

education caveat.

- The following content has been designed and relies upon the detailed explanation provided by the presenter at the time of the seminar and should be considered in conjunction with this and not in isolation.
- All copyright or other intellectual property rights in the material constituting this presentation which has been provided by Wealth at Work Limited remains the property of the Wealth at Work group of companies.
- The content of this presentation is provided for illustrative purposes only and is not intended to be used for individual investment or financial planning and does not constitute financial advice.
- Whilst every effort is made to ensure the accuracy of information contained in the presentation it cannot be guaranteed. In particular the rules relating to tax can frequently change. Wealth at Work Limited will not be held liable for any inaccuracies in this presentation due to a change in law after the date of delivery of this presentation.
- Any references to tax or the operation of tax or tax reliefs are illustrative only and the tax treatment in respect of any individual depends upon the circumstances of each individual.
- It is important to recognise that the value of investments related to the stock market (and any resulting benefits such as interest or dividends), can rise or fall and an investor may not get back the amount invested. Past performance data used is for illustrative purposes only and is not necessarily a guide to future performance.
- Any hyperlinks or references to third parties or their websites are provided for information only and it does not mean that we endorse their products or services. We have no control over these and accept no legal responsibility for any content, material or information contained in them.

WEALTH at work and my wealth are trading names of Wealth at Work Limited which is authorised and regulated by the Financial Conduct Authority and part of the Wealth at Work group. Registered in England and Wales No. 05225819. Registered Office: Third floor, 5 St Paul's Square, Liverpool L3 9SJ. Telephone calls may be recorded and monitored for training and record-keeping purposes.

moving in the right
direction towards
retirement.

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.

what we'll cover today.

- Income needs in retirement
- The State Pension
- Workplace pensions
- Other savings and investments
- Bringing it all together
- Next steps



income needs in
retirement.

retirement could last a long time.

Average life expectancy at age 65

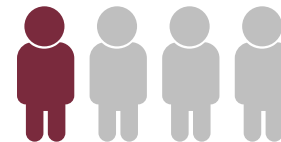


1 in 4 chance of reaching age:



94

1 in 4 chance of reaching age:



92

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

expenditure in retirement.

The Pensions and Lifetime Savings Association have created a guide to the costs you may expect in retirement based on 3 different levels:

Examples

Minimum

Single **£14,400pa**

Couple **£22,400pa**



No car



A week and a long weekend
in the UK every year



Moderate

Single **£31,300pa**

Couple **£43,100pa**



3 year old car replaced every
10 years



2 weeks in Europe and a long
weekend in the UK every year



Comfortable

Single **£43,100pa**

Couple **£59,000pa**



3 year old car replaced
every 5 to 7 years




















3 weeks in Europe
every year

*information above is subject to change – please visit www.retirementlivingstandards.org.uk

WEALTH at work

part of the Wealth at Work group

expenditure in retirement.

			
 Credit cards / Loans / Mortgage			
 Household / Utilities			
 Food & Clothing			
 Motoring / Travel			
 Hobbies			
 Leisure			
 Holiday			

inflation: average over 10 years.



Electricity
6.7%pa



Insurance
5.5%pa



Household
Gas
3.5%pa



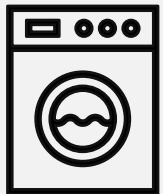
Above CPI



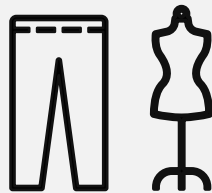
Consumer Price Index (CPI) = 3.2%pa



Below CPI



Household
Appliances
2.1%



Clothing
1.8%



Alcohol
1.7%

Source: Office for National Statistics – January 2015 vs January 2025

WEALTH at work

part of the Wealth at Work group

inflation: over 10 years.

The price of electricity
has risen

91%



Electricity
6.7%pa

The price of insurance
has risen

71%



Insurance
5.5%pa

The price of household
gas has risen

42%



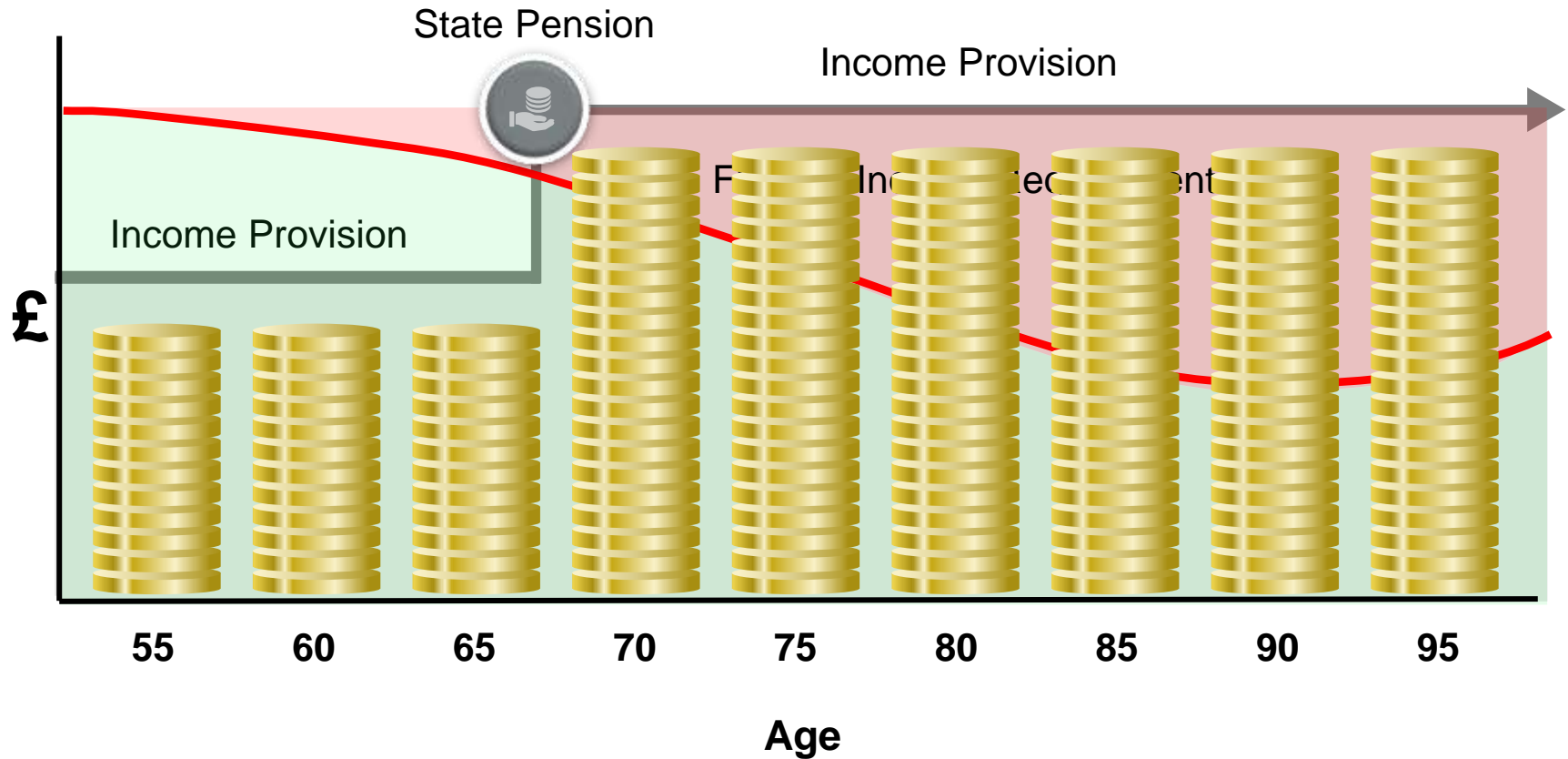
Household
Gas
3.5%pa

Source: Office for National Statistics – January 2015 vs January 2025

WEALTH at work

part of the Wealth at Work group

changing income needs.



rates of income tax.

