Information NOW
Information for people in Newcastle upon Tyne

Pensions

> The information on this website is for general guidance and is not financial advice. If you need more guidance about pensions visit MoneyHelper, a free, impartial service or for personal financial advice please contact an **Independent Financial Adviser.**

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 for.

Pensions are a form of saving for retirement, with some tax advantages. When you retire, or reach a certain age, a pension scheme pays you a regular income for life. The main types of pension are;

1. **State Pension**
2. **Workplace Pension**
3. **Personal and Stakeholder pensions**

Although you may get a State Pension, it is a good idea to save more for your retirement. You can do this with a workplace or personal pension.

You can currently get a **state pension statement** from the Department for Work and Pensions (DWP) to find out how much state pension you may get, and the number of qualifying years on your National Insurance record

State Pension

The **State Pension** is a regular payment from the government that you can claim once you reach Pension Age, providing you have paid enough **National Insurance** contributions during your working life.

You'll be eligible to claim your State Pension if you're:

- a man born on or after 6 April 1951
- a woman born on or after 6 April 1953

Pension Age will increase over the next few years but you can put off drawing it for as long as you would like to.

The New State Pension is a flat-rate of £179.58 per week. You will receive this full amount if you have at least 35 years of National Insurance contributions or credits.

Use Gov.uk's **State Pension calculator** to find out when you'll reach Pension Age.

Women's widow pension or bereavement benefit

Bereavement Support Payment is a payment that may be made following the death of a spouse or civil partner. They are usually available to both men and women who are under **pension age**

In the latest budget in March, it was revealed that there could be as many as 200,000 women who have not received the correct pension because they haven't received the increases they were eligible for **as a married woman.** Contact the **DWP**

Workplace Pensions and Auto Enrolment

Every employer must now provide a workplace pension by April 2019, and employees will be automatically enrolled in the pension scheme that their employer provides if they;

- are aged between 22 and State Pension age
- earn more than £10,000 a year
- work in the UK

When you are enrolled in your workplace pension you must then pay some money into your pension from your salary. You can decide what percentage of your salary you would like to pay into your pension.

Your employer will usually also pay some money towards your pension, however workplace pension schemes can vary.

If you earn under £10,000 a year you can request to be enrolled into your workplace pension scheme, and you will be entitled to contributions from your employer if you earn over £520 a month.

Visit **gov.uk** for more information on workplace pensions.

How much will I pay and receive in my workplace pension?

Workplace pension schemes usually require you to make a regular contribution based on a percentage of your salary. You may be able to boost your benefits by making additional voluntary contributions (AVCs).

You get tax relief on the money you pay into your pension. This means you pay less tax because your employer takes the pension contributions from your pay before deducting tax (but not National Insurance contributions).

Your workplace pension will be paid to you in regular payments when you reach **pension age**. You can also choose to take a lump sum payment.

Gov.uk provide more details about what you, your company and the government may pay into your pension.

Paying for financial advice

You may want to get financial advice as you get closer to retirement or as your health or personal circumstances change. You can find an independent financial adviser:

- on the **Unbiased** **or** **Vouched For websites**
- **Society of Later Life Advisors**

If you're paying into a pension scheme, you can ask your pension provider about taking out up to £500 to pay for financial advice on retirement. You can do this once a year up to 3 times without a tax charge. Not all pension schemes provide this.

Finding a lost workplace pension

You may have had many different jobs during your working life, and so keeping track of all your workplace pensions can be tricky.

If you think you might be missing some pension contributions from a previous employer, the **DWP online Pension Tracing Service** can help reunite you with your lost savings and give you the details of the provider to help you track them down.

Am I an employer?

Whether you're a hairdresser, an architect or employ a personal care assistant, if you employ at least one person you are an employer and you will need to set up a workplace pension for them.

The National Employment Savings Trust (NEST) is a government scheme to help people who don't have an existing workplace pension.

