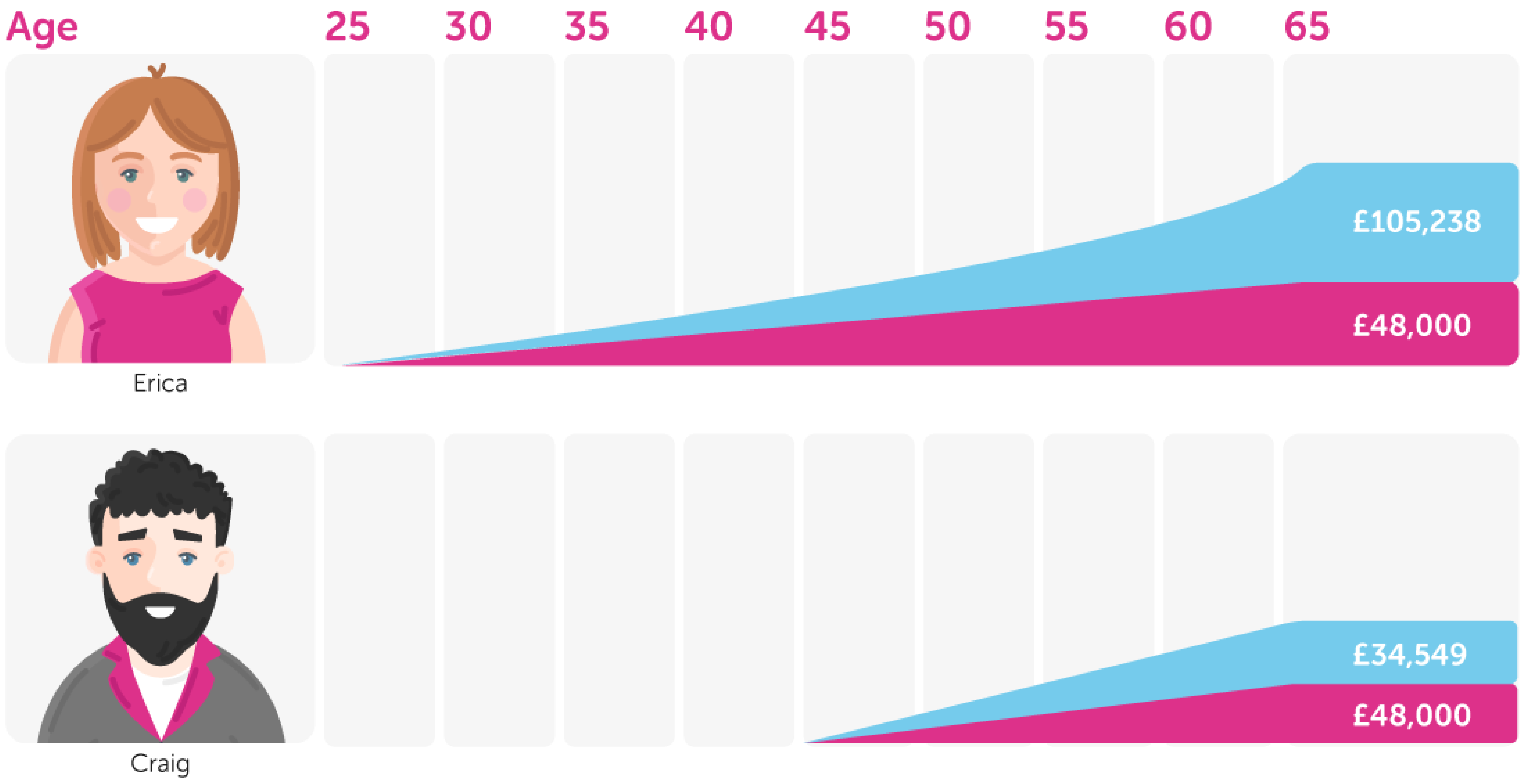
Why would you consider paying more into pension?

- To boost retirement income
- To receive tax relief on contributions
- If you can afford to pay more in
- To prevent you from going into a higher rate tax band
- Will I start losing child benefit if I earn over £60,000?
- Will I start losing my personal allowance? (earning over £100,000)

Remember…

- You cannot access pension savings until age 55 (rising to age 57 in 2028)
- You can change your contribution levels

Should I contribute more into my pension?