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

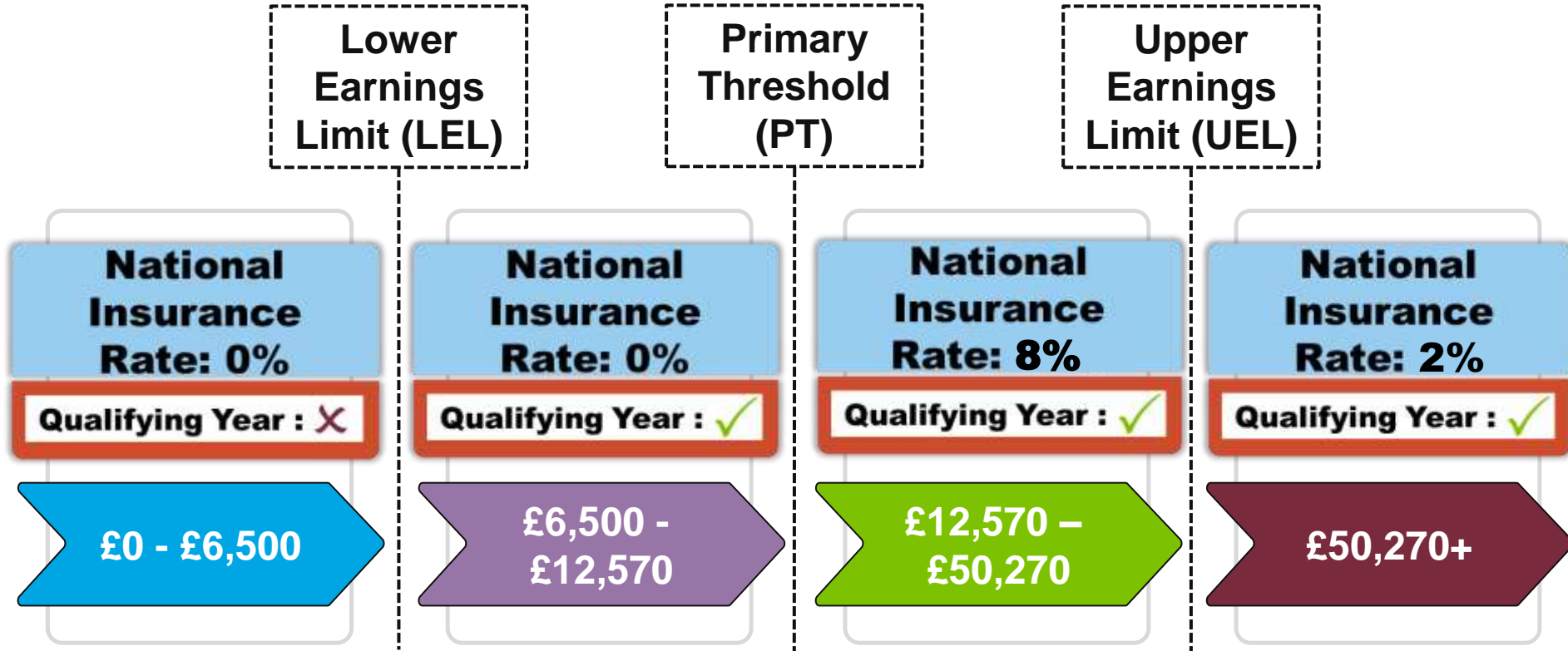
Additional Rate Tax

on earnings above
£125,140



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

National Insurance.



can you afford to retire?

£50,000 annual salary

Costs pa:

 Income Tax	>>>>	£6,986
 National Insurance	>>>>	£2,794
 Pension contributions*	>>>>	£2,500
 Mortgage	>>>>	£10,000
 Loans	>>>>	£4,000

.....
Remaining: £23,720

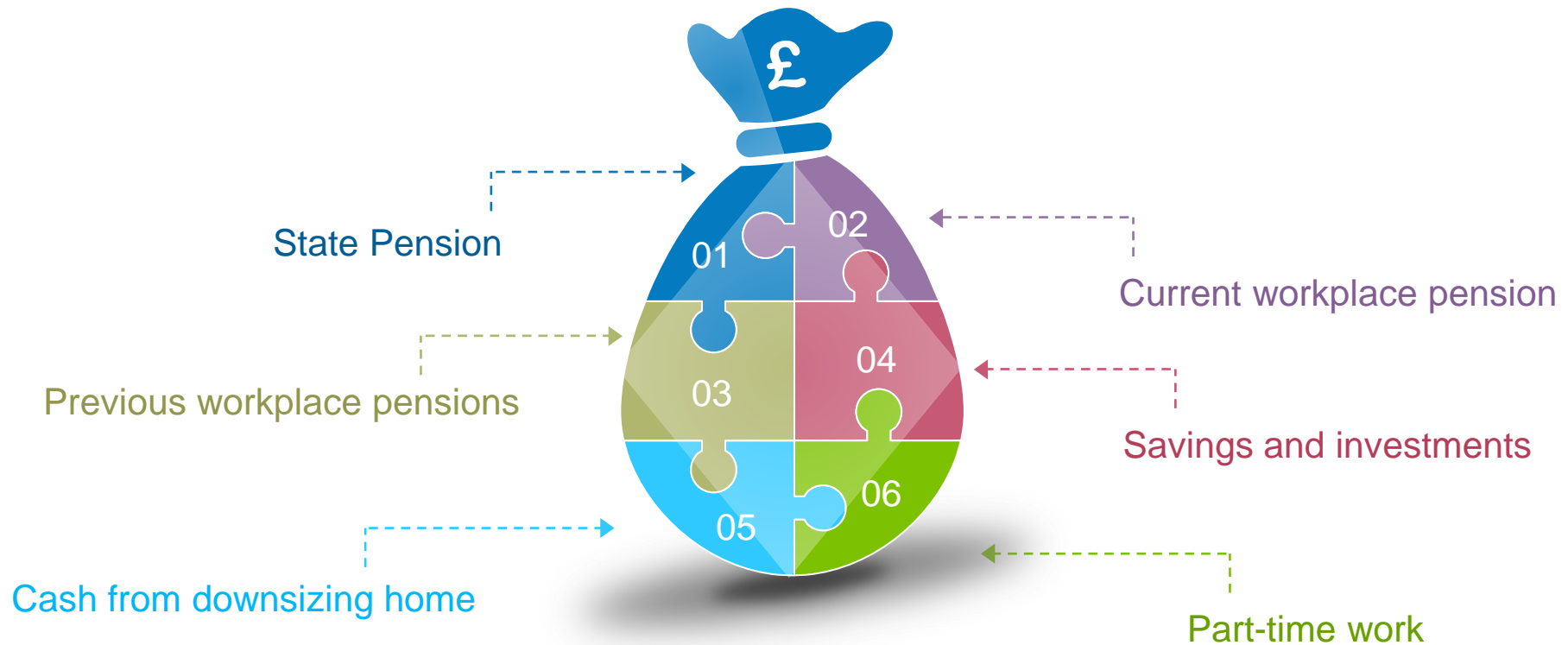
£25,000 retirement income

Costs pa:

 Income Tax	>>>>	£2,486
	
Remaining:		£22,514

*assumes pension contributions of 5% pa through a salary sacrifice arrangement

where is the money coming from?



the State Pension.

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

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

WEALTH at work

part of the Wealth at Work group

the new State Pension.

If you reach State Pension age after 5 April 2016 the new State Pension can provide income of:

per week

up to
£230.25

You may receive less if:



You have less than 35 years of National Insurance (NI) contributions, &/or



You have been contracted out of the Additional State Pension

per year

up to
£12,014.12

Every year of NI contributions gained since 2016/17 to the year before you reach State Pension age will make the deduction less

State Pension forecast.

Your State Pension summary

You can get your State Pension on 25 June 2036

Your forecast is £230.25 a week,
£1,001.18 a month, £12,014.12 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 2025

£184.20 a week

Forecast if you contribute another 7 years before 5 April 2036

£230.25 a week



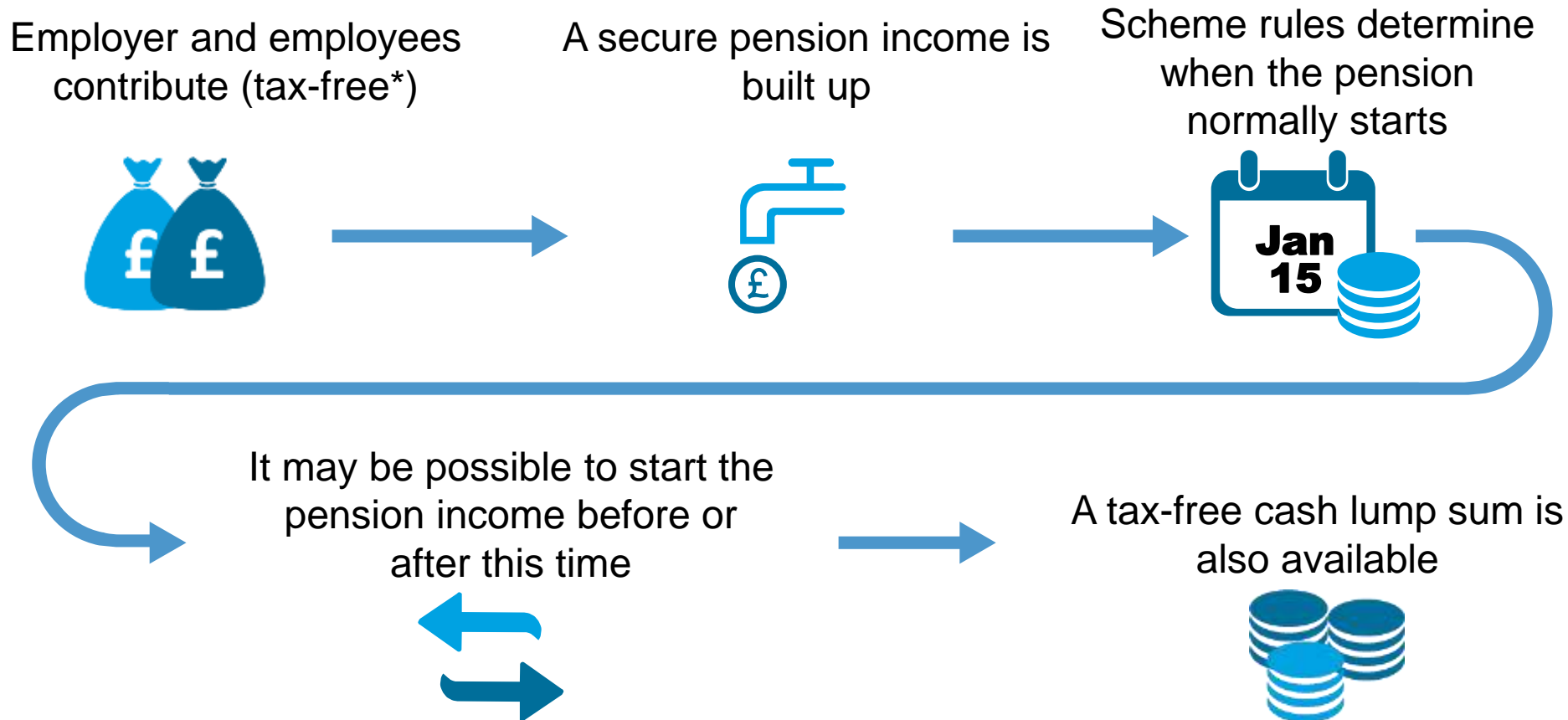
www.gov.uk/check-state-pension

WEALTH at work

part of the Wealth at Work group

workplace pensions.

