



For members

# Making the most of your workplace savings

Helping you achieve financial freedom through future planning.

Pensions | Investments | Protection



You might feel you're on track for the income you'll need, for the retirement lifestyle you'll want, or you might think you've a bit more work to do.

Wherever you are in your journey, we want to make it as easy for you as possible. So, we've created this guide to help you get the most out of your workplace savings.

You'll find simple steps to take and lots of tips to help you.

### **Why Aegon?**

Your employer has chosen us to provide your workplace pension. We have a wealth of experience managing workplace schemes and we already support over 10,000 employers and manage the savings of around 900,000 individuals (as at 07/04/2022).

Our mission is to help you achieve a lifetime of financial security and make financial planning simple, easy and fulfilling, something we have been doing in the UK since 1831. To find out more about us please visit [aegon.co.uk](https://aegon.co.uk)

If your personal circumstances mean you need any additional support, or you'd like a large print, Braille or audio CD version of this document, please contact us on 03456 017 721 (call charges will vary) or at [aegon.co.uk/onlineform](https://aegon.co.uk/onlineform)

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### Top tip

Review your pension savings regularly, at least once a year. This can help you manage your retirement goals and stay on track for the retirement lifestyle you'd like to achieve.

## Your path to retirement

Your pension pot could be your most valuable asset when you reach retirement. Actively engaging with your plan can help you make the most of your savings and increase the chances of seeing your pension pot grow over time. Regularly reviewing your retirement goals and considering your options in advance can also help you feel more in control – which can help to give you reassurance your retirement plans are on track.

### Here's what you can do to make the most of your workplace savings



#### Review your contributions

Knowing how much you're putting towards your savings and regularly reviewing them can help to make sure they're in line with the income you'll need for the retirement lifestyle you'll want.

See Page 5



#### Review your investment funds

Which funds you choose to invest your savings in will have a direct impact on the amount you'll have to live on in retirement.

See Page 8



#### Find out if combining your pots is right for you

Combining isn't for everyone. But if it's the right thing for you, it can make managing your pension savings much easier.

See Page 9

# Your pension contributions

If you haven't taken a look at your pension savings for a while – the sooner you start, the more you could potentially save for your future.

Knowing what lifestyle you're aiming for in retirement will help you to make more informed decisions. Even if your current finances aren't in the best shape, that doesn't mean they have to stay that way.

## Review your contributions regularly

Just like you may do with your other finances – such as bills, insurance premiums or savings accounts – we recommend that you take a look at your pension contributions too. It's good practice, and by doing this, you can keep an eye on what you're saving is in line with your goals as your needs and finances change.

There might be times that prompt you to review your contributions, such as getting a pay increase at work, changing financial circumstances or even new hopes for how you'd like to spend your retirement.

### Top tip

Remember, the more you pay into your pension pot, and the earlier you pay it in, the more potential it has to grow in value.



## Know if you're saving enough

The amount you contribute to your pension pot will directly determine the type of lifestyle you could have in retirement – that's why it's important to estimate how much money you're likely to need. This will depend on your personal circumstances, any other income you may receive and the way you'd like to live.

Take a look at myTarget our retirement income calculator at [aegon.co.uk/targetplan](https://aegon.co.uk/targetplan) – it helps you to understand what the impact on your future income could be, if you changed your current contributions.

## How you could boost your pension pot

If you find you aren't on track, or could afford to save more, there are a few ways you could boost your pension pot.

- By making one-off contributions through your employers payroll, such as if you've had a bonus or unexpected income.
- Start to make, or increase your regular monthly contributions.
- If offered by your employer, using part of your salary, known as salary sacrifice.

You can change your contributions by logging into [aegon.co.uk/targetplan](https://aegon.co.uk/targetplan), or by using your employers benefits platform.

The value of an investment can fall as well as rise and isn't guaranteed. The final value of your pension pot when you come to take benefits may be less than has been paid in.



### Top tip

Whichever option you go for, remember to regularly review your investments – it's easy to do on [aegon.co.uk/targetplan](https://aegon.co.uk/targetplan)

# Review how your contributions stack up

There are different ways you can do this and it will depend on what your employer has chosen for your workplace scheme.



## Let's take an example income

- Assuming an earning of **£30,000** gross a year (**£2,500** a month) and are a standard UK tax payer.
- This would normally take home **£2,035.56** a month.
- Paying income tax **£290.20** and National Insurance **£174.24**.

### 1 Using 'employee contribution'

If you paid into your pension plan yourself, known as an 'employee contribution', your employer would deduct your pension contribution from your gross salary, before calculating income tax.

