What's stopping you?

Pensions | Workplace Pensions

ROYAL LONDON

Introduction

Your employer has set up a pension plan with Royal London. We're pension experts and we aim to make saving for your future as easy as possible.

If you haven't joined your employer's pension plan, there's still time. This leaflet answers some of the most common objections we hear about pensions.

We hope it helps to refresh your thinking and set your retirement plans in motion – so what's stopping you?

Contents

Pensions are too complicated

A pension is simply a way to invest money for your retirement.

You contribute to your plan.

Your employer usually contributes too.

The government adds money in the form of tax relief.

Your pension savings are invested and aim to grow.

You'll have a number of options to choose from when you reach retirement.

It really is that simple.

Tax relief depends on individual circumstances and may change in the future.

Pensions don't offer good returns

Like any investment, the performance of your pension largely depends on where your savings are invested.

Pensions allow you to invest in different kinds of investments. And financial experts agree that the best way to invest your pension savings is to have a spread of investments, so if one doesn't perform well, you won't be so badly affected.

We offer a carefully selected range of investments – whether you choose one of our ready-made options or you create your own solution.

All of our ready-made options fall under our Governed Portfolio which benefit from regular reviews and hands-on management from investment experts, to help make sure they continue to meet their objectives.

Each portfolio has a different level of investment risk, so you can choose the one that most closely matches how much risk you're comfortable taking (your attitude to risk). If your attitude to risk changes at any time, you can simply move to another Governed Portfolio.

If you want an option that does everything for you right up to your retirement date, one of our Lifestyle Strategies might be right for you. They're designed to reduce the amount of risk you take as you get closer to retirement. You simply choose the one which is most closely aligned to your attitude to risk and how you're likely to use your pension savings when you retire:

Flexible income (drawdown) – keep your pension savings invested and take the income you need, when you need it.

Guaranteed income (annuity) – enjoy a guaranteed and regular income for the rest of your life.

Cash – take your pension savings as one or more cash lump sums.

You'll find more information in our **Pension investment options** guide. The guide can be found via the **Royal London website**.

Remember that investment returns are never guaranteed. So you could get back less than what you put in.

Financial experts agree that the best way to save for your future is to have a **spread of investments.**

The government will support me

Whilst some people do rely solely on the State Pension to support them in retirement, here are some reasons why it is still a good idea to build up your own pension income.

- The State Pension was introduced to provide a safety net to help stop people falling into poverty in retirement. Although other State benefits may be available, it's worthwhile to have your own income too. That's why your employer has set up a group pension plan to help you save for your future.
- People are living longer. Although this is a good thing, it means there are less working people to support an aging population. A lower proportion of people in employment means lower tax revenues and, in all likelihood, higher public expenditure.

It's still a good idea to build up **your own pension income.**

I don't need a pension

There are other ways to save for your future, but pensions offer a number of benefits that other savings methods don't.

You'll receive extra money into your plan

Each time you save into your plan, so will your employer. You'll also receive tax relief from the government. This can help to boost your pension savings.

Tax relief depends on individual circumstances and may change in the future.

Your pension savings are locked away

This means you can't dip into your savings and leave yourself with less money when you retire.

You can take up to 25% tax-free

From age 55, you can normally take up to 25% of your pension savings from your plan – even if you're still working.

This will increase to age 57 from 6 April 2028.

Why Royal London?

We're the UK's largest mutual life, pensions and investment company*. When we first opened our doors in 1861, we wanted to help people to help themselves. And it's been our way of thinking ever since.

We're a different kind of financial services company. Unlike our main competitors, we're a mutual. That means we don't have shareholders. Instead, we're customer-owned. If you join your employer's pension plan, you'll become a member of Royal London. This means you'll have a say in how we run our business and you'll share in our success.

We hope this leaflet has helped you see that a pension is a good way to save for your future.

If you want to know more, you should speak to a financial adviser. If you don't have a financial adviser you can find one in your area at **royallondon.com/find-a-financial-adviser**

Advisers may charge for their services – though they should agree any fees with you up front.

*Based on total 2022 premium income. ICMIF Global 500, 2024

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We're happy to provide your documents in a different format, such as braille, large print or audio, just ask us when you get in touch.

January 2025 14L55/19