Don’t miss out on your **pension benefits**

Pensions

ROYAL LONDON

Don’t miss out on a good thing

None of us like missing out on the good things in life – especially when they can help us financially.

By choosing to opt out of your employer’s pension scheme, you could be missing out on a great opportunity. You could be boosting your pension savings with contributions from your employer and tax relief from the government.

This leaflet highlights the effect that putting off saving into a pension can have. It also shows you the valuable employer contributions that you’re missing out on.

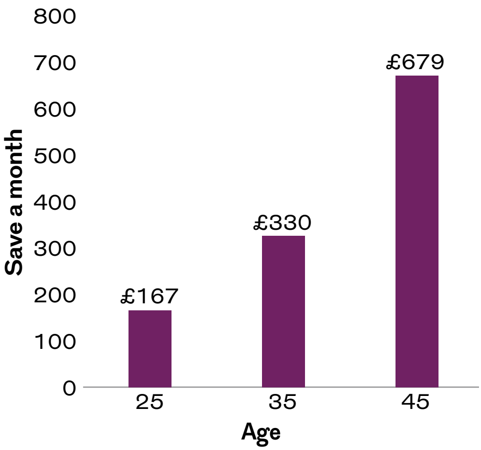
The cost of delay example

James is 25 years old and isn't currently saving for his future. He started a new job last year and opted out of his employer's pension scheme due to other financial commitments.

James would like to retire at age 65 and buy an annuity that pays a yearly income of **£19,800**. He understands the importance of saving for his future, but he's not sure if he should start saving now or wait until there's more certainty in the market.

The following example shows what delaying saving for his retirement could cost him. The monthly contributions assume that James' starting salary is £37,430, which is the same for all examples. His salary will increase by 3.5% each year, and he will maintain the same percentage contribution rate until retirement. We've also assumed James' employer makes contributions into his pension at 3%.

Year one figures



If James started saving for his retirement now, it would cost £167 a month, which is 5% of his monthly earnings, to achieve a yearly income of £19,800 when he retires.

If he delays saving for ten years, he'd need contributions of £330 a month in order to achieve a yearly income of £19,800, making saving into a pension less affordable. And if he waits until he's 45, this more than doubles to £679, meaning that he'll probably need to settle for a smaller income.

Of course, investment returns are never guaranteed. So while there's a chance James' pension savings can grow, their value can also go down. This means he could get back less than he started with.

These figures are just an example to illustrate how saving into a pension later could affect the income you have when you retire.

For simplicity, these figures assume that no adviser charge applies and take into account an AMC (Annual Management Charge) of 0.5%. They are presented in terms of today's prices allowing for 2% inflation.

This example assumes James and his employer make contributions every year until age 65 and his investment grows at a rate of 5% each year. The investment growth rate used isn't guaranteed. Annuity rates change all the time, so they could be higher or lower in the future.

These figures are based on whole market annuity rates as at 2 January 2026, for a single life annuity with a 5 year guarantee period, issued at age 65 for a non-smoker.

Boost your pension with employer and government support

A little help from your employer and the government

A pension is one of the most tax-efficient ways to save for your future. The government encourages pension saving by giving tax incentives, known as tax relief.

For example, if a basic rate tax payer decides to join their employer's group pension plan and contribute £100 a month, they'll only need to contribute £80 because the other £20 will be made up of tax relief from the government.

Let's say their employer has agreed to match their total contributions so they also contribute £100 a month into their plan. That means their original £80 more than doubles to £200 a month. Although this is only an example, it helps you see how saving into your employer's group pension plan could boost your pension contributions.

Save now, spend later

People are living longer in retirement. So you should plan for your pension savings to last longer than you currently expect.

The New State pension for the 2026/27 tax year at the full rate of tax will only give you £241.30 a week. If this isn't enough to provide the future you want, you should consider putting some money away now.