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.

WEALTH at work

part of the Wealth at Work group

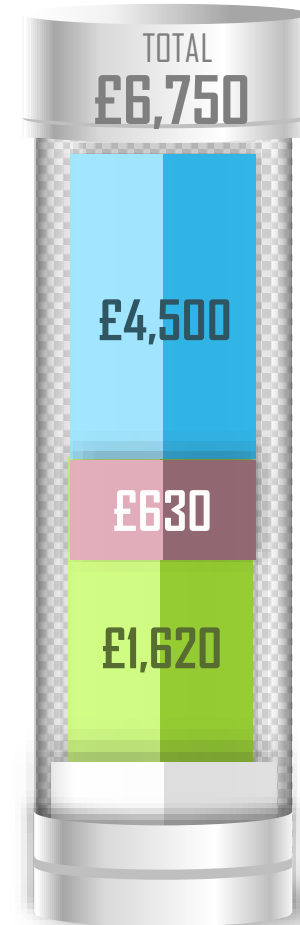
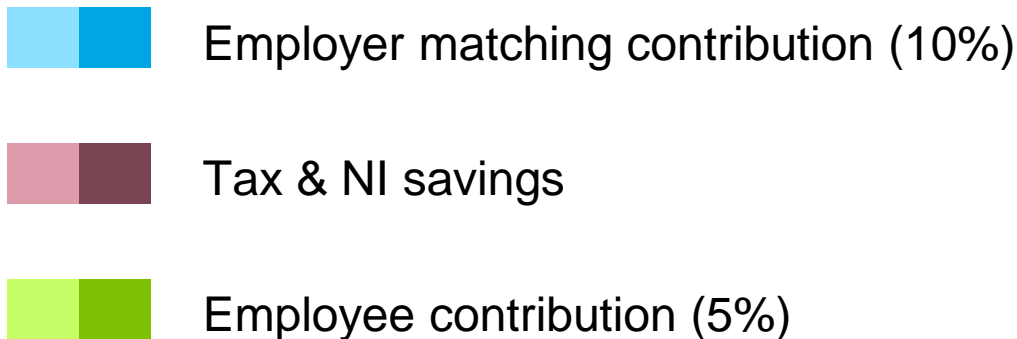
your pension contributions.

You Pay	LSEG Pays	Total
3%	6%	9%
4%	8%	12%
5%	10%	15%

- You can increase contributions beyond 5% however LSEG's contributions will not increase further
- You can change contribution levels at any time on MyBenefits
- Contributions are defaulted to be paid via salary sacrifice

how your contributions may add up.

- Annual Salary £45,000 (basic rate taxpayer)
- Employee Contribution = £2,250pa (5%)
- Tax Saving = 20%
- NI Saving = 8%
- Personal Cost = £1,620pa
- Employer Contribution = £4,500pa (10%)



*Percentage shows the increase in total contribution when compared to the personal cost.

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

Limits on tax-free cash

- 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 Life Time Allowance (LTA) protection will have allowances based on their protected LTA



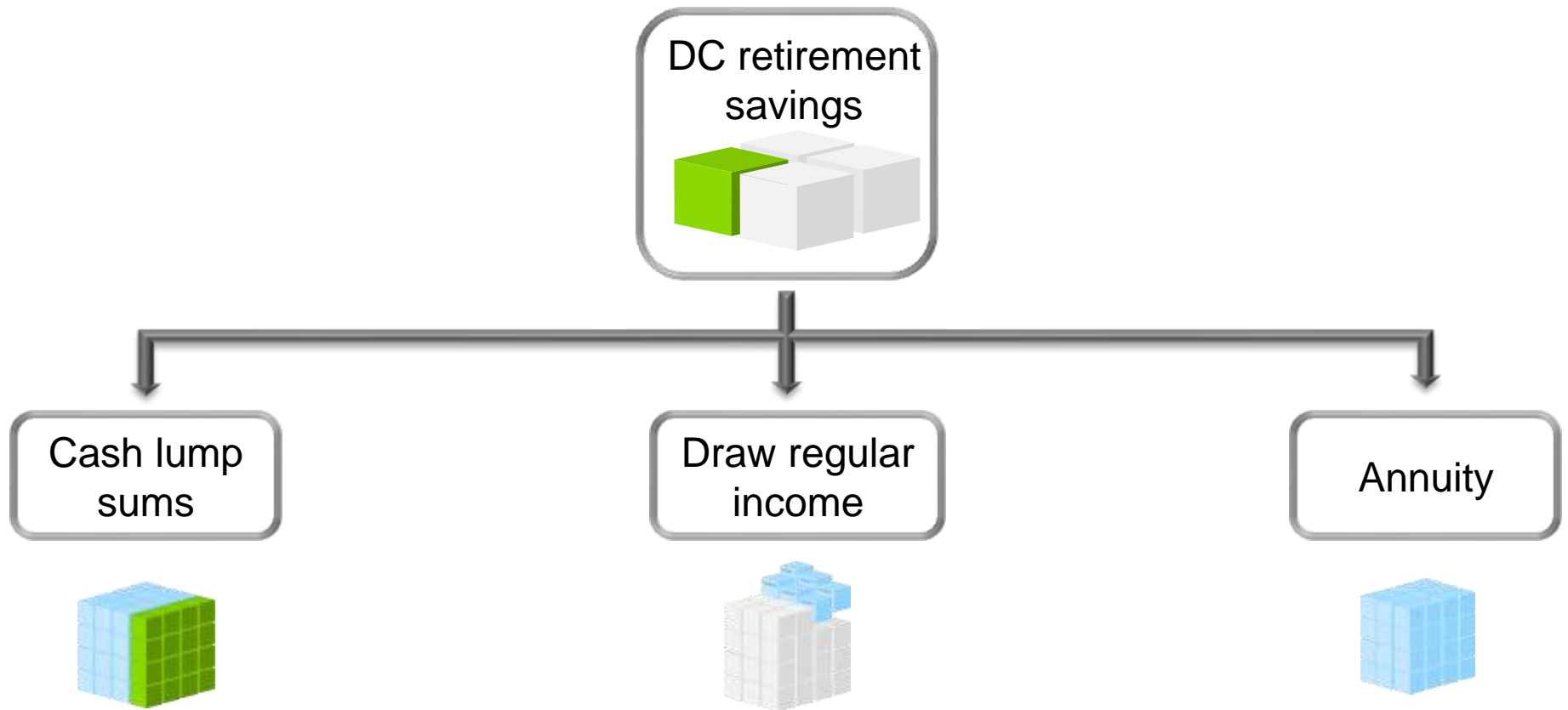
If you think you may be affected, ask about this on your follow up call

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

WEALTH at work

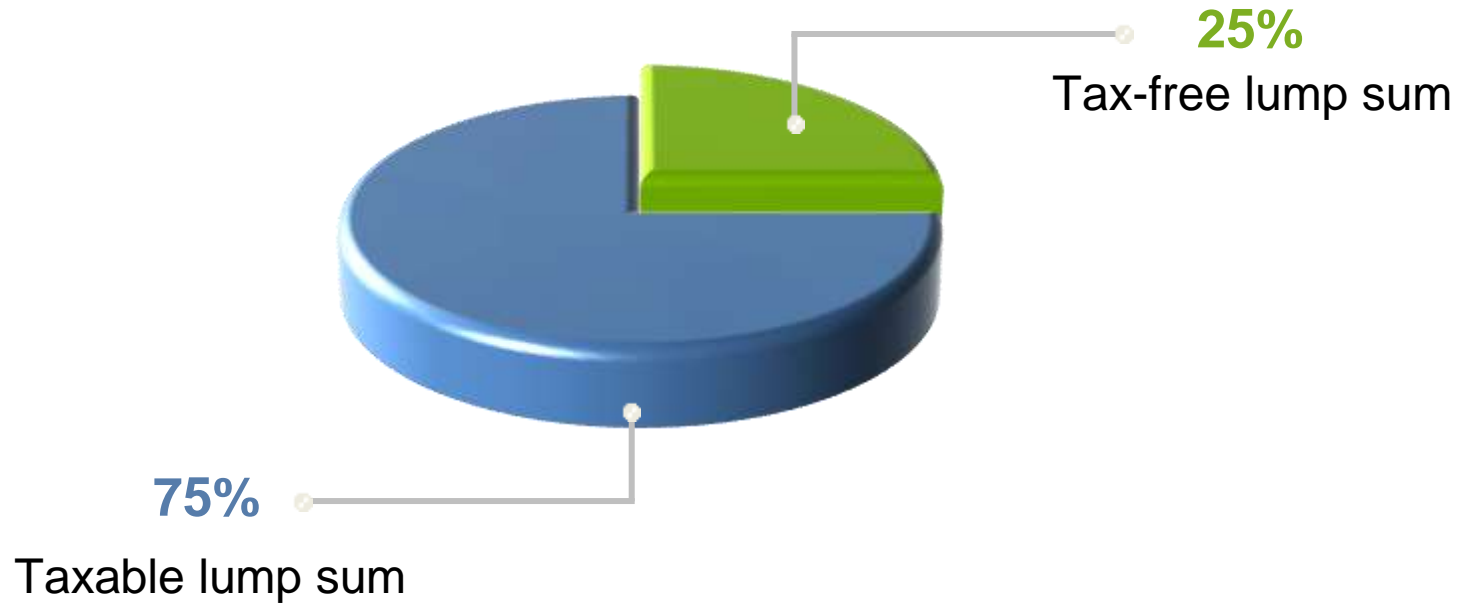
part of the Wealth at Work group

defined contribution income options.



