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welcome to:  
planning your retirement.

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# about us.

We are a leading financial wellbeing and retirement specialist - helping those in the workplace to improve their financial future.

Established in 2005, we work with hundreds of organisations across both the private and public sector.

Our financial education services are delivered on a bespoke basis.

# agenda.

- Costs in retirement
- The State Pension
- Workplace retirement savings
- Investing your JP Morgan Pension Plan
- Generating a retirement income
- Bringing it all together
- Taxation
- Next steps

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costs in retirement.

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# retirement could last a long time.

Average life expectancy at age 65

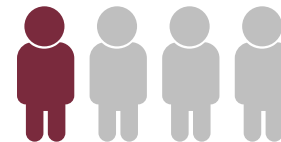


1 in 4 chance of reaching age:



**94**

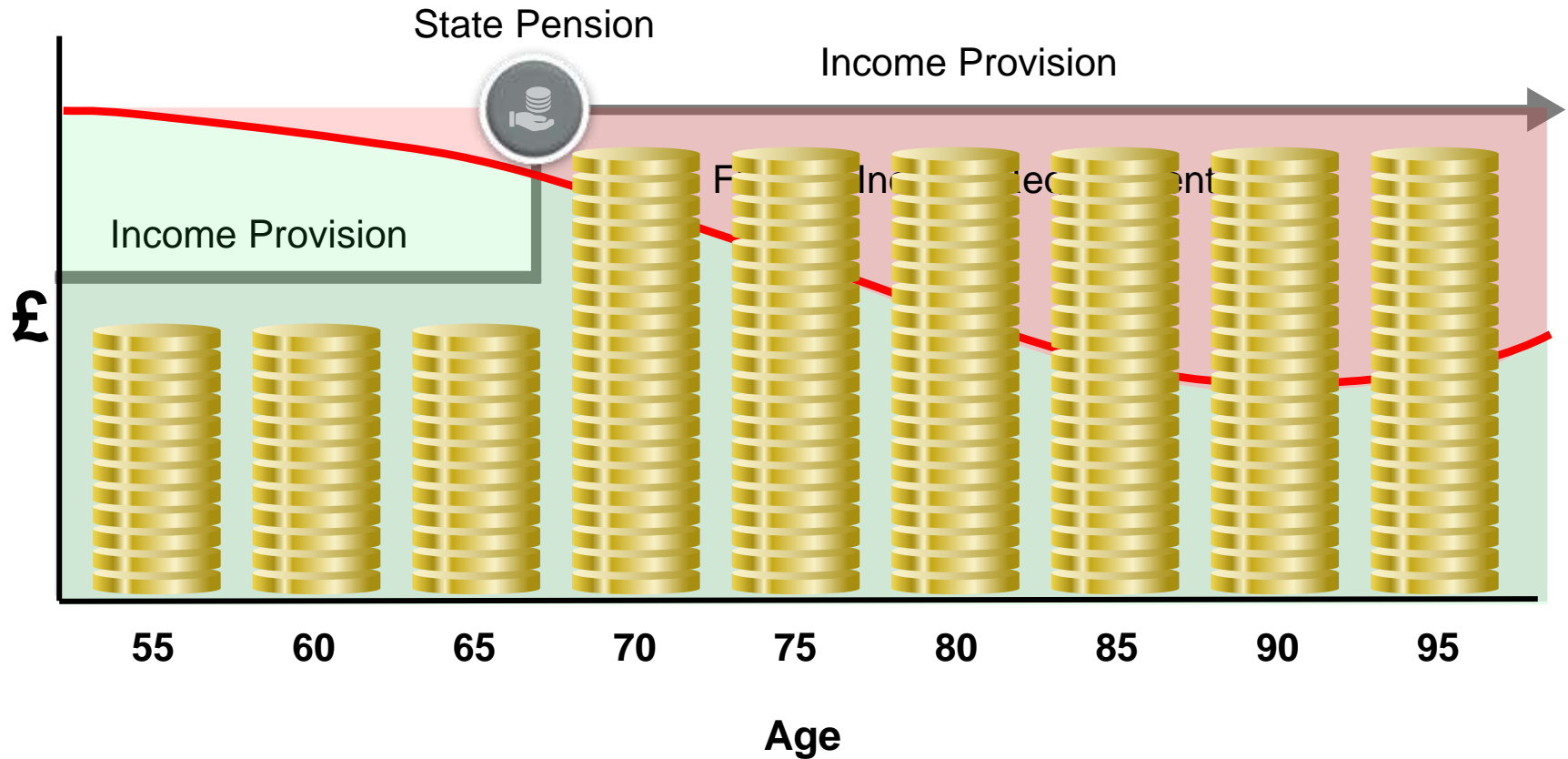
1 in 4 chance of reaching age:



**92**

Source: Office of National Statistics. Figures are based on life expectancy in the UK.

# changing income needs.



# rates of income tax 2024/25.

## Personal Allowance

on the first  
£12,570\*



>£12,570\*

## Basic Rate Tax

on the next  
£37,700



>£50,270

## Higher Rate Tax

on the next  
£74,870



>£125,140

## Additional Rate Tax

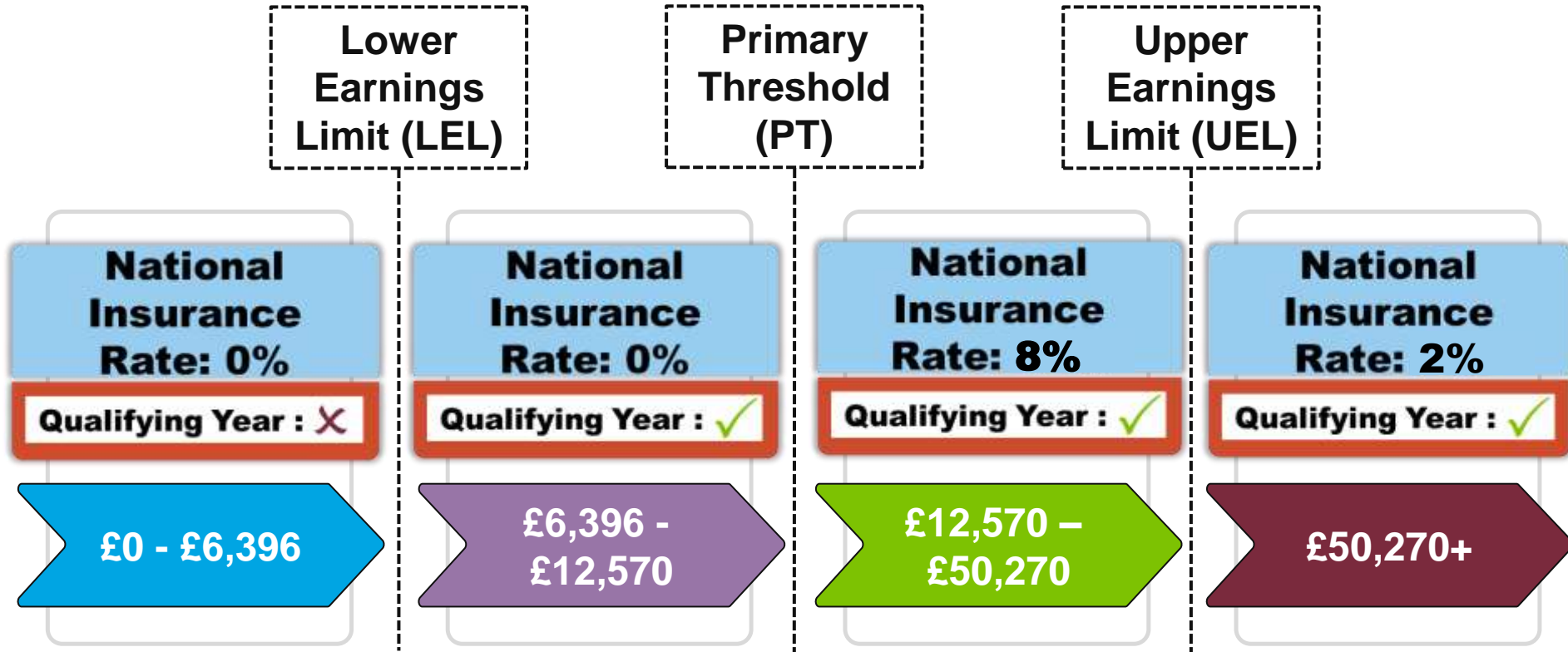
on earnings above  
£125,140



\*The Personal Allowance reduces by £1 for every £2 of income above £100,000.








# National Insurance 2024/25.



# income needs in retirement.

## £50,000 annual salary

		Costs pa:
 Income Tax	>>>	£7,086
 National Insurance	>>>	£2,834
 Contributions to your Pension Scheme	>>>	£2,000*
 Mortgage	>>>	£6,000
 Loans	>>>	£2,400
		.....
	Remaining:	£29,680

## £30,000 retirement income

		Costs pa:
 Income Tax	>>>	£3,486
		.....
	Remaining:	£26,514

\*Assumes member contributions of 4% via salary sacrifice.

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the State Pension.

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# your State Pension age.

DoB from:  
6 Apr 1978

DoB between:  
6 Mar 1961 &  
5 Apr 1977

gradually  
increases

**68**  
birthday

DoB between:  
6 Oct 1954 &  
5 Apr 1960

gradually  
increases

**67**  
birthday

Born before 6 Oct  
1954? You've  
already reached  
State Pension age

**66**  
birthday



[www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age)

The Government intends to bring forward the State Pension age transition from 67 to 68 affecting those born between 6<sup>th</sup> April 1970 and 5<sup>th</sup> April 1978 - if adopted those affected will reach State Pension age between their 67<sup>th</sup> & 68<sup>th</sup> birthdays

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# State Pension forecast.