It's an ideal workplace pension scheme for small employers, especially for individuals who hire their own carers or assistants, because it's free to sign up to NEST and there is no ongoing administration.

Other Workplace Pensions

You may have an existing workplace pension arranged with your employer or previous employers. They may be known as

- **Salary Related Scheme** where the amount you get is based on your salary and the number of years you have been in the scheme.
- **Money Purchase Scheme or Defined Contribution Pension Schemes** where the amount you get is based on how much has been paid into the scheme and how well the money has

been invested. On retirement, your fund is used to provide your pension, usually by buying an annuity (a regular income for life). The amount that you get will depend upon various things such as your age, gender and health and, with some types of scheme, your marital or civil partnership status.

If you joined your company pension scheme after 1989 you were restricted on how much you could put into your company pension scheme. However, you can now save as much as you like into any number and type of pensions, and get tax relief on contributions of up to 100 per cent of your income each year.

When will I receive my Pension?

Most pensions set an age when you can start receiving your payments which is usually between 60 and 65 years. Some pensions may allow you to start claiming them as early as 55. Contact your pension provider for more information or visit **GOV.UK.**

When you are approaching retirement age you can contact **Pension Wise** for a free and impartial service that helps you understand your pension options and find out **what you can do with your pension pot.**

Personal and Stakeholder Pensions

Personal and stakeholder pensions are types of money purchase pensions and may be suitable if you're employed and not in a company pension scheme, or as an addition to a company pension. You may also wish to set up a personal pension if you are self-employed, or if you are not working but can afford to put aside money for retirement.

Personal pensions mean you pay a regular amount, usually every month, or a lump sum to the pension provider who will invest it on your behalf. The fund is usually run by financial organisations such as building societies, banks, insurance companies, and unit trusts. The final value of your pension fund will depend on how much you have contributed and how well the fund's investments have performed. The companies that run these pensions charge you for starting up and running your pension. Charges are normally deducted from your fund.

Stakeholder pensions are a type of personal pension. They have to meet certain government standards to ensure they are flexible. The minimum payments are low and you can stop and re-start payments whenever you wish. For further information visit **Money Advice Service**.

It is a good idea to consider a personal or stakeholder pension if you:

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

Help and advice and choosing the right pension for you

The Pensions Advisory Service provides free information, advice and guidance on all pensions and issues related to them. This includes State Pension, company, personal and stakeholder schemes.

If you are considering taking out a stakeholder or personal pension you can shop around yourself, but it can be a good idea to get financial advice from a specialist before you buy.

The Financial Conduct Authority (FCA) regulate financial services. If you choose to use a financial adviser check their **Financial Services Authority (FSA) Register** to make sure the firm you're dealing with is regulated. They also provide information about financial products, possible scams and how you can protect your money on their website and through their consumer helpline.

Society of Later Life Advisers has a searchable database of accredited later life advisers. The Financial Services Skills Council (FSSC) has launched a new accreditation scheme for financial advisers with specialist skills in advising older people. In addition to having specialist qualifications in equity release and long-term care, they must be able to show a good working knowledge and understanding of the needs of older clients and the issues they face. You can find an accredited financial adviser near to you on their website.

Money Advice Service have more information on who can help with financial advice.

Tracing your pension

If you have had more than one pension throughout your working life, you may need to find old pensions in order to start claiming your money.

The Pension Tracing Service can help you to trace a company pension even if you're not sure of the contact details. It has access to a database of over 200,000 occupational and personal pension schemes. This database can be used, free of charge, to search for a scheme. The Pension Tracing Service may be able to provide you with the current contact details for a pension scheme. You can then use this information to contact the pension provider and establish any pension entitlement you may have.