This reduces the income tax you have to pay.

### 2 Using 'Salary sacrifice'

If you pay into your pension plan using salary sacrifice, part of your salary is given up in return for your employer making a contribution to your pension plan on your behalf.

This reduces the amount of income tax and National Insurance that you have to pay, although this may not be the case for everyone.

	Gross Salary per month	4% pension contribution	Income Tax	National Insurance	Take home pay	
1	£2,500.00	£100 (including £20 tax relief from HMRC)	£270.20 (£20 saving)	£174.24	£1,955.36	<b>£20</b> Tax saving
2	£2,400.00	£100 (paid in by your employer)	£270.20 (£20 saving)	£162.24 (£12 saving)	£1,967.36	<b>£32</b> Tax saving

The value of the reduction in tax and National Insurance will depend on your individual circumstances, and could change. This example is based on our understanding of current taxation law and HMRC practice, which may change. The figures shown are only examples and are based on the tax and National Insurance (NI) rates for 2023/24.

Income tax rates and bands are currently different in Scotland to the 'rest of the UK'. Please note all examples included above are based on the 'rest of the UK' rates and bands.

Salary sacrifice isn't always suitable for everyone. You should think about other things linked to your level of salary such as statutory maternity, paternity and sick pay, working tax credit/child tax credit or the amount of mortgage you can borrow. If you want more information on the suitability of salary sacrifice, you should speak to a financial adviser.

# Review your investment funds

The fund(s) you invest in can make a big difference to the amount you'll have to live on in retirement.

That's why it's so important that you're happy with the investment fund(s) you choose and that you regularly review them, especially as your circumstances change and you get closer to accessing your retirement savings.

We want to make it as easy for you as possible. Your workplace pension scheme offers three options:

## 1 Do it for me

Your employer will have chosen a default investment fund or strategy for your pension scheme. When you become a member of your workplace pension, this is where your contributions are automatically invested unless you tell us otherwise.

## 2 Guide me

It's also possible that your employer will have selected a shortlist of funds (Core fund range) to help narrow down the choice for you.

## 3 Leave it with me

If you're a more confident investor or you have help from a financial adviser, you can choose from our range of self-select funds – including those invested in environmentally and socially responsible investments – to build your own investment strategy.

## The default investment fund

Your employer will have chosen the default investment fund or strategy they believe to be the best fit for the majority of employees. They have a duty to regularly review the investment fund or strategy to make sure it remains appropriate. If you're happy for your contributions to be invested in the default investment fund you don't have to do anything – you'll automatically be invested in this fund. However, if you want to have a more hands on approach to where your money is invested, Aegon has plenty of options for you within your online account [aegon.co.uk/targetplan](https://aegon.co.uk/targetplan) and you can find out more at [aegon.co.uk/workplace/members/investment-choices/targetplan.html](https://aegon.co.uk/workplace/members/investment-choices/targetplan.html)

The value of investments can fall as well as rise and isn't guaranteed. The final value of your pension pot when you come to take your benefits may be less than has been paid in. If you're not sure if a particular fund, or switching funds is right for you, please speak to a financial adviser. There may be a charge for this.



# Combine your pension pots

Whether you've already worked at a few places, or you're just starting out, chances are you'll accumulate a few different pension pots throughout your career.

## Why consider combining

- ✓ **Control** – bringing your pension pots together will make it easier to view and manage your money, to help you reach your retirement savings goals.
- ✓ **Fewer charges** – multiple pension pots could mean you're paying multiple charges. Combining into one pot means one set of charges – making it easier to see what charges you're paying and potentially saving money if your charges are higher in plans elsewhere.
- ✓ **It's free** – we won't charge you any transfer or set up fees for transferring your old pensions to us, but you should check if your current provider will charge any exit fee if you transfer.

Your Aegon plan allows you to combine your other pension pots – and we're here to help.

Combining pension pots isn't right in all circumstances, and there are important things to consider. At Aegon, we want to help you decide what's right for you and your future, which is why we've outlined the information you'll need. If you decide combining your pension pots is for you, we're here to help you take the next step.



### Top tip

Charges are typically shown as a % of your pension pot, for example a 0.5% charge on a pot of £10,000 means you pay £50 every year.



**Before deciding, here are important things to consider:**

- 1** Can I combine my pensions?
- 2** Is it right for me?
- 3** Should I speak to a financial adviser?

## **1** Can I combine my pensions?

We want to help protect you and your retirement savings and not all pensions can be combined. Your other pensions may have beneficial features, guarantees or additional benefits, and foregoing these may not be in your best interest.