Total retirement pot = £153,238

Total retirement pot = £82,549

Erica contributes £100 per month from age 25
Craig contributes £200 per month from age 45

Figures for illustrative purposes only. They are estimates only and assume that both Erica's and Craig's pension pots grow at a rate of 5% each year – this may vary and is likely to be different each year. The actual figures will be affected by actual investment growth, inflation and any fees the pension provider charges.

How much do you need in retirement and how much are you going to have?

Try the MoneyHelper pension calculator:

https://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/pension-calculator

Money Helper

The Gender Pension Gap

The Gender Pension Gap is the percentage difference between how much female pensioners have compared to male pensioners

- **On average, women retire with pension savings of £69,000, compared to £205,000 for men**
- **Women would need to work full time for an extra 19 years to retire with the same amount of money in their pension as men**
- **By the time a girl is age 3, she is already behind**

Statistics taken from NOW: Pensions *The gender pensions gap report 2024*

On average, women live 4 years longer than men, so require higher pension savings

Parental leave: protecting your pension

The impact of stopping pension contributions:

Total retirement fund at age of 68*			
No breaks or reductions in contributions	Stopping pension contributions at the age of 35 for one year	Stopping pension contributions at the age of 35 for two years	Stopping pension contributions at the age of 35 for three years
£456,893	£444,129	£431,558	£419,180
	-£12,764	-£25,335	-£37,713

*if beginning working with a salary of £25,000 per year and paying 3% monthly contributions into a workplace pension at the age of 22

Your employer should continue to pay pension contributions for up to 39 weeks whilst you're on maternity leave

[Read more on MoneyHelper website]

Source: Standard Life Press Release 18 July 2022 - Pausing pension contributions mean savers miss out on thousands in future

It is important to consider the impact on your state pension too

The Gender Pension Gap

- Stay enrolled in workplace pensions where possible
- Maximise employer contributions
- Contribute during or after career breaks
- Review pensions after returning to work
- Consolidate and track pensions
- Check your State Pension record
- Increase contributions after pay rises
- Invest appropriately for your time horizon
- Understand the impact of part-time work
- Seek financial advice for complex situations

Finding lost pension schemes

Estimated £26.6 billion in lost pensions – could some of it be yours?

Only 1 in 25 people remember to tell their pension providers of their new address

- Check old pension statements to contact the pension provider directly
- Contact former employer to obtain details of workplace pension provider
- Use free Government pension tracing service: www.gov.uk/find-pension-contact-details

GOV.UK

Transferring pension pots

Why would I transfer old pension pots?

- ✓ Keep pensions together
- ✓ Lower the charges you pay
- ✓ Access to different investment options
- ✓ Access different features
- ✓ Make retirement planning easier

Pension saving tips

- ✓ Find out your State Pension Age and get a State Pension Forecast
- ✓ Start saving into your workplace pension as soon as possible – it is never too late to start!
- ✓ Get online! Register for online services and make use of tools available
- ✓ Track down old pensions using the Pension Tracing Service - https://www.gov.uk/find-pension-contact-details
- ✓ Think about and maximise other sources of retirement income
- ✓ If you need it, seek help from a regulated financial adviser

Building confidence

MoneySavingExpert
Cutting your costs, fighting your corner

https://www.moneysavingexpert.com/

Which?

https://www.which.co.uk/money

From bank accounts and Isas to mortgages and pensions, read our top tips to find the best financial products and make your money go further.

Investopedia

https://www.investopedia.com/

The Motley Fool

https://www.fool.com/

Further help and support

How much do I need to retire?
https://www.which.co.uk/money/pensions-and-retirement/starting-to-plan-your-retirement/how-much-will-you-need-to-retire-atu0z9k0lw3p

Useful pension information
https://www.ageuk.org.uk/information-advice/money-legal/pensions/

Planning your retirement income and state pension
https://www.gov.uk/plan-retirement-income

Pension income calculator
www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/use-our-pension-calculator

ANY QUESTIONS?

We welcome your feedback…

Please let us know your thought on today's webinar via the link below or scan the QR code

Better with Money: Pension Awareness