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

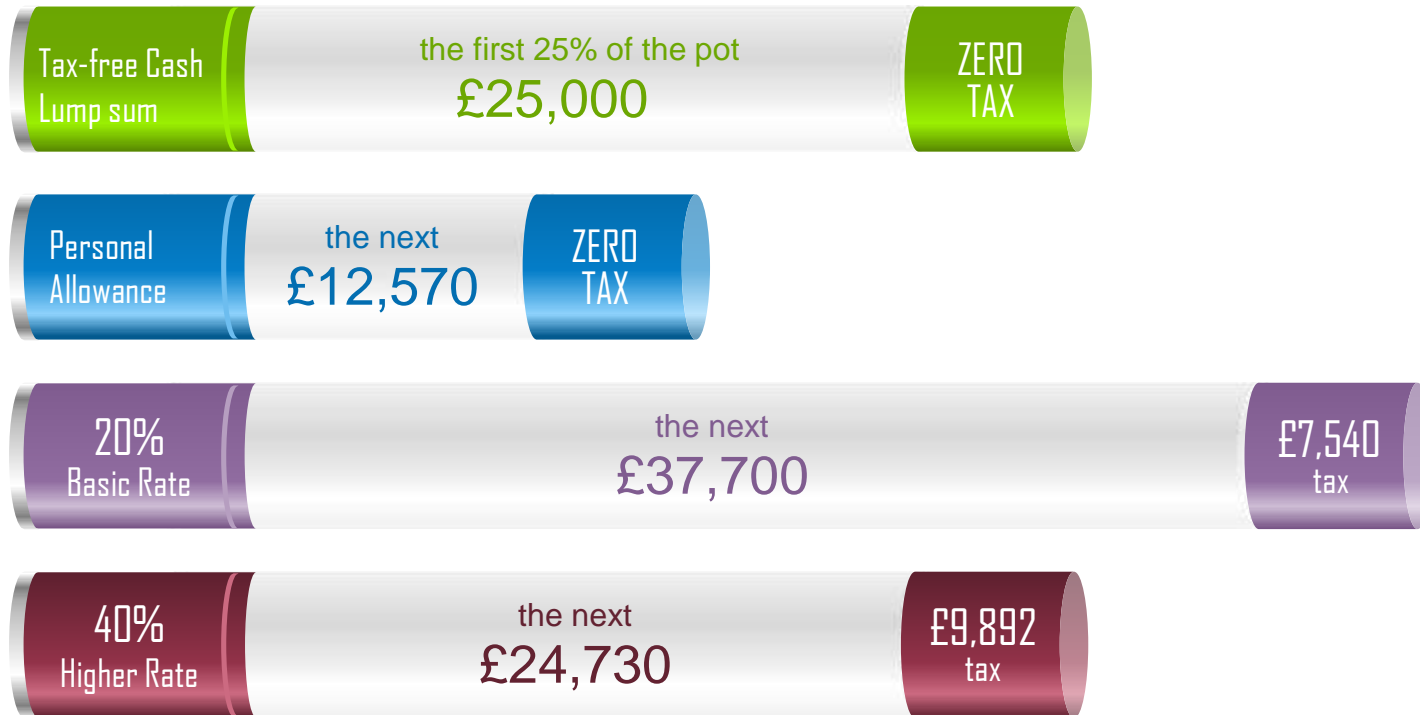
cash lump sum.



- 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

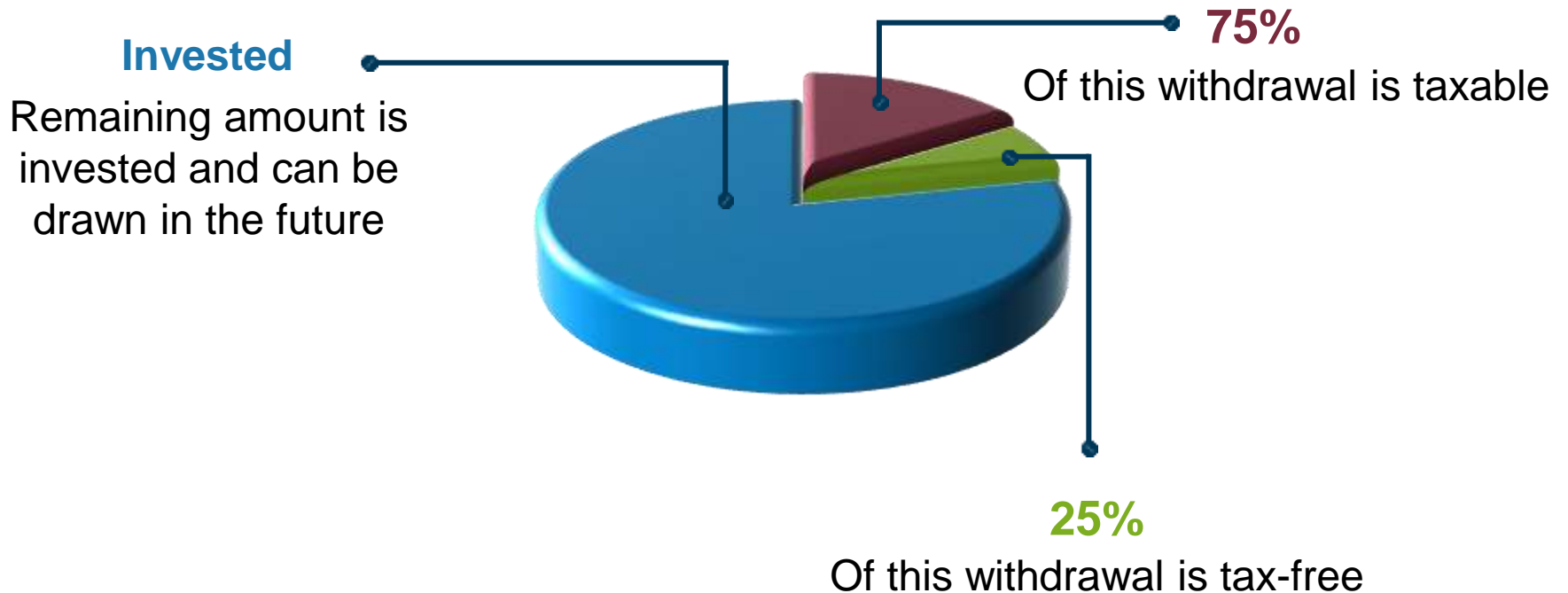
receiving a taxable cash lump sum.

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

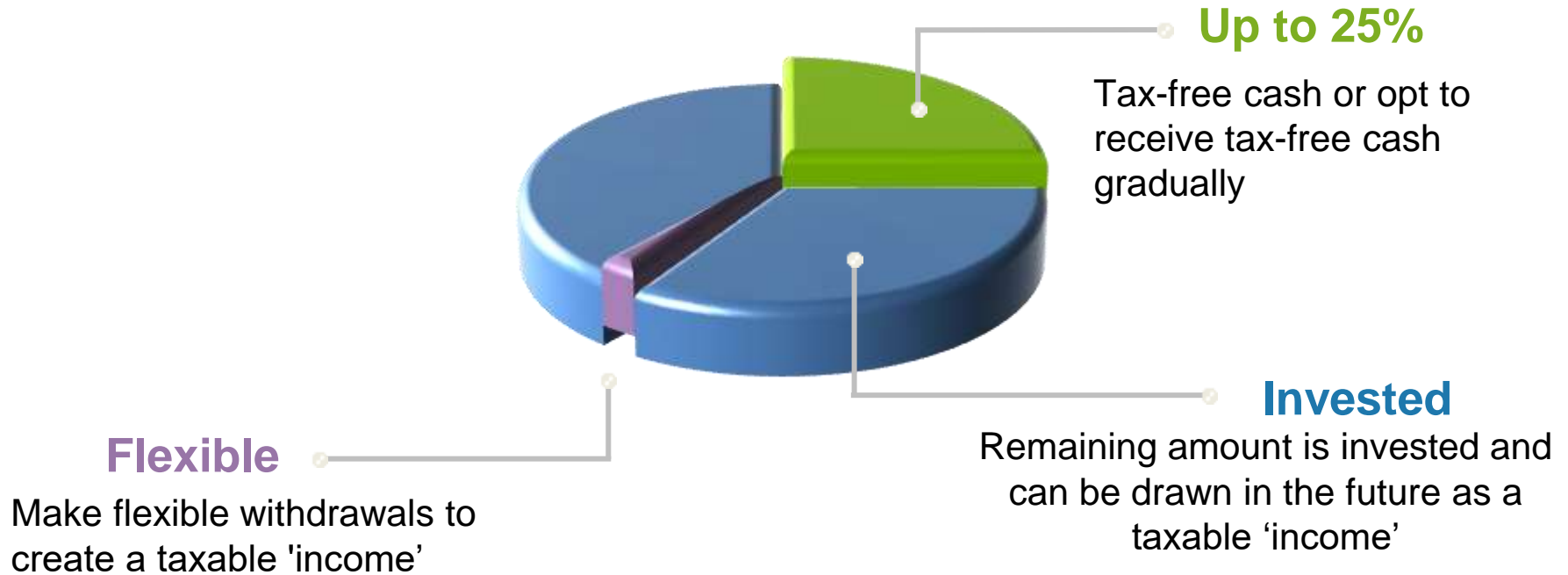


Total tax charge of £17,432

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

example annuity rate.