## Your State Pension summary

You can get your State Pension on 25 June 2035.  
Your forecast is

**£221.20 a week**  
£961.82 a month, £11,541.90 a year

Your forecast

- is not a guarantee and is based on the current law
- does not include any increase due to inflation

**You need to continue to contribute National Insurance to reach your forecast**

Estimate based on your National Insurance record up to 5 April 2024

**£158.00 a week**

Forecast if you contribute another 10 years before 5 April 2035

**£221.20 a week**



[www.gov.uk/check-state-pension](https://www.gov.uk/check-state-pension)

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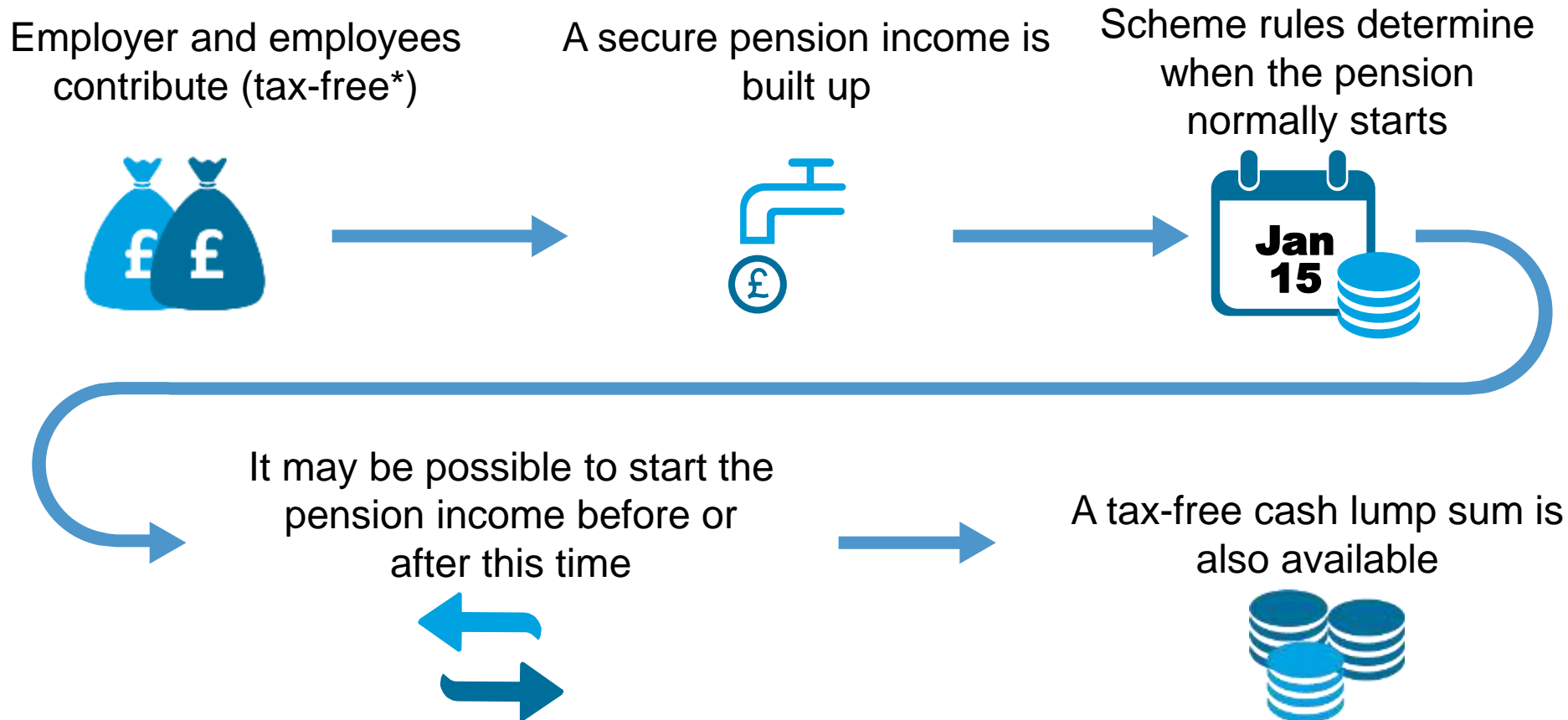
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# workplace retirement savings.

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# defined benefit (DB) schemes.



\*subject to HMRC limits

# defined contribution (DC) schemes.

Employer and employees  
contribute (tax-free\*)



Any investment  
growth is tax-free



You can access your  
pension from age 55\*\*



Receive up to 25%  
tax-free



Receive a taxable lump sum or generate  
a taxable income with remaining pot



\*subject to HMRC limits

\*\*The minimum age for accessing your pension is expected to increase to age 57 from 6 April 2028. Pension savings in certain schemes may be protected from this change.

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# JP Morgan UK Pension Plan.

Contribution as % of Pensionable Salary each year							
Company core	6%	6%	6%	6%	6%	6%	6%
Employee match	0%	1%	2%	3%	4%	5%	6%
Company match	0%	1%	2%	3%	4%	5%	6%
TOTAL ANNUAL	6%	8%	10%	12%	14%	16%	18%




- 'Employee match' contributions up to 6% are matched by JP Morgan
- Employee contributions above 6% are referred to as 'flex additional contributions'
- Employee contributions are made via salary sacrifice and free from tax and NI\*
- Flex contributions can be changed at any time of the year but the amounts cannot change more than once in a 3 month period

\*Subject to limits

# making lump sum contributions.

Make additional lump sum contributions up to 6 times each year.

**Could be right for you if:**

-  You are already making the most of matching contributions from JP Morgan
-  Want to make additional lump sum contributions from regular salary
-  Are looking to maximise your use of the annual allowance

Contributions benefit from tax relief only (subject to limits) and are **not made via salary sacrifice**. Contributions can be made in the following windows:

Window opens	Window closes	Payroll deduction
26 November	20 December	January
26 December	20 January	February
26 January	20 February	March
26 April	20 May	June
26 July	20 August	September
26 October	20 November	December

# salary sacrifice.

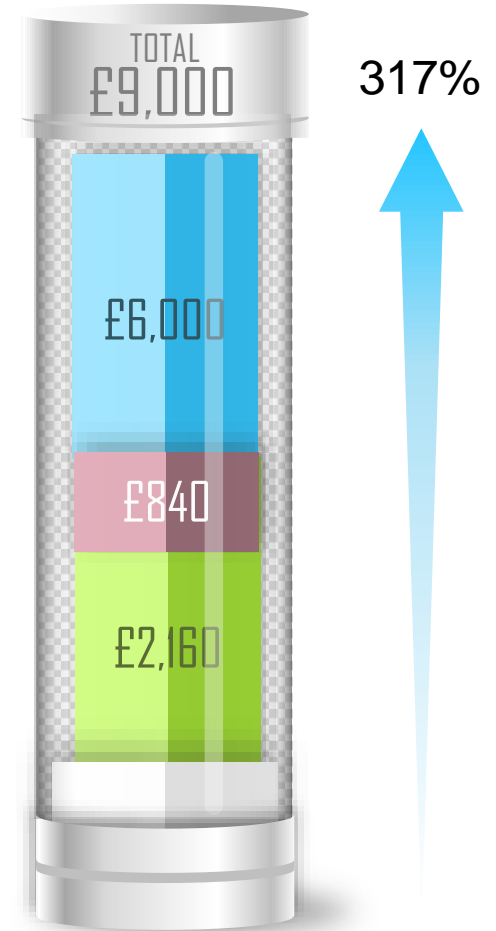
- Annual Salary = £50,000
- Employee Contribution = £3,000pa (6%)
- Tax Saving = 20%
- NI Saving = 8%
- Personal Cost = £2,160pa
- Employer Contribution = £6,000pa (12%)

 Employer contribution (12%)

 Tax & NI savings

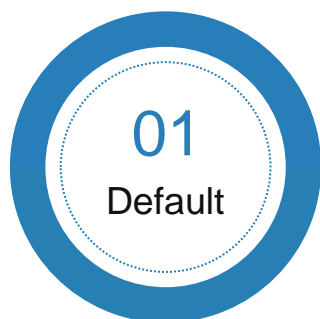
 Employee contribution (6%)