Don't leave it too late

Your pension savings are locked away and invested to help them grow until you reach age 55 (age 57 from 6 April 2028). You can access your pension savings after this age, but they can remain invested to continue growing. The longer your money is invested, the more time it has to grow. So the earlier you start saving, the better off you could be.

Of course, as with all long-term investments, the value of your pension savings can go down as well as up. So while there's a chance your pension savings can grow, their value can also go down. This means you could get back less than you started with.

Flexible pension options for your future

Leave money for loved ones

A pension allows you to leave money for loved ones when you die.

If you die before age 75, your pension benefits will generally be paid out tax free as a lump sum or income to your loved ones. Please note that the value of your death benefits may count towards your estate for Inheritance Tax purposes, from 6 April 2027, depending on legislation being finalised.

Reap what you sow

You can access your pension savings any time after age 55 – even if you're still working. This will increase to age 57 from 6 April 2028.

You have several flexible options for accessing your pension savings. Typically, you can take up to 25% of your pension savings tax-free, while the remaining 75% is subject to tax. Additionally, transferring your pension can offer even more flexibility and benefits.

You can take some or all of your plan as a cash lump sum. If you want more flexibility, you can move to another plan that gives you the option to take a regular income when you need it. Or you can buy a secure regular income for the rest of your life. This is also known as an annuity.

Tax rules and legislation can change and the value of tax benefits will depend on your individual circumstances.

Start building your pension today

People often say they can't afford a pension because they don't have money to spare. But it's important to think about the future. By prioritising saving into a pension, you give yourself the opportunity to save for the retirement you want.

Considering staying enrolled in your pension plan? Remember, you have the flexibility to make single contributions at any time to take advantage of tax relief and give your pension savings a boost.

The more you pay into your pension, the more help you'll get from the government. Any single contributions you make are added to your pension and invested to help them grow, helping you save more for your retirement.

To find out more about tax relief and any limits that apply, or to explore your options for making pension contributions, visit **royallondon.com/makingpensioncontributions**

What you can expect from us

We'll keep you up to date with how your pension savings are doing

Our mobile app makes it easy to keep an eye on your pension savings whenever you like. Download the app to see your contributions paid, what your pension savings are worth now, how they've performed, any charges paid and what your pension savings could be worth when you retire. Just search for 'Royal London' on the Apple App Store or Google Play.

We'll also send you an engaging yearly update which pulls out all the key performance information about your plan and gives you an idea of how your future's shaping up. You can use this to support your ongoing conversations with your financial adviser.

You can trust us to look after your best interests

As a mutual, we focus on the things that will make a difference to our members and customers, like aiming to share some of our profits through ProfitShare and reinvesting our profits to provide better products and services.

Our actions will always be driven by the long-term best interests of our members and customers.

You'll benefit from our great people backed by smart technology

We pride ourselves on the quality of service we deliver through our great people and smart technology. So whenever you need to call on us, you can expect to deal with real people – who are committed to providing excellent performance and maintaining high standards of service.

We aim to share our profits

As a mutual, we believe our members and customers should share in our success. So when we do well, we'll aim to boost your pension savings by giving you a share of our profits each year. We call this ProfitShare.

We're a responsible investor

We're committed to acting and investing responsibly.

That's why we work closely with our asset managers to engage with the businesses and projects we invest in. We encourage them to make positive, long-term changes by considering Environmental, Social and Governance (ESG) factors, which look at how a company treats the environment, how it supports people, and how responsibly it's run – all while staying focused on delivering dependable returns for our customers.

Don't leave it too late

Hopefully, after reading this leaflet you can see what you could be missing out on by not joining your employer's group pension plan.

We know that a pension isn't suitable for everyone, as it could affect entitlement to State benefits. So we recommend that you speak to a financial adviser. If you don't already have an adviser, you can find one in your area by visiting **royallondon.com/find-a-financial-adviser**

But if a pension is right for you and you want to stop missing out and start enjoying the benefits of saving into a pension, speak to your employer.

The sooner you start saving, the better prepared you could be for a more comfortable retirement.

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.

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