pot after receiving tax-free cash	age	annually	monthly
£100,000	65	£7,610	£634



Single income



No annual increases



No protection



Good health

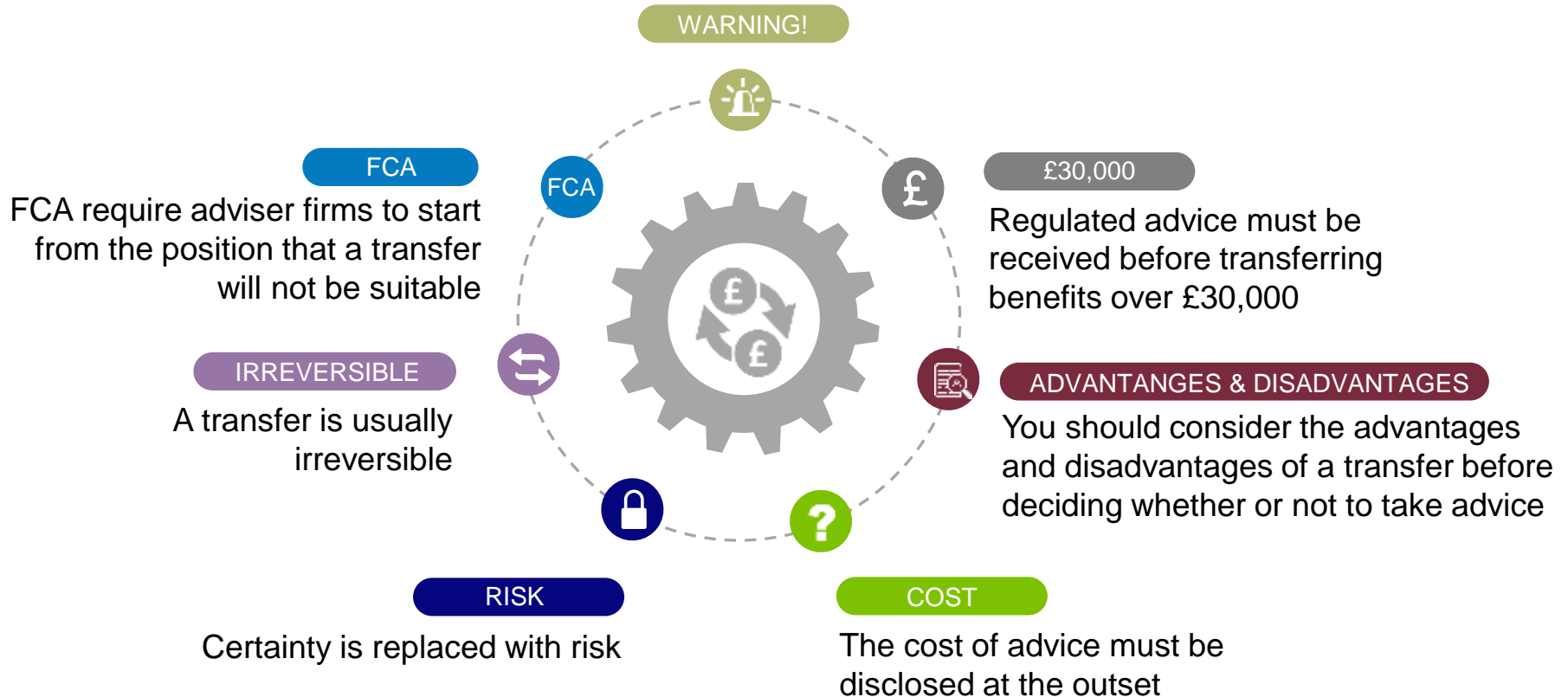
Source: Money Helper – rates correct as at 23.01.2025

WEALTH at work

part of the Wealth at Work group

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



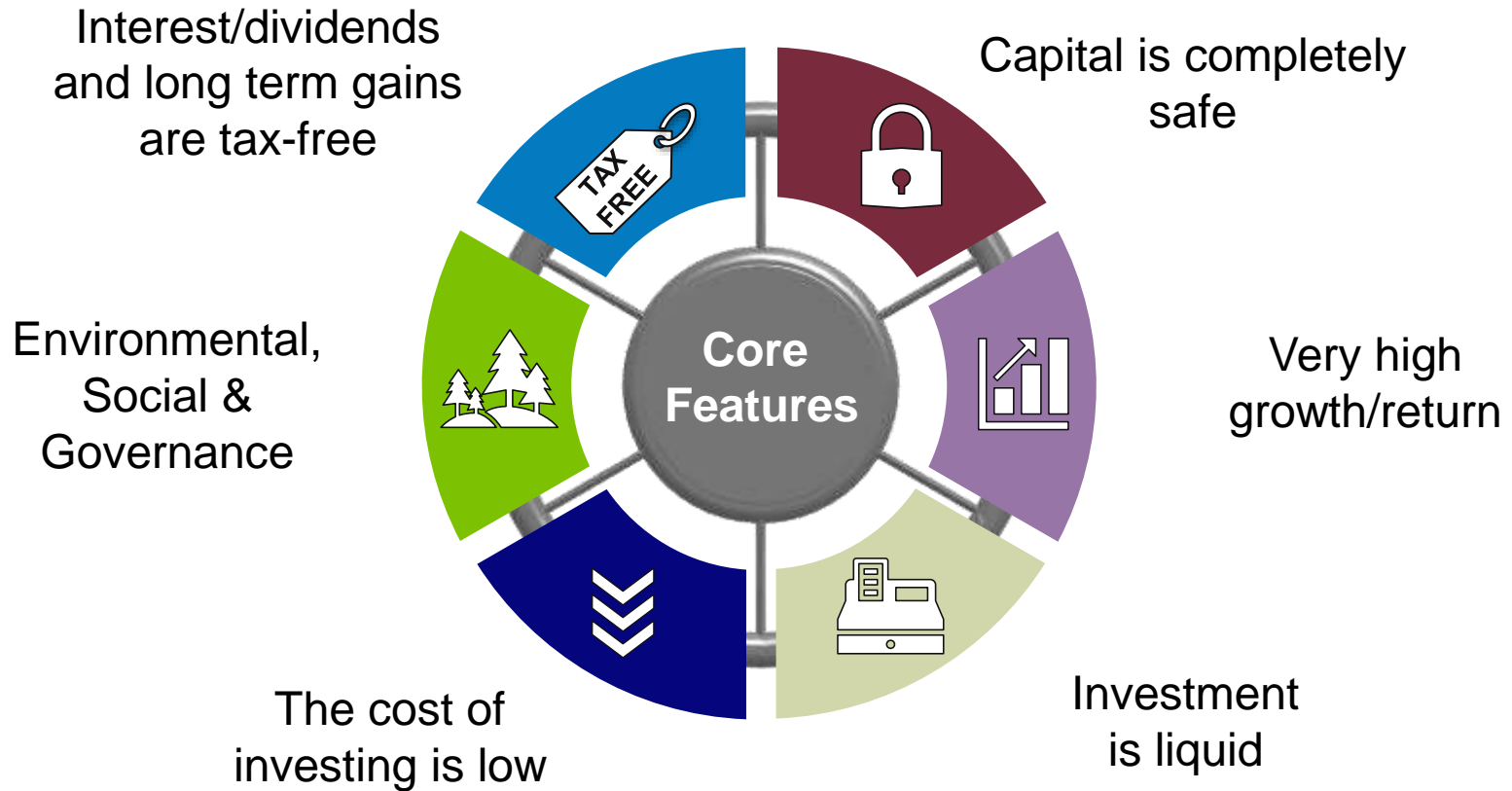
Get impartial information or advice before changing your pension arrangements



www.fca.org.uk/scamsmart

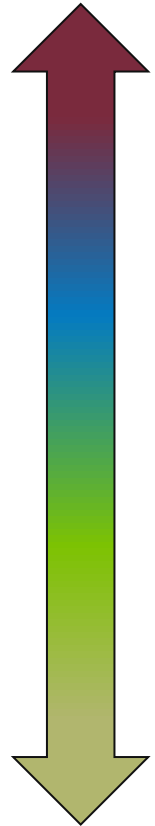
inflation, savings and
investments.

investment principles.



investment risk and returns.