Tax bands and rates are different in Scotland



# your new investment options.

## Default Strategy\*



Not specifically aligned with an income option

## Alternative Pathways



Targets annuity purchase

Targets drawdown

Targets 25% cash & drawdown

## Freestyle Funds



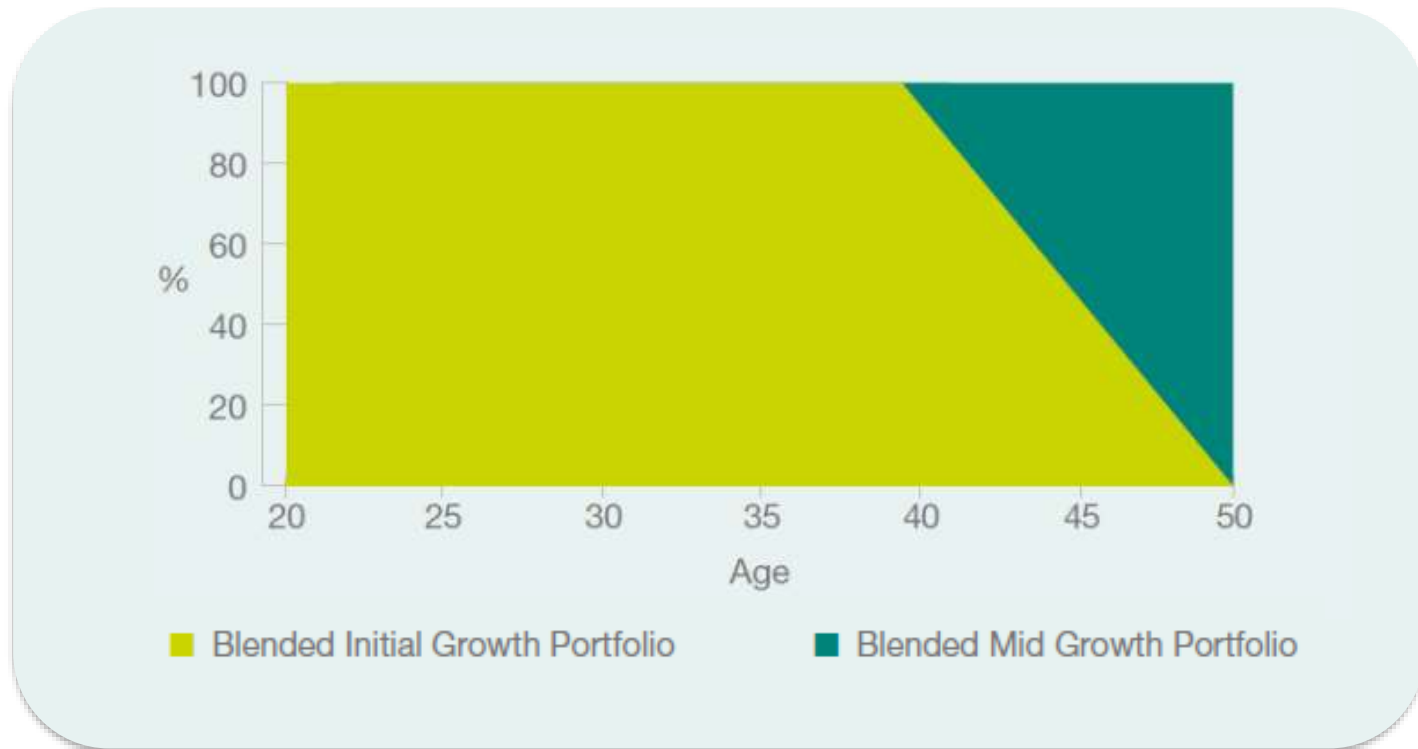
Select your own portfolio plus the option to combine with a 'Pathway'

- Your default Target Retirement Age (TRA) is 60
- You should change this if it doesn't reflect your plans

\*If you were 6 or fewer years from your TRA on 10 November 2022 and in a Default Strategy, you will have an alternative investment approach.

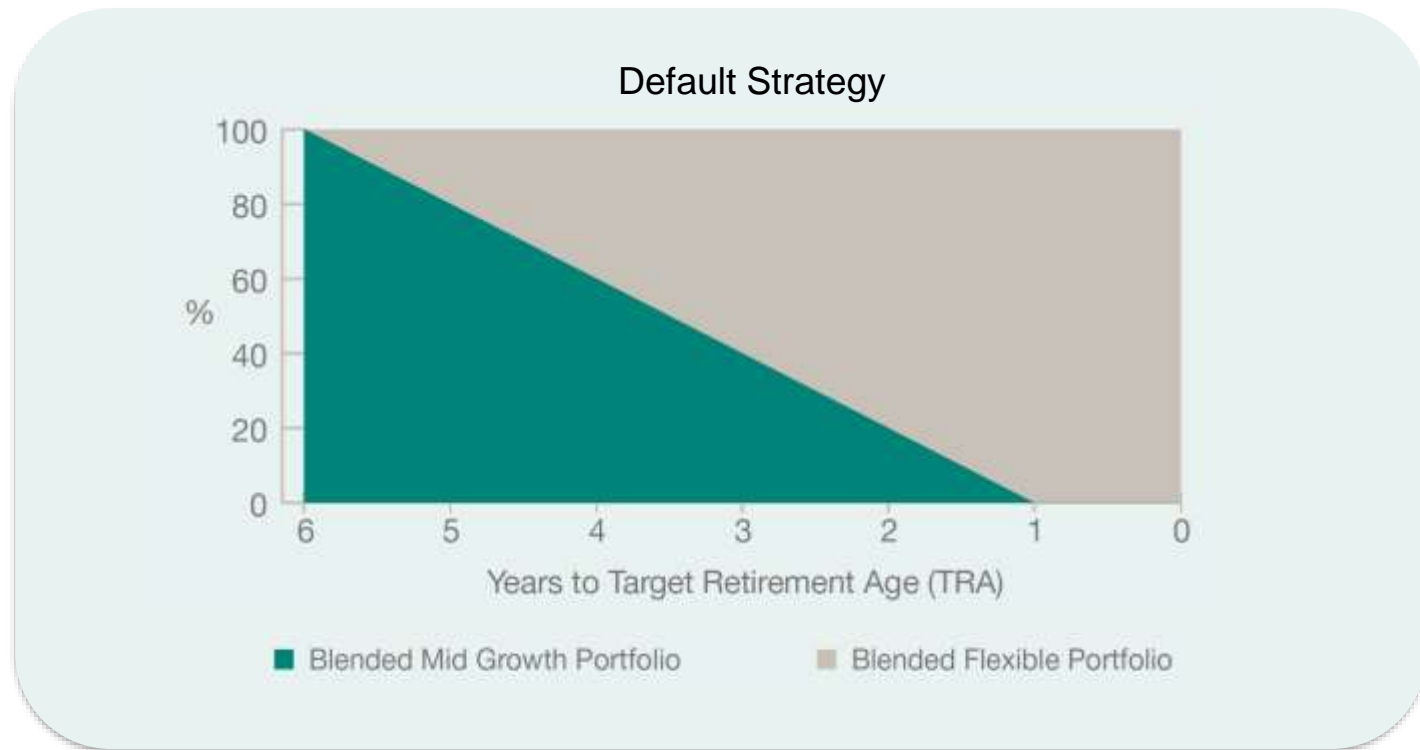
# default and alternative pathways.

The Default Strategy and each 'Alternative Pathways' follow the same approach until age 50.



# default strategy.

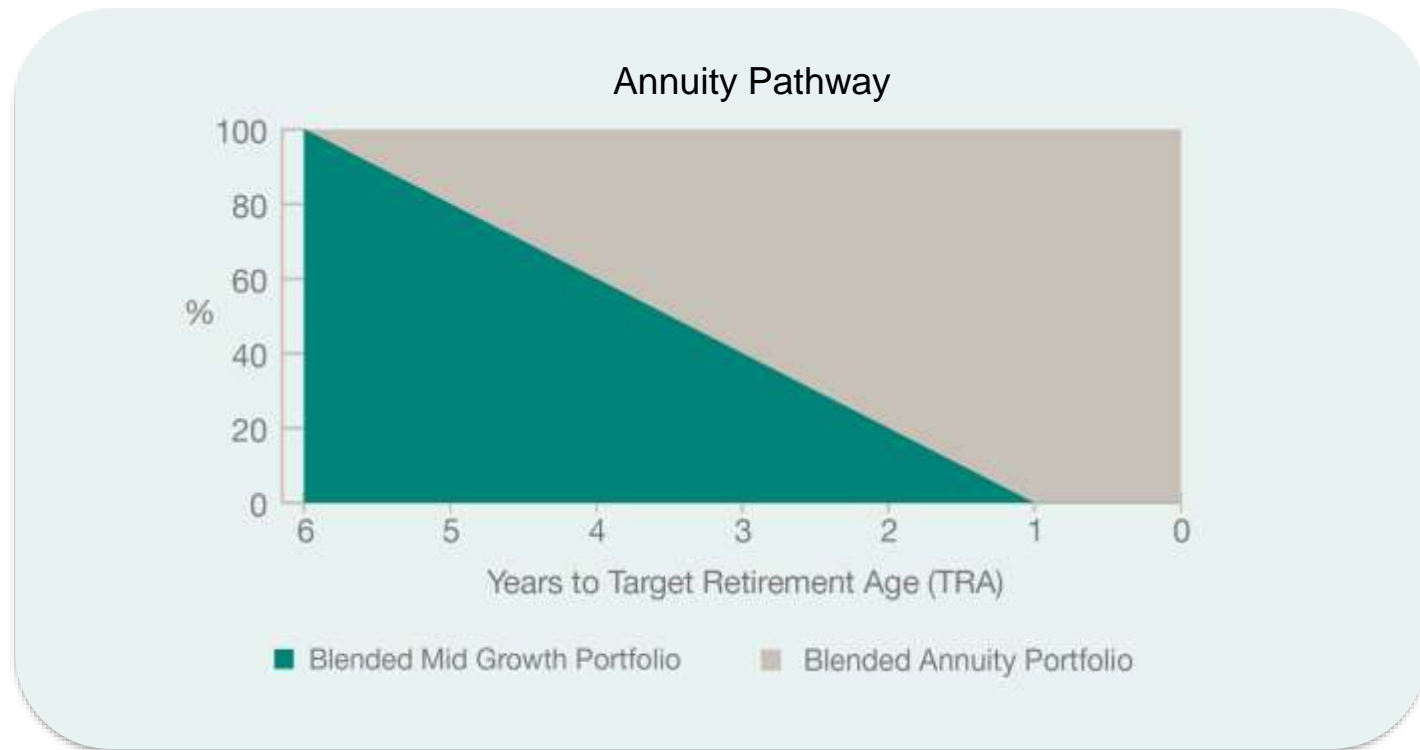
You will remain in the Blended Mid Growth Portfolio until 6 years before your TRA.



If your TRA is before age 56, then your pension account will start switching into the Blended Flexible Portfolio before age 50

# annuity pathway.

You will remain in the Blended Mid Growth Portfolio until 6 years before your TRA.