If any of the following criteria apply to you, you must speak with a financial adviser if you:

- Have a defined benefit pension.
- May lose important safeguarded benefits.
- Have pension products with other providers that contain certain protection benefits.

### **Q** How can I find this out?

You can normally find information about these benefits on your pension statement. If you need further guidance Aegon Assist are on hand to help.

We're unable to accept transfers in these circumstances without the involvement of a financial adviser. If you'd still like to consider combining your pensions, a financial adviser will help you decide if these benefits are important to you and whether it's in your best interest to combine.

➤ See page 12 for more on guidance and advice.

## 2 Is it right for me?

There are important things to check, for each of your pensions, before deciding if you'd like to combine your pension pots.

Explore your options and the impact bringing your pots together might have on your retirement savings. We always recommend you get guidance or advice.

### Use this checklist to help you make a decision:

#### Features and benefits

Check if combining your pension pots will mean you lose valuable features, protections or guarantees you may have with other pension providers.

I've checked it's in my best interest to combine  Done

#### My investment funds

Any new investment funds you move your pension pots into will have their own set of risks that will be detailed in the fund information available to you.

I've compared my investment fund options  Done

#### Combining related charges

Check the charges you're paying other pension providers and if you'll be paying more or less by combining them into one pot. We won't charge you any transfer or set-up fees, however check if the pension providers you're currently with will charge an exit fee if you transfer – and how much it is.

I've compared my charges  Done

The value of your pension pot after transfer can still fall as well as rise and isn't guaranteed. The final value of your pot when you come to take benefits could be less than has been paid in.

### 3 Should I speak to a financial adviser?

We always recommend you get guidance or advice to make sure you're making the best decision for yourself.

**We also understand everyone's circumstances and needs are different. Here are some options for you to consider:**



#### Receive guidance from Aegon Assist

Aegon Assist can help you if you need guidance and don't have an adviser if you're looking to combine your pension pots.

They won't be able to give you financial advice but they can give you information to help you make your own decisions.

**Call Aegon Assist on:**

03456 017 720  
Call charges will vary.



#### Speak to a financial adviser

Check if your workplace scheme has a scheme adviser that you can get in touch with.

Financial advisers can provide you tailored advice, although they may charge you.

They can also help you determine if you're eligible to combine your pensions.

**To find an adviser visit:**

[moneyhelper.org.uk/choosing-a-financial-adviser](https://moneyhelper.org.uk/choosing-a-financial-adviser)



#### Access additional support

To help you make the best decision, we've created some additional resources online you can explore for further information.

**Please visit:**

[aegon.co.uk/targetplan](https://aegon.co.uk/targetplan) and go to the 'Help and Support' section in the top right of the page, then select 'Guides and FAQs'.

**I've weighed up my options, have considered guidance or advice and I'm ready to combine my pension pots.**

➤ Go to page 14 for next steps.

## Why should I choose Aegon?

We've developed a simple approach for you to combine your pots with us and help to potentially grow your savings in one account.



Manage all your savings in one place to get a more realistic overview of your retirement income



Take control by using your online account and see all your investments in one place



Easier to see what charges you're paying and potentially save money



### You can trust us

We've been helping people plan for retirement since 1831 and over 3.8 million customers\* in the UK trust us to provide savings solutions. We've helped thousands of people to combine their pensions and we can help you take control of your pensions by combining them into one, manageable pot.

\*As at 31/12/2021

## I'm ready to combine, what's next?

If you've checked your old pension statements, are sure you don't have any of the benefits or features described in the previous sections, and with guidance or advice, have decided that combining your pensions with Aegon is right for you, we're here to help.

### 1. Confirm you're eligible

Done

We want to help you achieve your financial goals. That's why we want you to make sure you're not losing out on any guarantees or benefits that are valuable to you.

You must speak to a financial adviser if you:

- Have a defined benefit pension.
- May lose important safeguarded benefits.
- Have pension products with other providers that contain certain protection benefits.

### 2. Let us know you'd like to combine

Done

 Login to [aegon.co.uk/targetplan](https://aegon.co.uk/targetplan) and complete the online application

**It will be helpful to have this information to hand before you start:**

- National Insurance number
- Bank account details

You might also find it helpful to capture the details for your other pensions. Take a look at your pension statements to find the information – don't worry if you can't fill in all the details.

Scheme name	Plan number	Date	Type of pension	Provider	Contact details

### 3. Leave it with us

Done

Once you've submitted your application, sit back and relax, we'll take care of the rest for you and we'll be in touch when the transfer is complete.



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