Fidelity INTERNATIONAL WORKPLACE PENSIONS

Saving:
Invest in yourself

Make your workplace pension work for you

Did you know that you're an investor? It might sound like an unusual question, but our Global Retirement Survey discovered that 51% of UK respondents didn't realise that their retirement savings are invested[1].

If you haven't got to grips with your pension yet, there's no better time to do so than right now. Retirement might feel like it's a long way off, but caring about your pension now might make it the biggest investment in yourself and your future. Here are five steps to help you get started.

Note this information is not a personal recommendation for any particular investment, or course of action. If you are unsure about the right approach for you personally, you should speak to an authorised financial adviser.

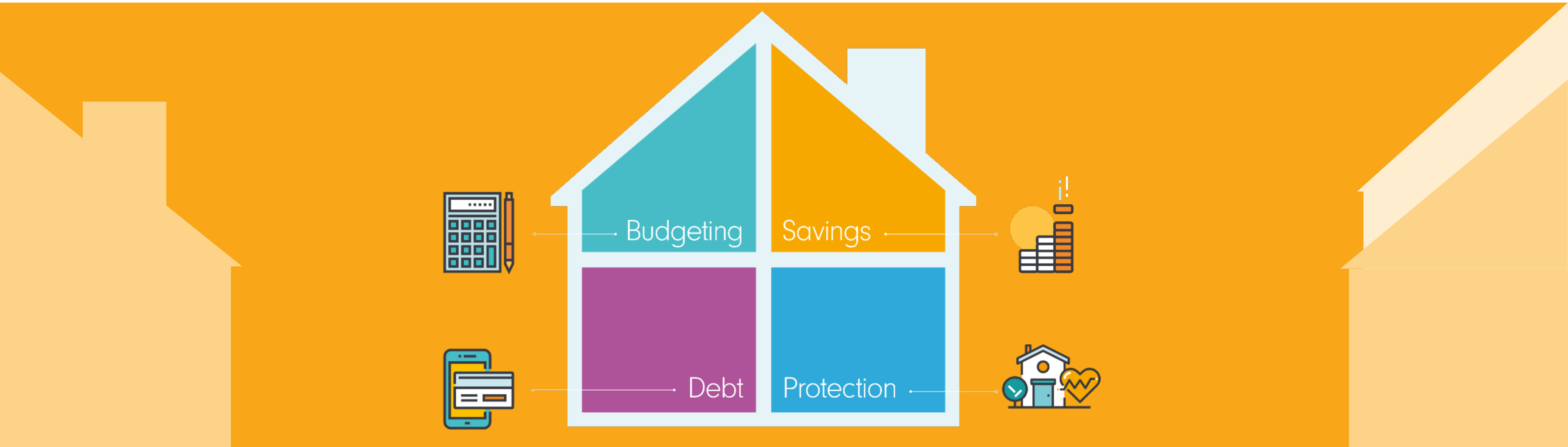
1. Know your goals

When you are thinking about saving and investing, it's important to know why you're doing it. You might have some shorter-term goals that are relatively straightforward – getting your contingency savings in place, for example, or planning for something special, such as a wedding, a holiday or a new car.

For the longer-term goal of building retirement savings, you might not be so sure how much you should be putting aside – and if you're in this position, you're in good company.

One way to see if you're on the right track is to read our retirement savings rules of thumb, as these look at what you should be saving to reach your retirement goals.

[1] Source: The Fidelity Global Retirement Survey, 2019



2. Meet your match

You and your employer can both make regular payments into your plan. All these contributions go directly into your pension pot to be invested. Some employers will also offer to contribute more if you do as well. This is called an ‘employer match’ and if these extra contributions are available to you, why not take advantage of them to help grow your savings even more?

Speak to your employer to check you’re making the most of what’s on offer.

3. Save more with tax relief

The Government gives you tax relief on contributions you make into your pension pot. This means for every £100 you save, the cost to you is only £80 if you are a basic-rate taxpayer. For higher-rate taxpayers, the cost could be as little as £60 – or £55 if you pay additional-rate tax.

It’s important to keep in mind that there are some restrictions on the maximum amount of tax relief you can claim each year, including an annual pension allowance. Learn more about allowances and the tax benefits of pensions. Please also note that the rates of tax relief may be different for Scottish residents. Eligibility to invest in a pension and tax treatment depends on personal circumstances and all tax rules may change.

4. Supercharge your savings

When it comes to saving, the earlier you start contributing, the more time your money will have to grow. This is a way of supercharging your savings using the power of compounding. Put simply, it means you benefit from investment growth that has already built up on your savings. This will accumulate over time and can turn a small pot into a significant amount.

5. Think like an investor

For our final step, take a look at where you are currently investing. When you joined your company’s pension plan, your contributions were probably put into a ‘default investment’. These are designed to be broadly suitable for most people, particularly as they change where they invest your money based on your age and chosen retirement date.

As well as making sure the retirement age is correct, it’s a good idea to take a look at what retirement goal (or goals) your default investment is targeting, so you can make sure that this is appropriate for your needs. If it isn’t, and you are comfortable making these decisions on your own, you could consider choosing your own funds instead. Alternatively, if you’d like some help with any of these decisions, you should speak to a financial adviser.

Take the next step

Log in to PlanViewer to start getting the most out of your pension savings. You can check your balance, see what you are investing in and discover more useful tools and guides. For even easier access, download our PlanViewer app in the iOS and Android app stores.

Important Information – The value of investments and the income from them, can go down as well as up, so you may get back less than you invest. Eligibility to invest in a pension and tax treatment depends on personal circumstances and all tax rules may change. You can't normally access money in a pension until 55. This information is not a personal recommendation for any particular investment. If you are unsure about the suitability of an investment you should speak to an authorised financial adviser. UKM0122/33083/SSO/0123