The Annuity Pathway switches into a Blended Annuity Portfolio 6 years before TRA

# drawdown and cash pathway.

25% of your investments gradually move into the JPM UK Liquidity Fund 2 years before your TRA.

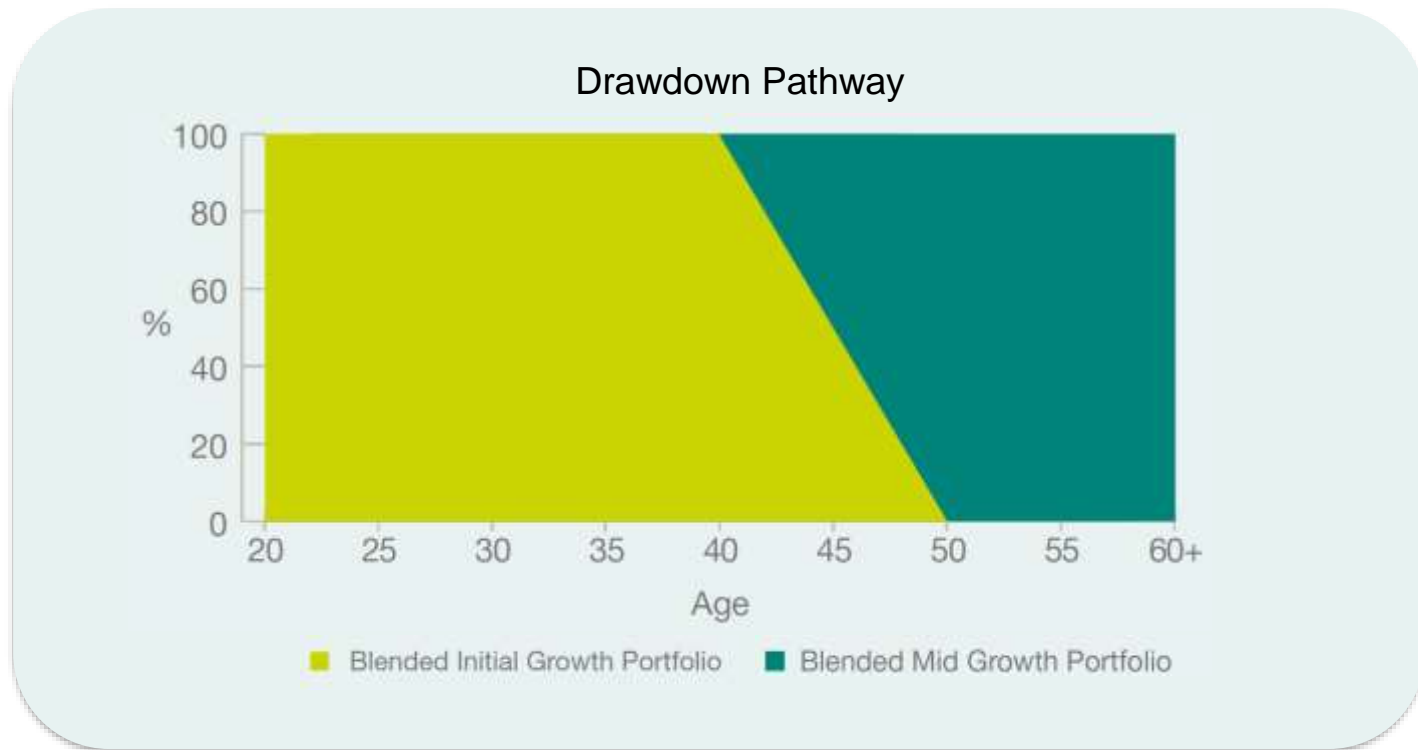


You will hold 25% in the JPM UK Liquidity fund with the intention you will take 25% of your pension as tax free cash at your TRA.



# drawdown pathway.

From age 50, your investments remain in the Blended Mid Growth Portfolio.



There is no switching based on your TRA that takes place if you choose this Pathway.

# investing your pension.

## Freestyle Strategy



Choose from a range of different investment types



Invest into equities, bonds, property or cash



You can manage your exposure to risk as you approach retirement



Visit 'my fund range' 'my investments' accessed via 'mypensiontools'

# limits on tax efficiency.

## Annual Allowance (AA)

- The annual allowance is £60,000\*
- This may be reduced if your total taxable income exceeds £200,000 or you flexibly withdraw taxable income from a DC scheme
- Carry forward may be available from up to the 3 previous tax years

## New limits

- The Lifetime Allowance (LTA) has been abolished
- Two new limits have been introduced:
  - Lump Sum Allowance (LSA): The maximum tax-free cash is limited to 25% of the pension value, subject to a total cap of £268,275 (which is set to be frozen)
  - Lump Sum and Death Benefits Allowance (LSDBA): The maximum amount of non-taxable lump sums that can be taken from a pension, set at £1,073,100.
- Those individuals who hold LTA protection will have allowances based on their protected LTA



**If you think you may be affected, ask about this on your follow up call**

\*Tax relief is only available on contributions up to the greater of 100% of relevant earnings or £3,600

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# money purchase annual allowance.

The Money Purchase Annual Allowance (MPAA) of £10,000 may apply if you draw money from your DC pension.

When it will apply ↘

Receiving a lump sum of taxable & tax-free money



Drawing any amount of taxable money



↙ When it won't apply

Receiving only tax-free cash



Buying a lifetime annuity



Carry forward is not available when the MPAA applies

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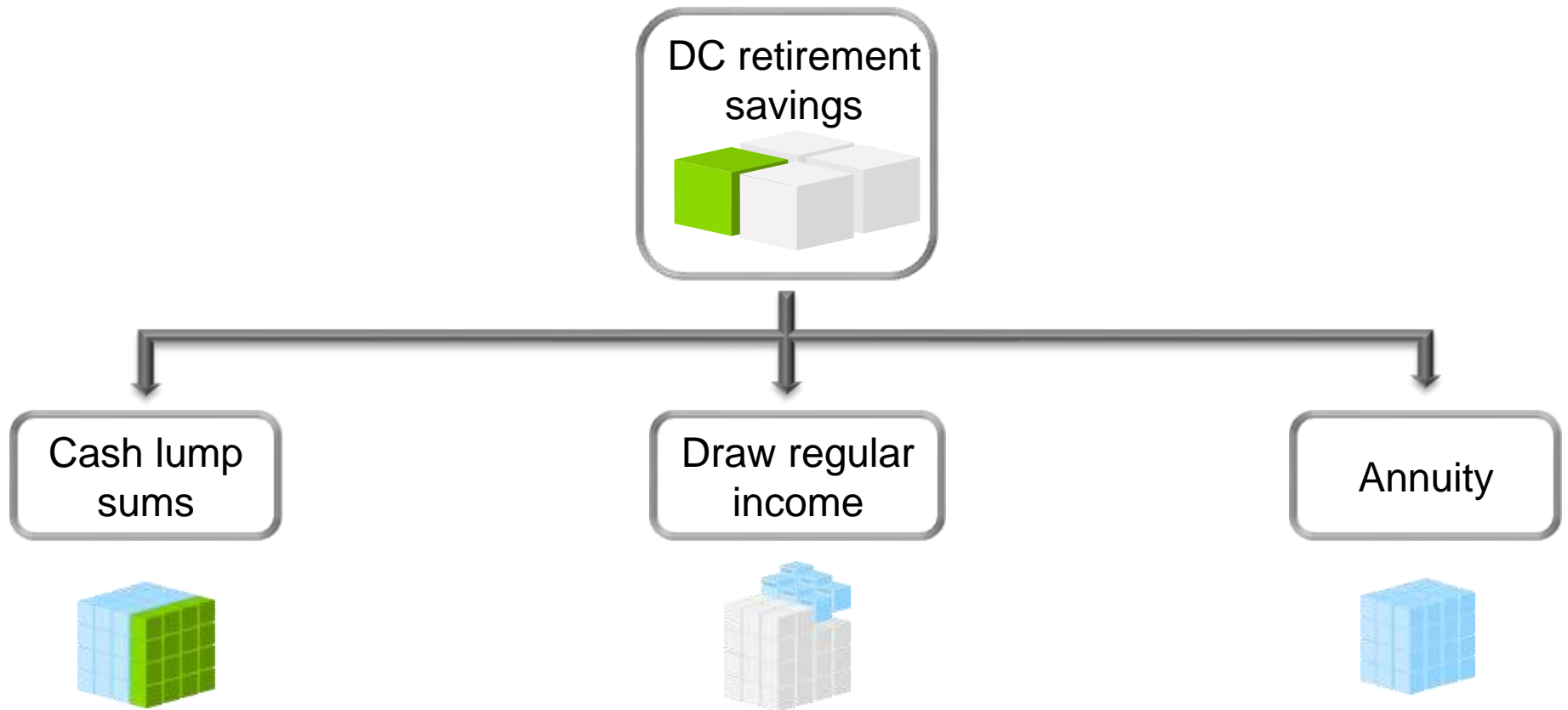
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generating a retirement  
income.

