



Retirement

RETIRE IN THE STYLE YOU'VE ALWAYS HOPED FOR

A pension is one of the best ways to save for your retirement, yet many of us aren't aware of the benefits of investing into a pension or how much we'll need to retire in the style we'd like.

Things you need to know...

- The annual pension allowance in the 2025/2026 tax year is £60,000.
- You can benefit from making personal pension contributions since the government offers a financial incentive. Each personal pension contribution is automatically increased by the basic rate of tax (20%).
- Higher and additional rate taxpayers are eligible to claim further relief through self assessment.
- Your employer can take workplace pension contributions out of your gross pay before Income Tax is deducted. You not only save tax this way but also on National Insurance.

Your annual tax allowances

Making the most of your annual tax allowances is a step towards helping you achieve your long-term financial objectives.

Did you know...

For a basic rate taxpayer, if you pay £80 into a personal pension, the government contributes £20.

- You can carry forward any of your unused pension allowances from the previous three tax years.
- It is sensible to review your State Pension National Insurance contributions and pay voluntary contributions to close any gaps you may have.
- You can't withdraw funds from your pension until you reach age 55 (increasing to 57 in 2028). After the initial tax free cash amount, you will be taxed at your current rate.
- You may want to think about pension funds you've had with previous employers and consolidate them together— you may be surprised how big the accumulated pot is.

The value of investments and any income from them can fall as well as rise and you may not get back the original amount invested.

HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.



An ISA is a great way to save for your retirement...

- You can invest a total of £20,000 into ISAs in the 2025/2026 tax year and can choose to invest in one ISA or across multiple accounts.
- If you have a Lifetime ISA (LISA), you have an annual allowance of £4,000 which forms part of your annual £20,000 allowance. A LISA will help you in retirement and is available if you are under the age of 39.
- Your ISA will not close at the end of the tax year. Your savings remain in place on a tax-free basis for as long as you keep your ISA accounts.
- All of the money you withdraw from your ISA, is free from tax. Penalties may apply to a Lifetime ISA subject to certain rules.
- If you complete a tax return, you do not need to declare any ISA interest or gains on it.

Rate of pension tax relief

Basic rate tax payer
20%

Higher rate tax payer
40%

Additional rate tax payer
45%

An ISA is a medium to long term investment, which aims to increase the value of the money you invest for growth or income or both.

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Get in touch

We can help you take the right steps by putting plans in place to achieve the retirement you want. Talk to us now.

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