High



Low



Equities

Volatility, Timing,
Concentration



Property

Liquidity, Negative Equity,
Taxation, Tenants



Bonds

Default, Credit,
Inflation

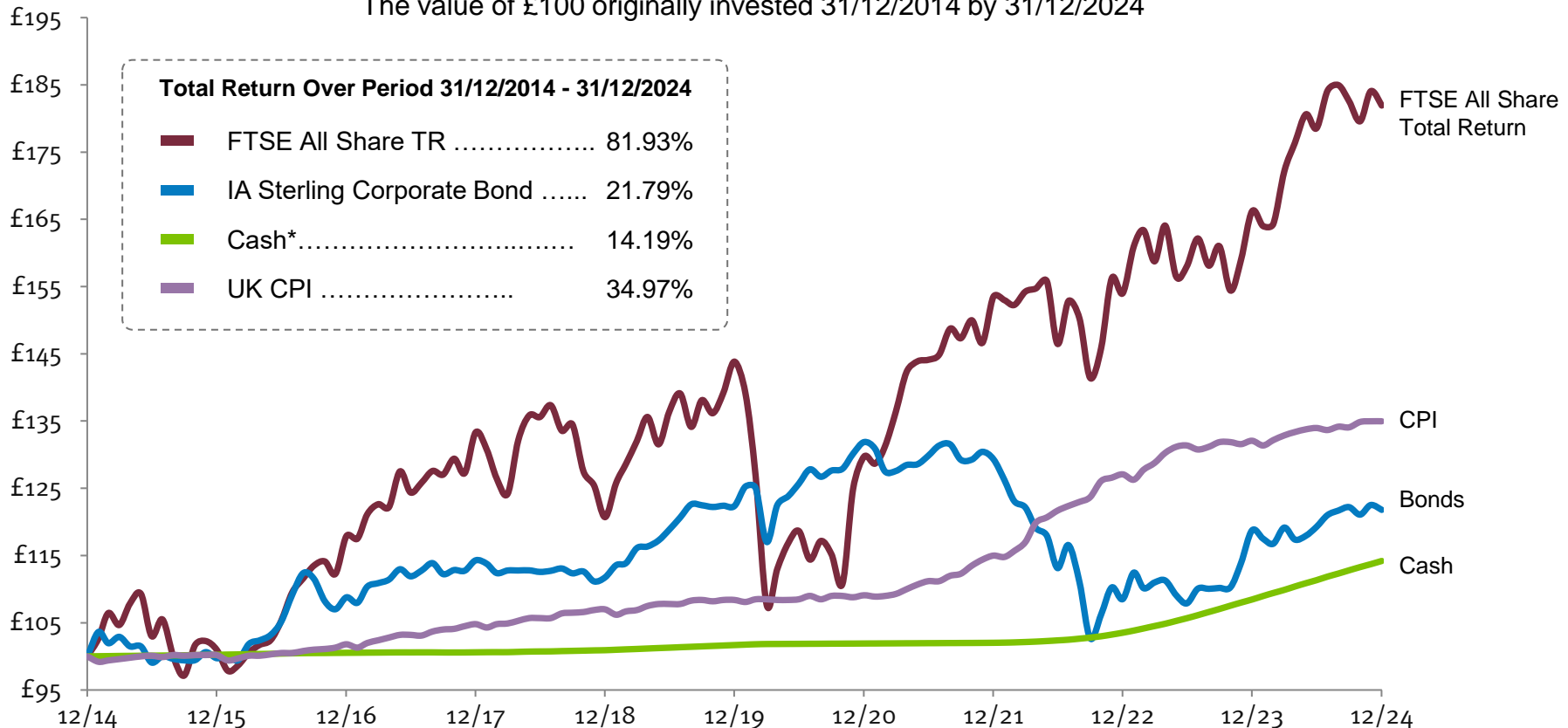


Cash

Inflation, Interest Rates,
Currency Exposure

risk and returns: the real world.

The value of £100 originally invested 31/12/2014 by 31/12/2024



This chart shows past performance which is not a reliable guide to the future

Source: Financial Express & Bloomberg

*Cash is calculated using: FE FER Cash Proxy from 31/12/2014 to 31/12/2018 and the UK Bank of England Base rate from 31/12/2018 to 31/12/2024.

WEALTH at work

part of the Wealth at Work group

personal taxation.

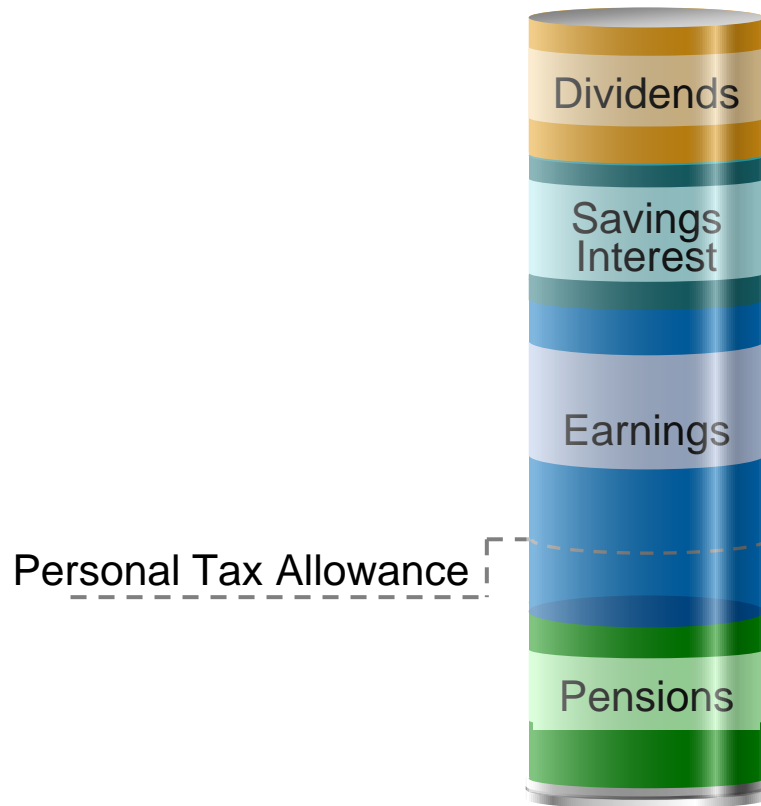
tax on your income.

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



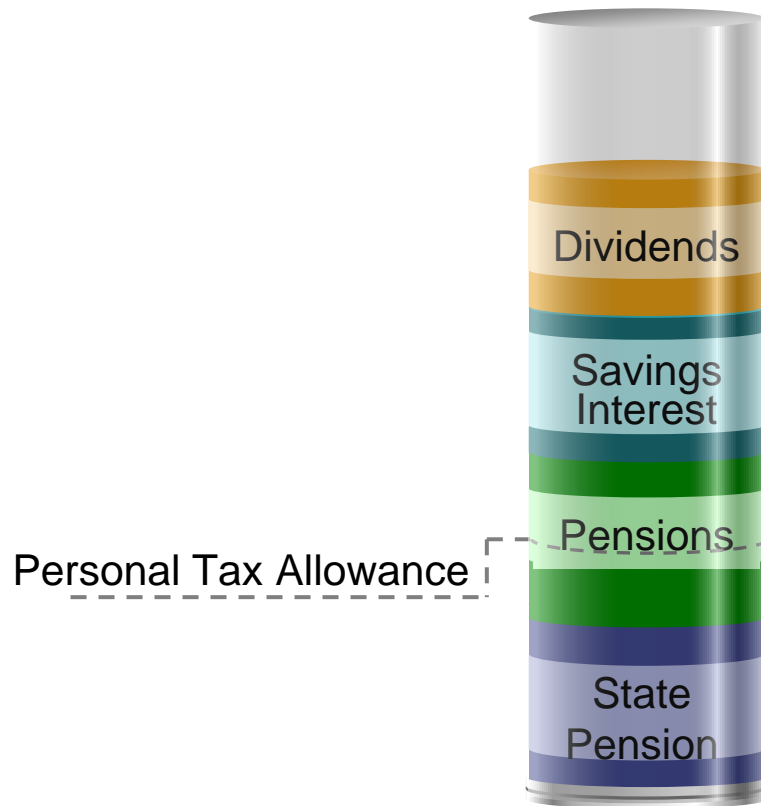
tax on your income.

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



tax on your income.

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



taxation of State Pension.

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

PAYE Coding Notice	
Tax code for the year 2025-26	
Personal Allowance	£12,570
<i>Less your State Pension</i>	<u>£12,014</u>
Net Allowance	<u>£556</u>
Tax Code	55L



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

www.gov.uk/personal-tax-account

personal savings allowance.

£1,000

Basic rate

20%

£20,000

£500

Higher rate

40%

£10,000

£0

Additional rate

45%

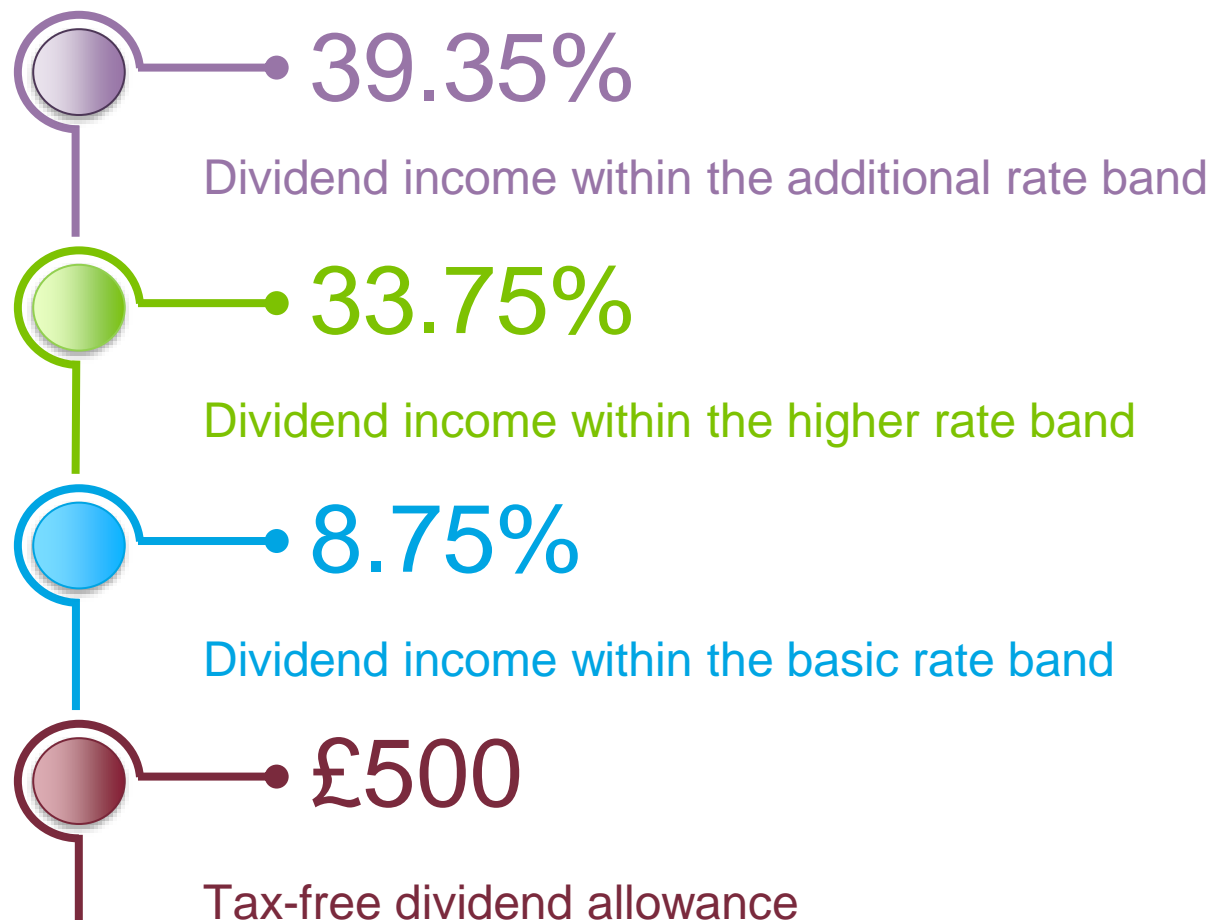
**5%
savings
rate**

The Personal Savings Allowance is based on UK income tax rates and not Scottish income tax rates