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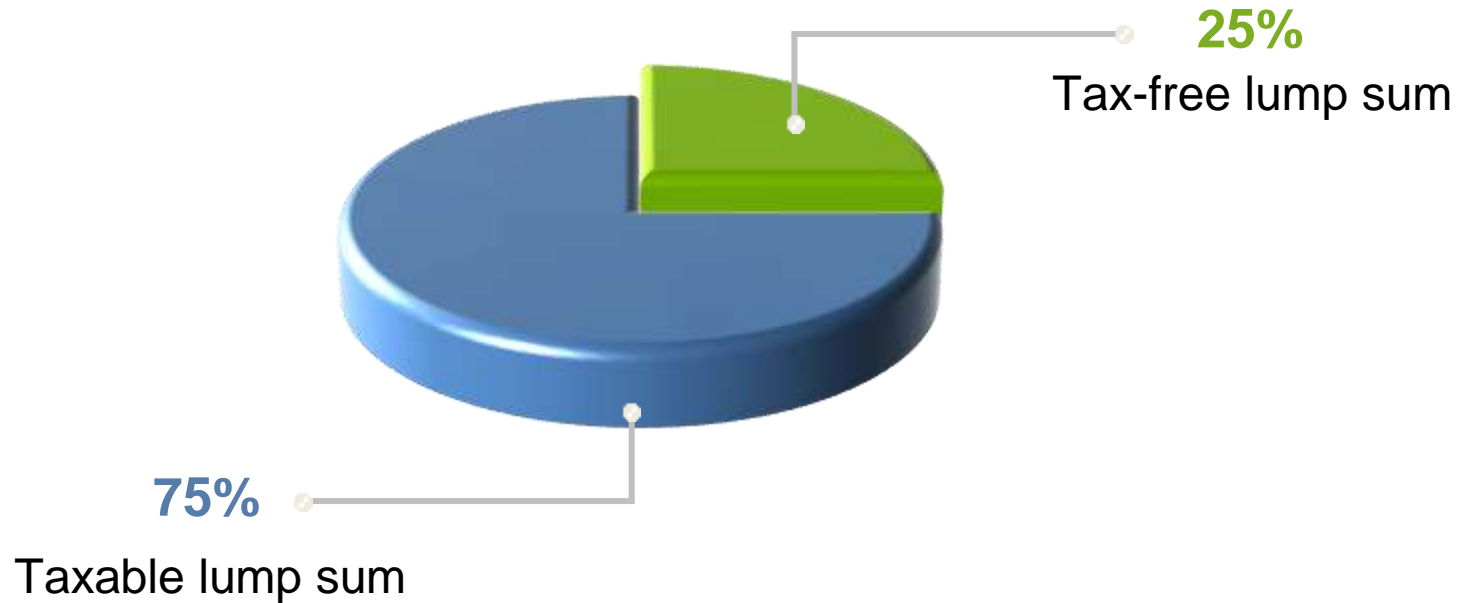
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# defined contribution income options.



You may need to transfer your benefits to an alternative arrangement to access your chosen income route

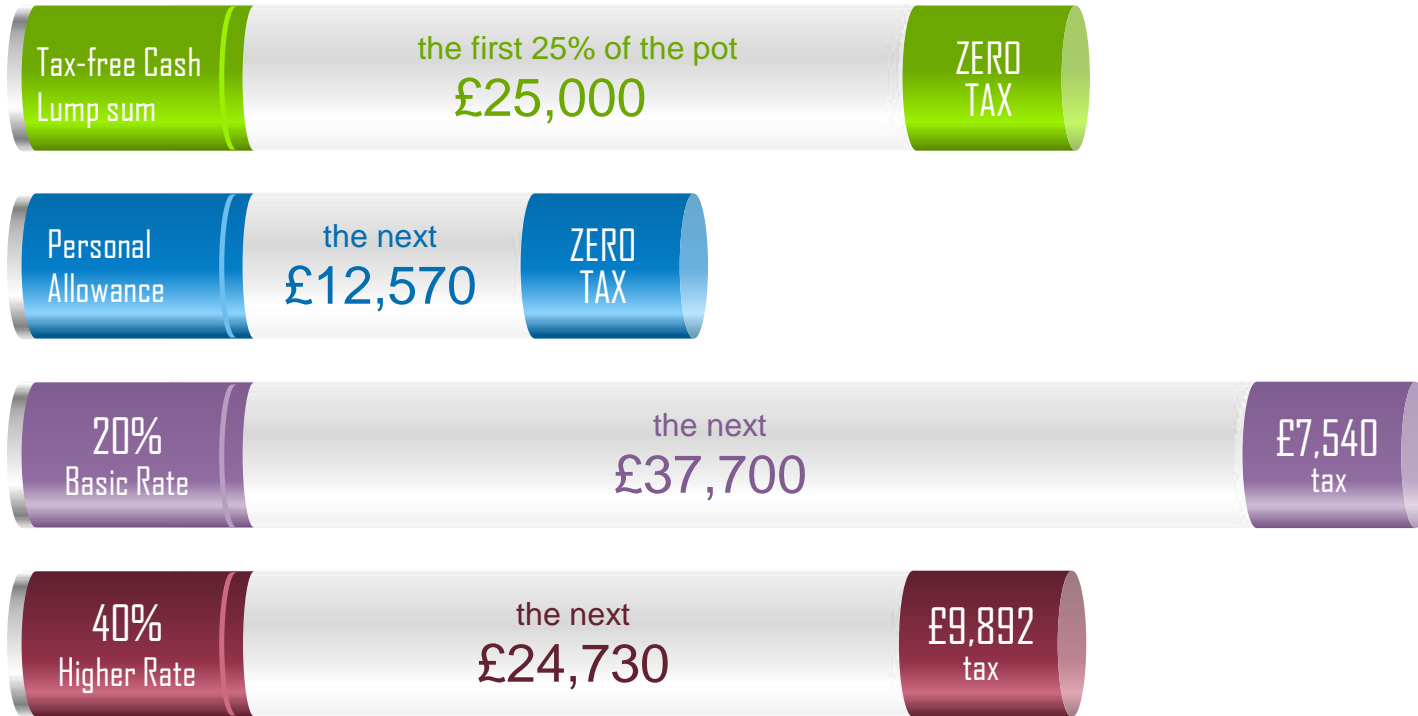
# cash lump sum.



- The taxable lump sum is taxed in the year of receipt
- This could lead to a significant tax charge
- There is the option to receive a series of lump sums

# receiving a taxable cash lump sum.

An individual who receives a £100,000 cash lump sum from a pension:

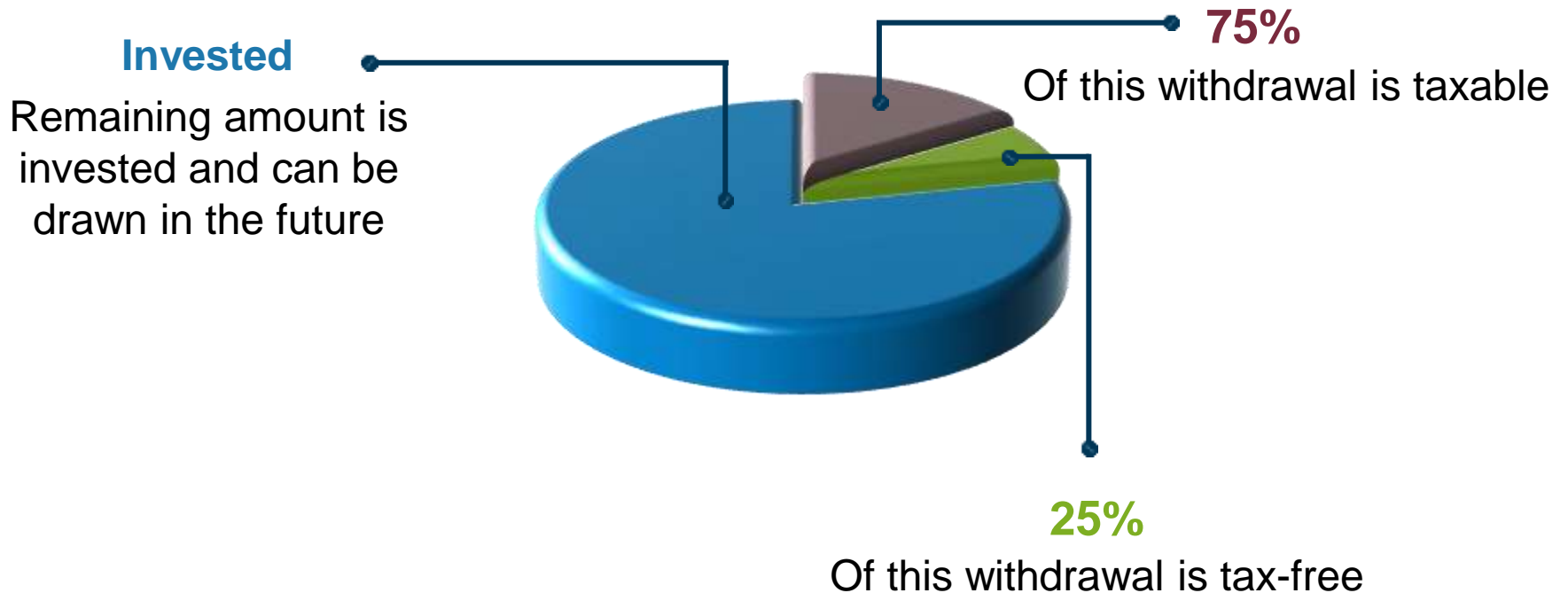


Total tax charge of £17,432

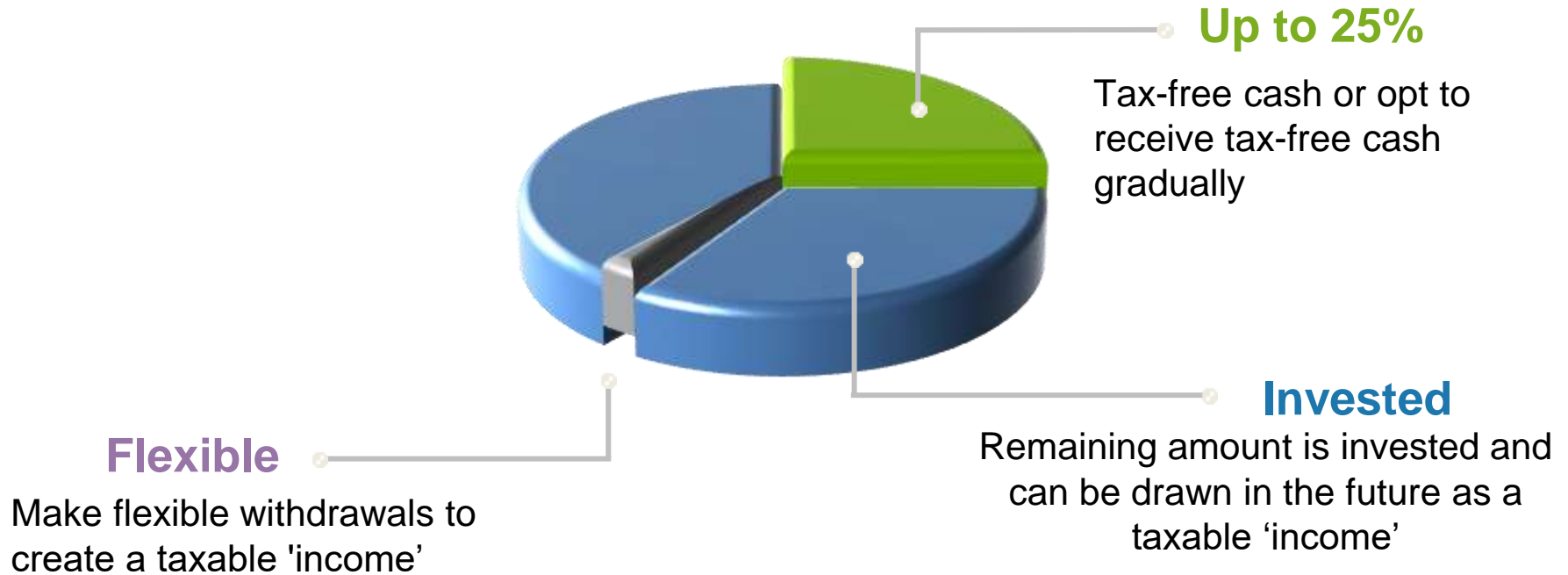
This is an illustrative example only that assumes the individual has no other income in the tax year.



# phased cash lump sums.



# flexi access drawdown.



Remember – the MPAA will apply if you receive taxable money flexibly from any DC pension pot.

# buying an annuity.

Receive up to 25% as a tax-free lump sum

Options include

- A guarantee period
- Inflation linking
- Spouse/partner income

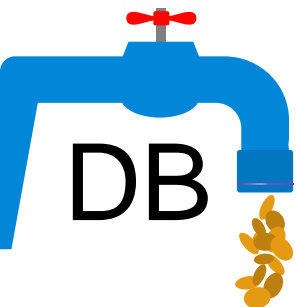
Buy an annuity with the remainder



The income level is determined by your circumstances

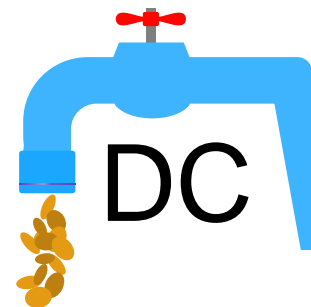
Provides a secure income throughout your retirement

# comparing DB and DC pensions.



## Defined Benefit

- ✓ Pension income based on a formula
- ✓ Receive a tax-free lump sum at retirement
- ✓ Secure income
- ✓ Inflationary increases set by the scheme
- ✓ Provisions for dependants on death set by the scheme

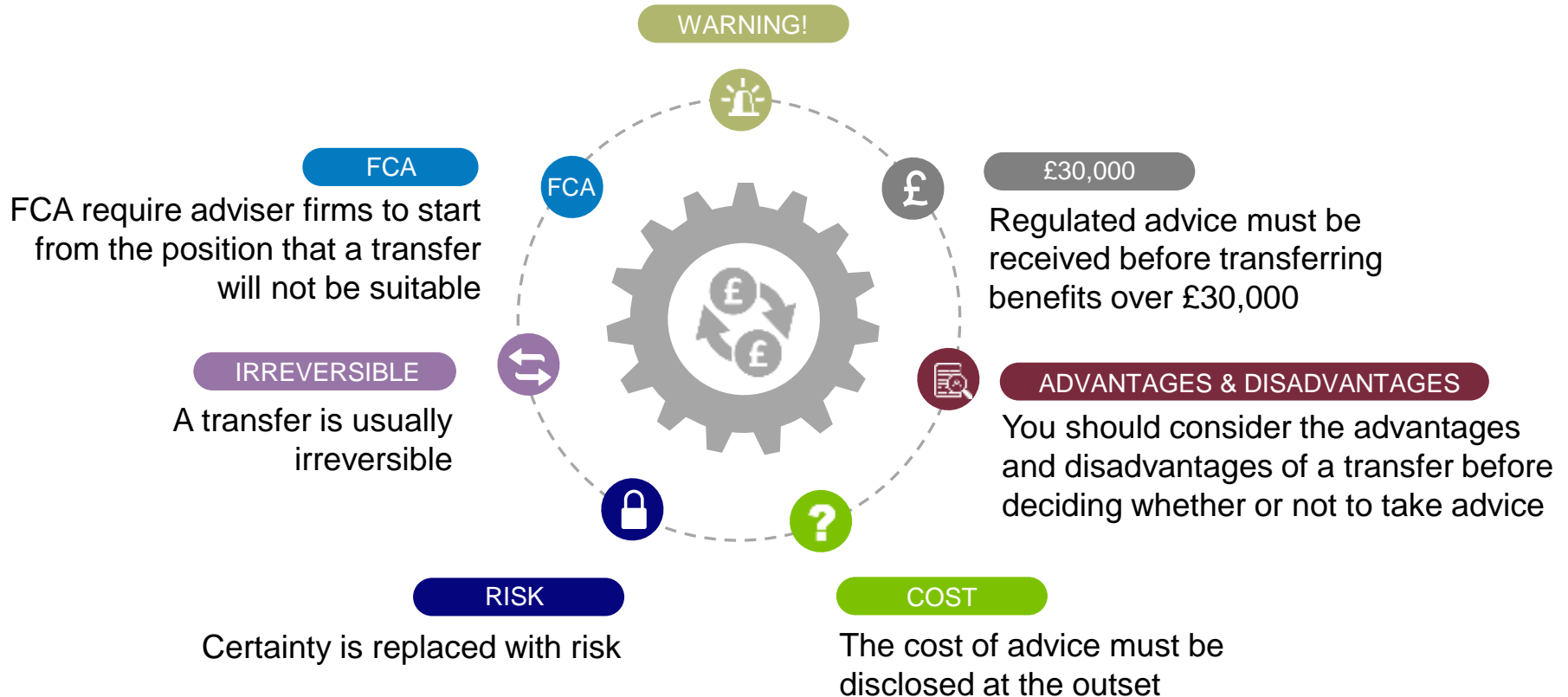


## Defined Contribution

- ✓ Pension pot based on contributions & investment returns
- ✓ Receive a tax-free lump sum at retirement
- ✓ Access the remaining amount flexibly
- ✓ Or buy a secure income (annuity)
- ✓ Choose who will receive any remaining pension on your death

# transferring from DB to DC.

**WARNING** - transferring out of a defined benefit (DB) scheme could damage your wealth!



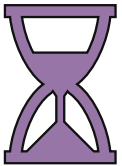
# financial scams – protect yourself.



➤ Reject unexpected offers and communications



➤ Check who you're dealing with  
Financial services register: <https://register.fca.org.uk/>  
or 0800 111 6768



➤ Don't be rushed or feel pressured



➤ Get impartial information or advice before changing your pension arrangements



[www.fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)

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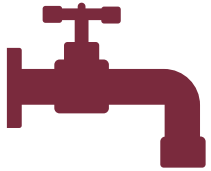
bringing it all together.

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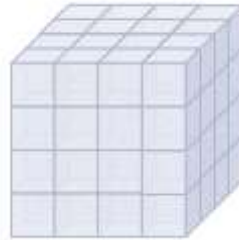
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# generating a retirement income.

Objective: Retire now age 61, with an income of £20,000 per annum (p.a.)



DB Pension



£7,107.50 p.a.  
DB income

DC pension  
account  
£200,000

Cash ISA  
£30,000

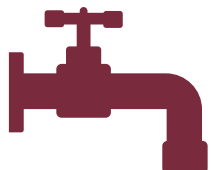
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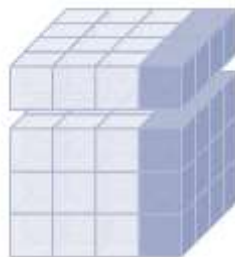


# generating a retirement income.

Objective: Retire now age 61, with an income of £20,000 per annum (p.a.)