Pension Scams

There has recently been an increase in the offer of 'Pension Liberation schemes' 'Pension Loans' or cash incentives targeting people who have saved a pension. Advice from The Pensions Advisory Service recommends that you be wary of approaches made by cold calling or text messages offering a loan, a saving advance, or cash back from your pension. If in doubt, seek advice from a registered financial adviser. For more information please visit our article on **Getting Advice About Your Finances**

Accessing your pension before the age of 55 can result in an 'unauthorised payment' which is likely to attract significant tax charges and penalties. For more information please visit our article on how to protect yourself from **Fraud and Scams.** If you think you may have been made an inappropriate offer or a victim of a scam please contact **Action Fraud – report Fraud & Internet Crime**

Money Advice Service have more information on **How to spot a pension scam.**

Where to get benefits advice

You can get benefits advice from a local independent service. They can help guide you through the application process and explain how some benefits may impact upon another. Services in Newcastle include:

- **Citizens Advice Newcastle (CAN)**.
- **Newcastle Welfare Rights Service** have **self help material** on their website
- **Search Newcastle** give benefits advice to older people in the West of Newcastle
- **Disability North** give disability related benefit advice, help with appeals and representation at tribunals

Search for Benefits advice organisations

Location:
Postcode:
Search

Other Useful Information

- **GOV.UK** provides more details on protecting and managing your pension.
- **Money and Pensions** is a free and impartial government service that helps you understand your new pension options.
- **Saving for retirement** – The Pensions Advisory Service leaflet**.**
- **What to think about before retiring** – Age UK factsheet
- **LifeBook** – A free booklet from Age UK where you write important and useful information about your life, from who insures your car to where you put the TV licence.
- **Over 50's Money Saving Tips** – A helpful article that includes a section on pensions and retirement.
- **Search Newcastle** give pensions and benefits advice to older people in the West of Newcastle
- **The Pensions Regulator** protect the UK's workplace pensions. They make sure employers, trustees, pension specialists and business advisers can fulfil their duties to scheme members.
- **Pension Credit** a means- tested benefit

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Useful Organisations

Financial Conduct Authority (FCA)

Email: consumer.queries@fca.org.uk

Website: www.fca.org.uk

Telephone: 0800 111 6768

Address: 25 The North Colonnade, E14 5HS

The Pension Service

Website: https://www.gov.uk/contact-pension-service

Telephone: 0800 731 0469

Address: The Pension Service 6, WV98 1AJ

Pensions Advisory Service (TPAS)

Email: enquiries@pensionsadvisoryservice.org.uk

Website: www.pensionsadvisoryservice.org.uk

Telephone: 0800 011 3797

Address: 120 Holborn, EC1N 2TD

Pension Tracing Service

Website: https://www.gov.uk/find-lost-pension

Telephone: 0800 731 0193

Address: The Pension Service 9, WV98 1LU

Action Fraud – report Fraud & Internet Crime

Website: www.actionfraud.police.uk

Telephone: 0800 731 0193

Money Helper

Email: pensions.enquiries@moneyhelper.org.uk

Website: https://www.moneyhelper.org.uk/en

Telephone: 0800 731 0193

Address: Holborn Centre, EC1N 2TD

Money and Pensions Service (MaPS)

Email: contact@maps.org.uk

Website: https://maps.org.uk/

Telephone: 01159 659 570

Address: Holborn Centre, EC1N 2TD

The Pensions Regulator

Website: https://www.thepensionsregulator.gov.uk/

Telephone: 01159 659 570

Address: Napier House , BN1 4DW

Society of Later Life Advisers (SOLLA)

Email: admin@societyoflaterlifeadvisers.co.uk

Website: www.societyoflaterlifeadvisers.co.uk

Telephone: 0333 2020 454

Address: PO Box 590, ME10 9EW

Unbiased

Email: contact@unbiased.co.uk

Website: www.unbiased.co.uk

Telephone: 0800 023 6868

VouchedFor

Email: enquiries@vouchedfor.co.uk

Website: http://www.vouchedfor.co.uk/

Telephone: 0203 111 0580

Address: 8 Waldegrave Rd, TW11 8HT

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