WEALTH at work

part of the Wealth at Work group

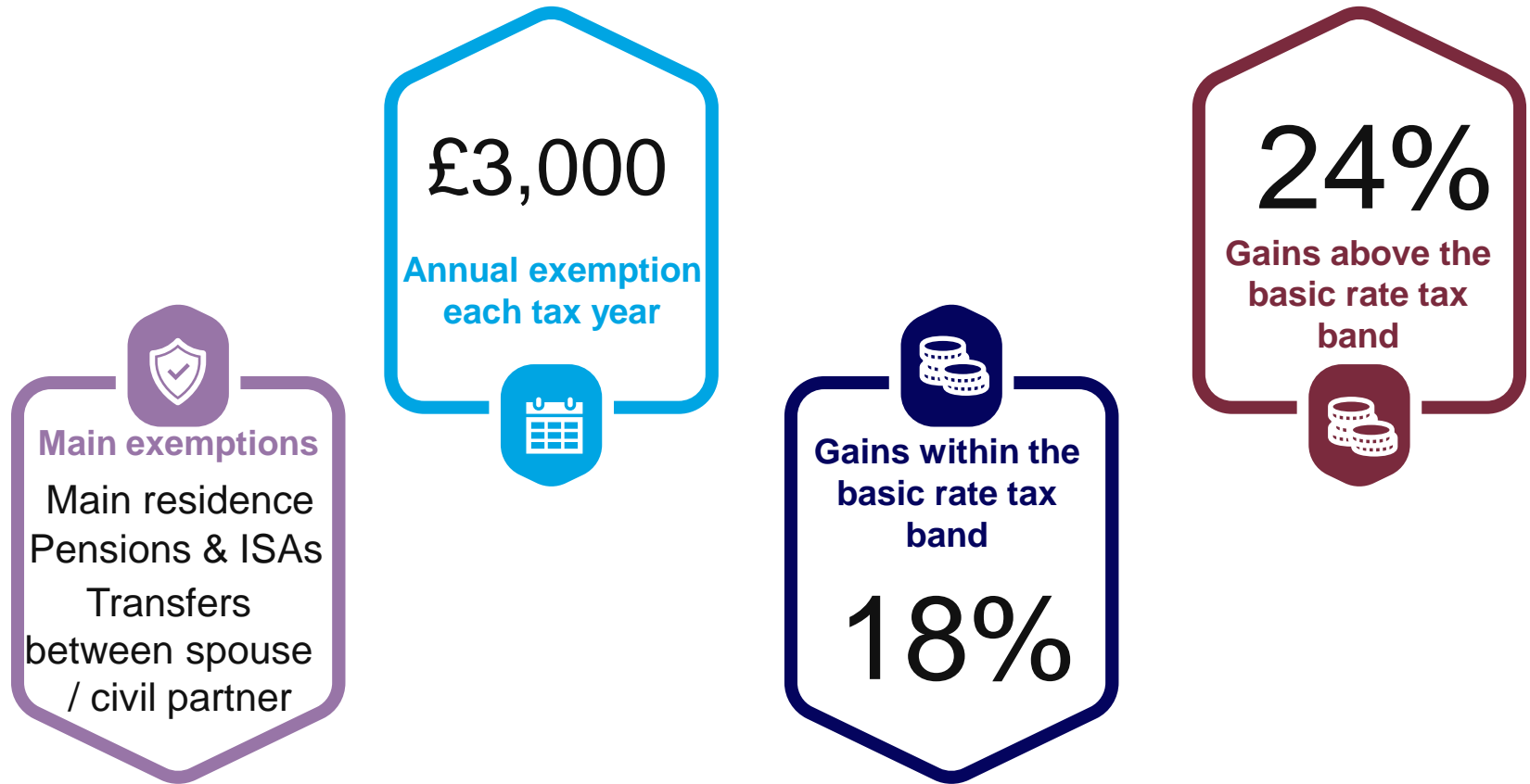
dividend tax.



The Dividend Allowance is based on UK income tax rates and not Scottish income tax rates

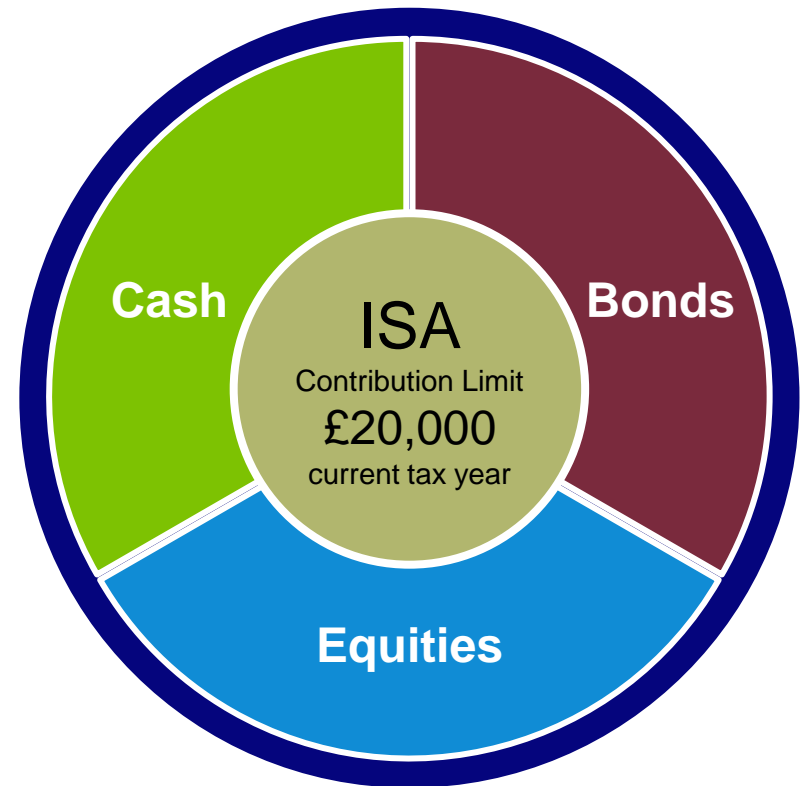
capital gains tax (CGT).

CGT is a tax on gains when certain investments are disposed of.

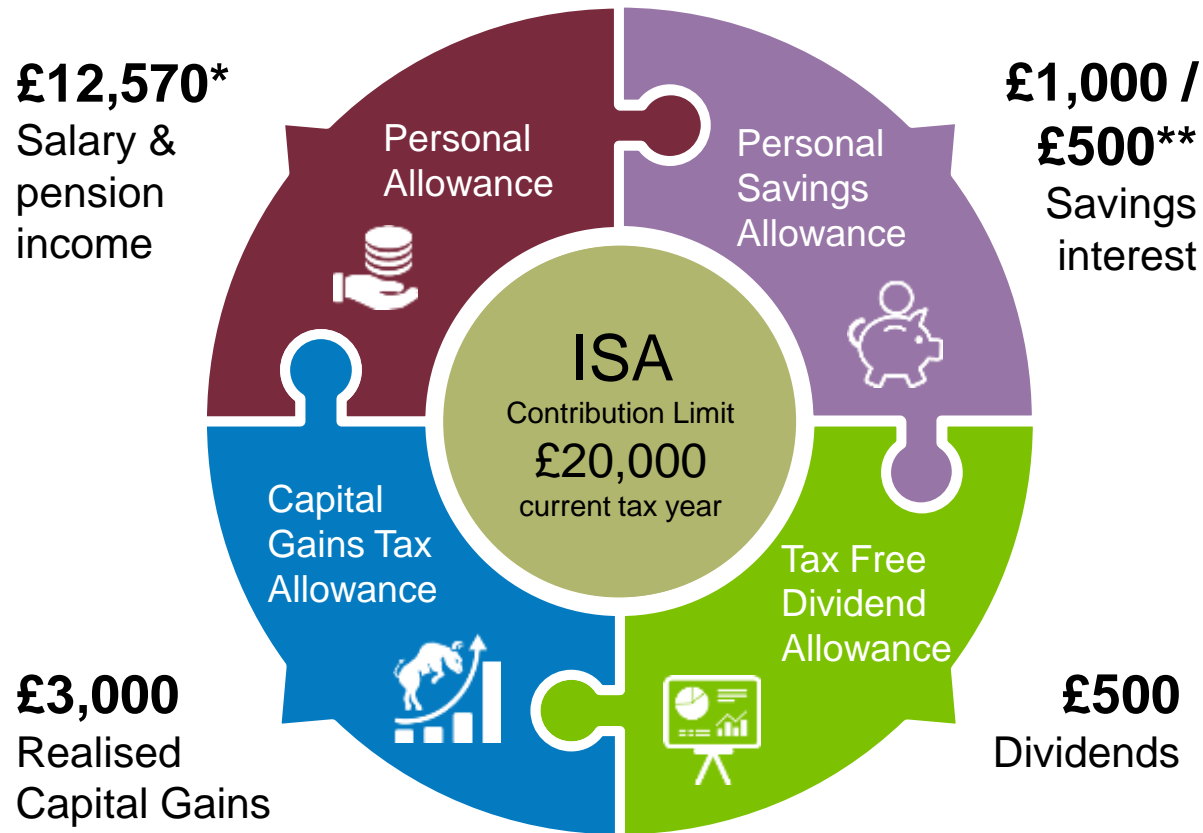


individual savings accounts (ISAs).