DB Pension



£8,000  
p.a

£7,107.50 p.a.  
DB income

£6,000 p.a.  
DC income

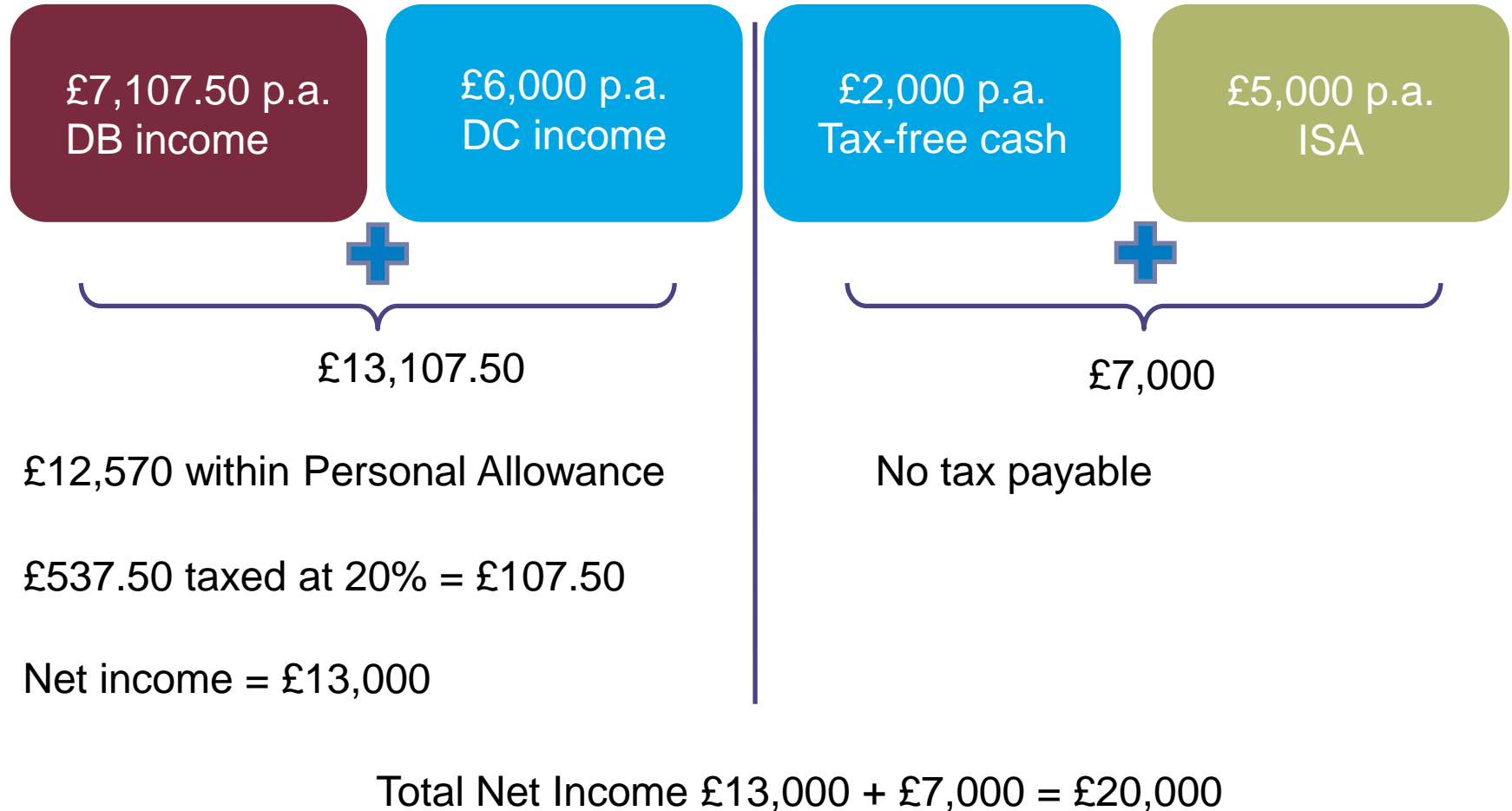
£2,000 p.a.  
Tax-free cash

£5,000 p.a.  
ISA

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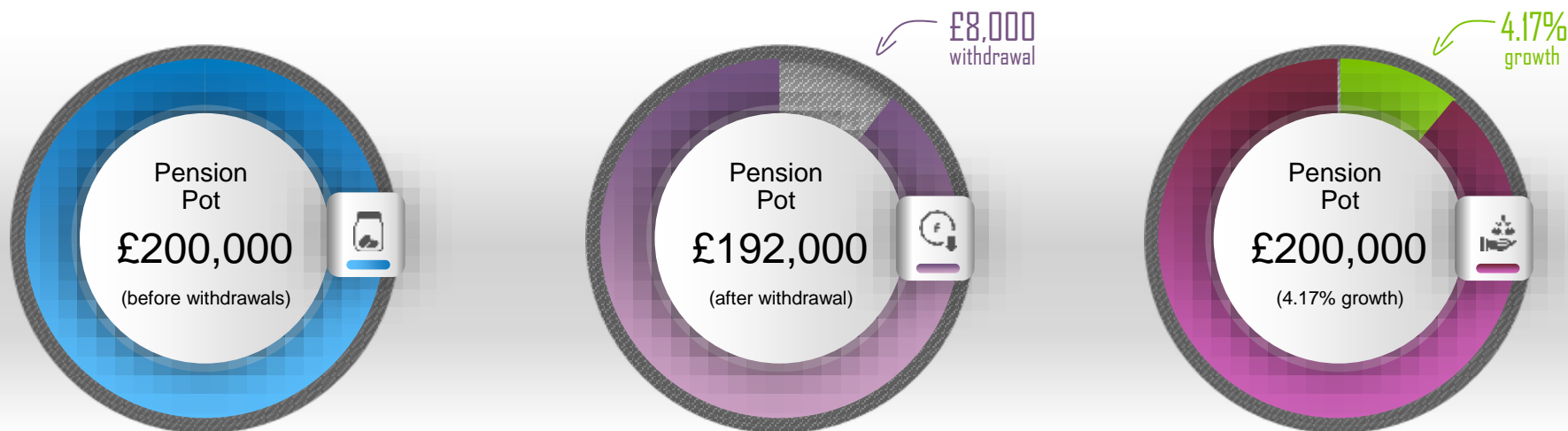
# generating a retirement income.



# generating a retirement income.

- 6 years later they have reached age 67
- The £30,000 ISA has been spent
- However State Pension age has been reached
- The State Pension entitlement will need to be at least £6,250 to retain a £20,000p.a. net income

## Could the DC pension last throughout retirement?



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taxation.

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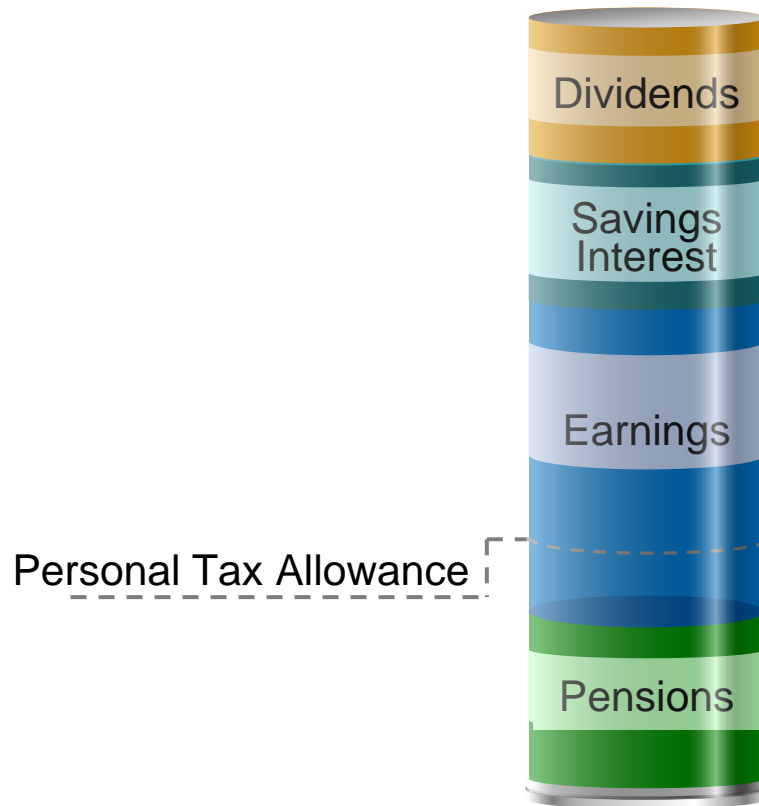
# tax on your income.

Your income is taxed in a specific order. The income you receive in work may be taxed differently to the income you receive in retirement.



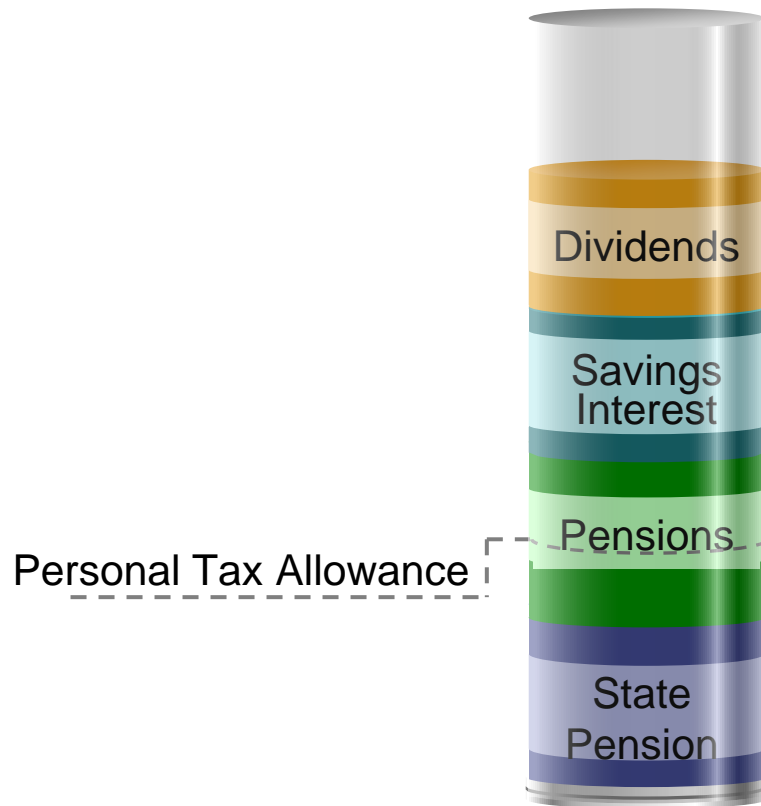
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# tax on your income.