- An ISA protects your savings and investments from taxation
- Interest and dividends are tax-free
- Growth is free of Capital Gains Tax



tax allowances summary.



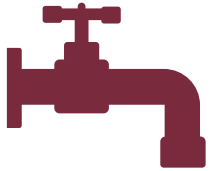
*Reduced for those with income over £100,000

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

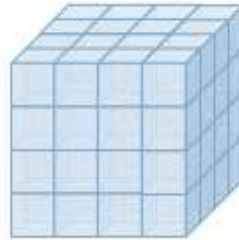
bringing it all together.

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

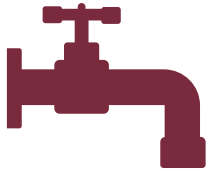
Cash ISA
£30,000

WEALTH at work

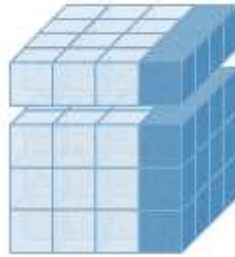
part of the Wealth at Work group

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

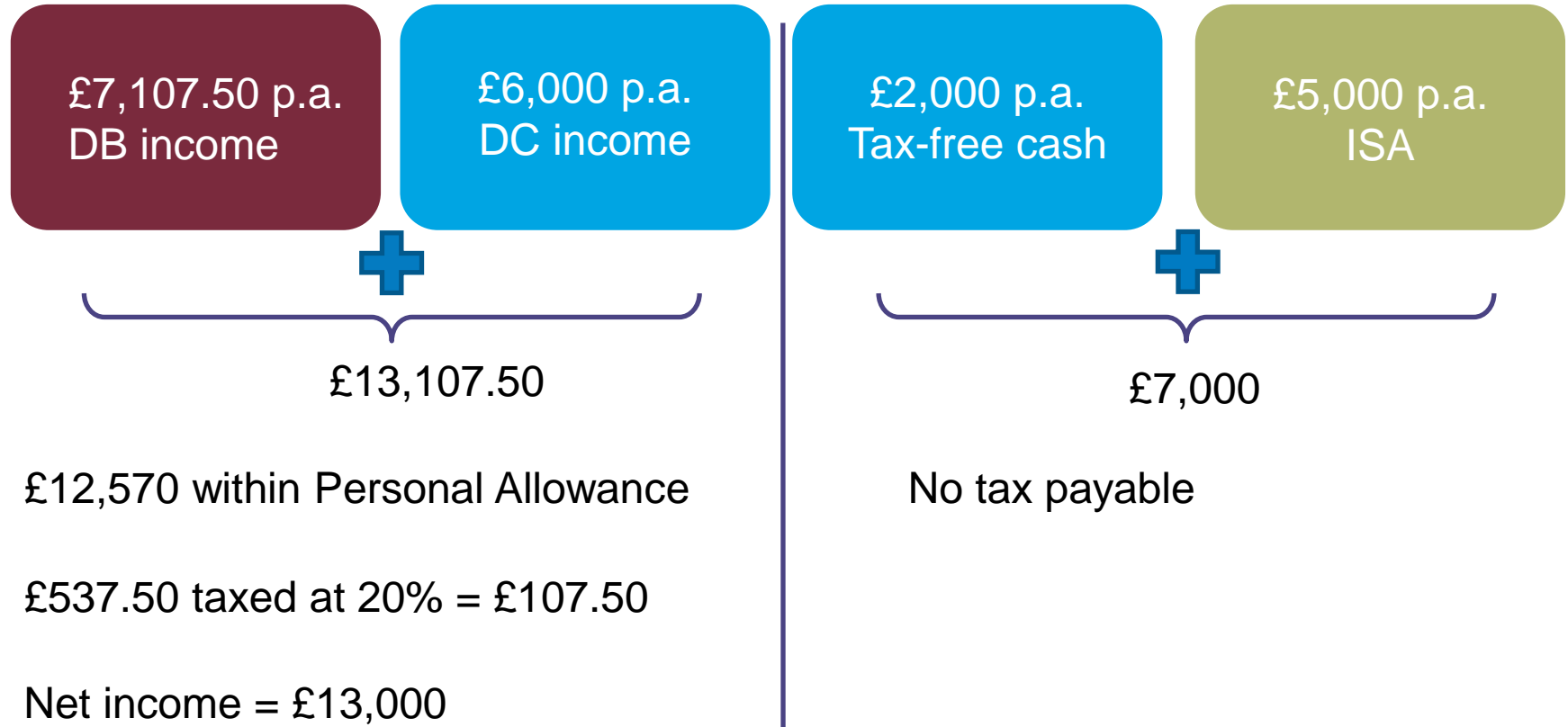
£2,000 p.a.
Tax-free cash

£5,000 p.a.
ISA

WEALTH at work

part of the Wealth at Work group

generating a retirement income.



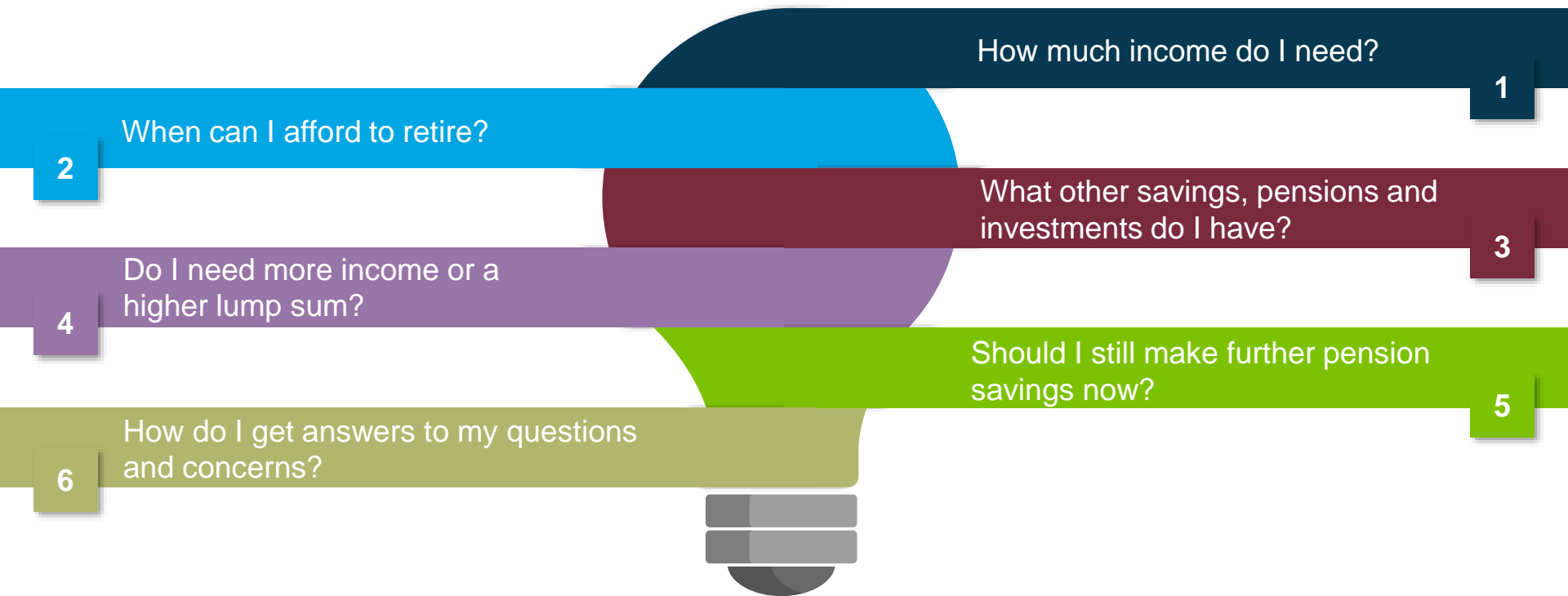
generating a retirement income.

- 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?



making the right decisions.



next steps.

useful contacts.

01

LSEG Employee Assistance Programme - LifeWorks

www.login.lifeworks.com | 0800 169 1920

username: lsegUK | password: lsegUK

02

Money Helper pension calculator

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

03

General tax and National Insurance information

www.hmrc.gov.uk

04

Pension Tracing Service

www.gov.uk/find-pension-contact-details

05

Questions about your LSEG Pension Plan

Email: pensions@lseg.com

06

Obtain a State Pension Forecast

www.gov.uk/check-state-pension

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**

my wealth
part of the Wealth at Work group

WEALTH at work

part of the Wealth at Work group

thank you.

0800 028 3200

www.wealthatwork.co.uk/mywealth

WEALTH at work

part of the Wealth at Work group