Your income is taxed in a specific order. The income you receive in work may be taxed differently to the income you receive in retirement.



# taxation of State Pension.

The State Pension is taxable but it's not deducted at source

<b>PAYE Coding Notice</b>	
Tax code for the year 2024-25	
Personal Allowance	£12,570
<i>Less your State Pension</i>	<u>£11,541</u>
Net Allowance	<u>£ 1,029</u>
<b>Tax Code</b>	<b>102L</b>

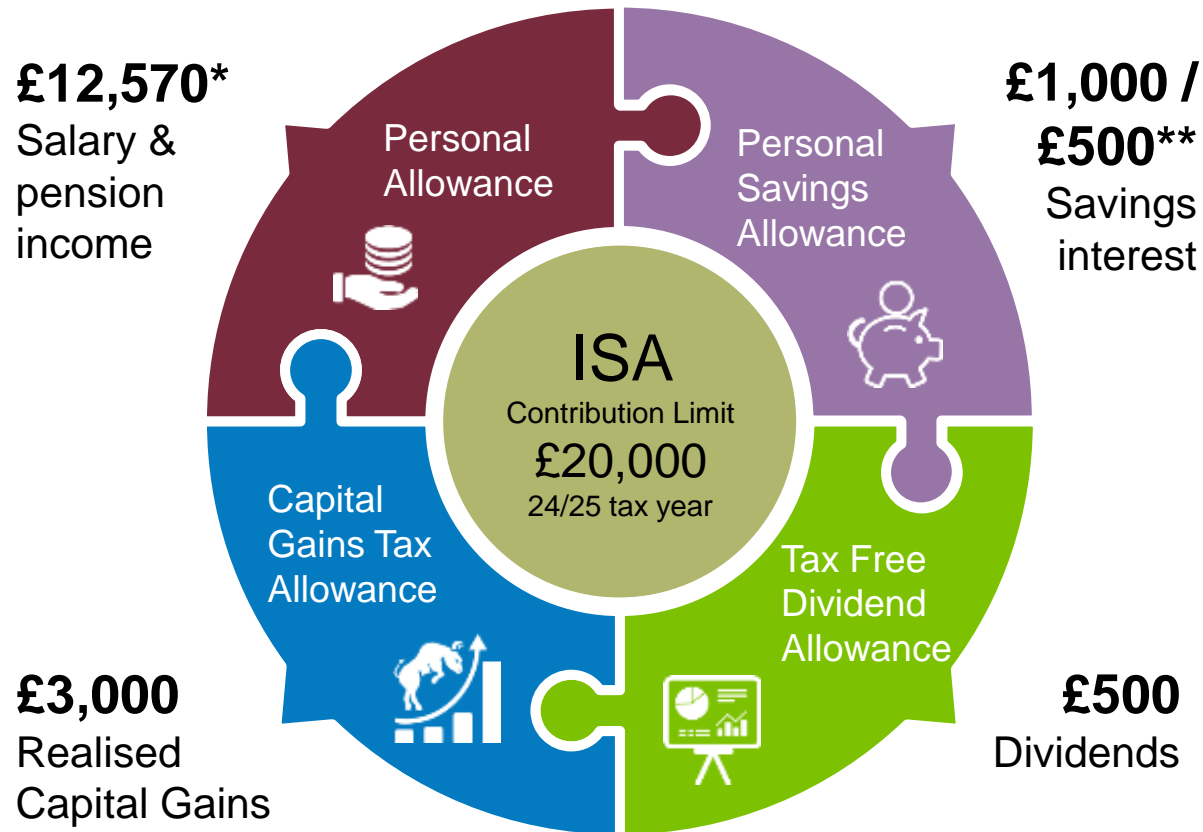


Check and see how your tax code is calculated by logging into your HMRC personal tax account:

[www.gov.uk/personal-tax-account](https://www.gov.uk/personal-tax-account)



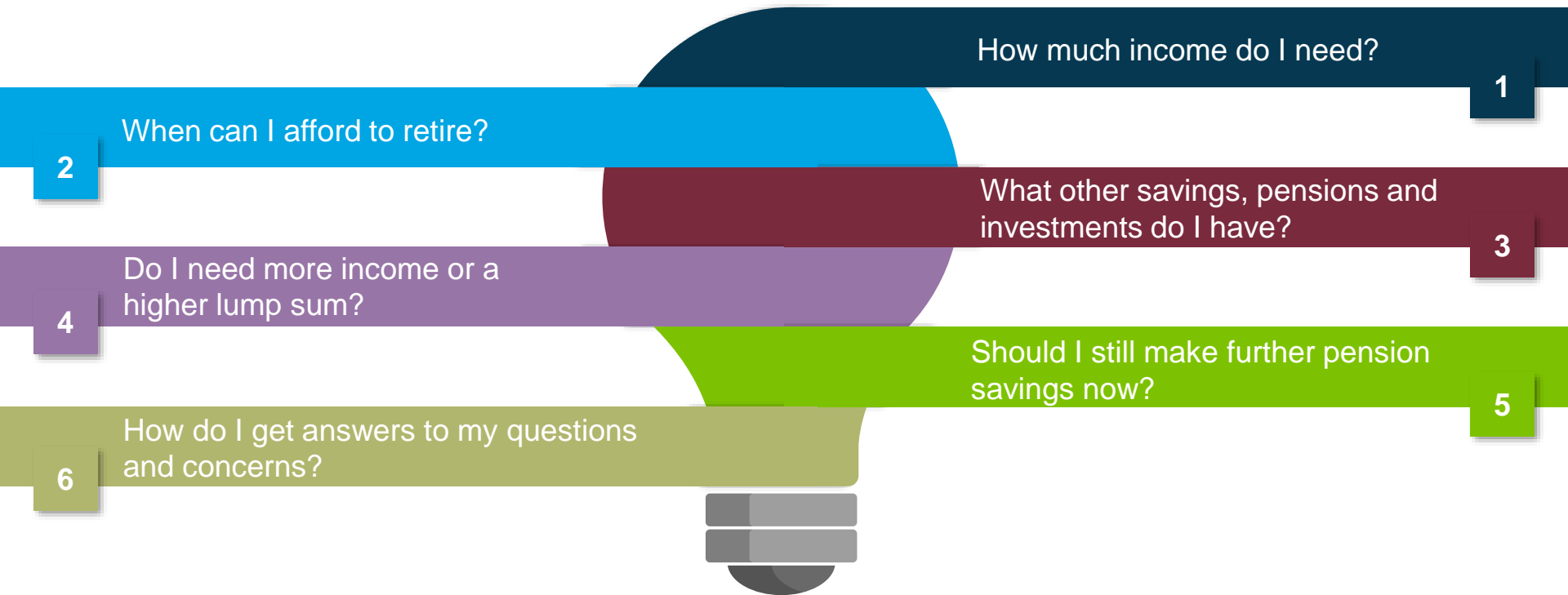
# tax allowances summary.



\*Reduced for those with income over £100,000

\*\*£1,000 for basic rate and £500 for higher rate tax payers. Additional rate tax payers do not have a Personal Savings Allowance

# making the right decisions.



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next steps.

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# taking action.

1. Calculate how your costs are likely to change in retirement
2. Get a State Pension forecast
3. Consider increasing contributions to your JP Morgan UK Pension Plan
4. Ensure your pension investments are aligned with your needs
5. Decide how you will generate a pension income
6. Ensure your pension income plan is as tax efficient as possible

# further information.

## **JP Morgan contact details**

- 'Byond' Discount Card help line: 0344 800 6435 or visit [www.byondcard.co.uk](http://www.byondcard.co.uk)
- MyPension - try the new my planner tool:  
[me@jpmc/retirementsavings/mypension](mailto:me@jpmc/retirementsavings/mypension)
- By visiting the above site you can also download the 'Track My Pension' app

## **Contacts**

- General tax and National Insurance information - [www.hmrc.gov.uk](http://www.hmrc.gov.uk)
- State Pension statement - [www.gov.uk/state-pension-statement](http://www.gov.uk/state-pension-statement)
- Information and guidance - [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

# further information.

You will receive a Retirement Guide as you approach your selected retirement age. The guide explains all the options open to you when taking your DC plan benefits including:

- The process for buying an annuity via TOMAS
- Information about accessing your pension via drawdown through:
- **my wealth** – an independent regulated advice service provided by the Wealth at Work group of companies
  - **my wealth** offers independent financial advice and discretionary investment management services
- LifeSight – an online self service arrangement

# seminars available to you.

In conjunction with Wealth at Work there are a range of financial education seminars available to you:

01



## Early Career

"Start thinking about your financial future"

02



## Mid Career

"Understand your finances and plan for the future"

03



## Pension Tax Limits

"Annual allowance and other limits to pension tax efficiency"

04



## Parental leave

Understanding your finances when going on (and returning from) Parental Leave

05



## Saving and Investing

"Savings and investments"

06



## Estate Planning

"Estate planning"

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# seeking advice.

An adviser will assess your circumstances, objectives and risk profile and provide you with a personal recommendation to meet your objectives.

All regulated firms are listed on the Financial Services Register, this provides confirmation that the firm is authorised, the specific services they are authorised to provide and details of the advisers who work for them.

Financial Services Register link:

- <https://register.fca.org.uk>



# contact us.

We provide a telephone helpline and a regulated investment advice service through **my wealth** - a trading name of Wealth at Work Limited which is part of the Wealth at Work group.

It helps individuals to understand their personal financial situation especially when selecting their retirement income options.

- Telephone **0800 028 3200**

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thank you.

0800 028 3200

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