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Your Financial Survival Guide

navigate your retirement savings



TPS, NHS, LGPS and USS members

about us.

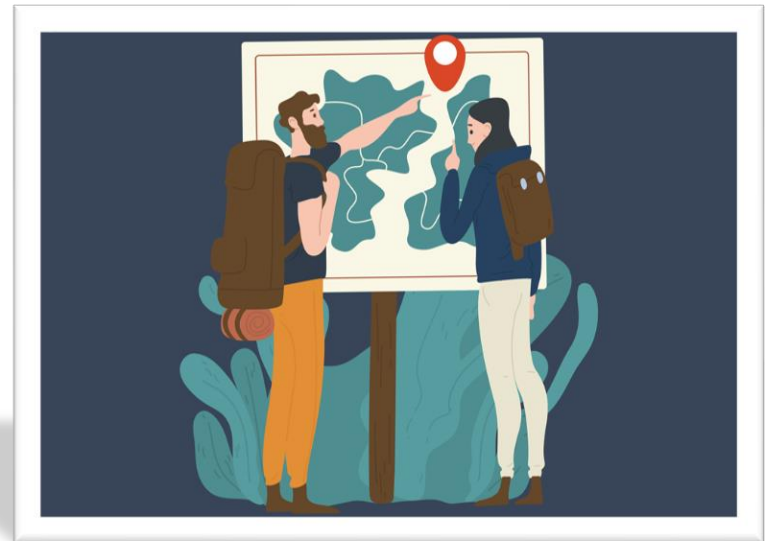
We are a leading financial wellbeing and retirement specialist - helping those in the workplace to improve their financial future.

Established in 2005, we work with hundreds of organisations across both the private and public sector.

Our financial education services are delivered on a bespoke basis.

what we'll cover today.

- Why save for the long term?
- Tax efficient savings
- Workplace pensions
- Tax allowances
- Next steps



why save for the long
term?

your objectives.

Long term
15 years +

Consider
Retirement
approach

Medium term
5-15 years

Consider
Risk Vs return

Short Term
0-5 years

Easy access savings
Current account

Tax efficient savings.

what gets deducted from my salary?



- HMRC use a system called 'Pay As You Earn' (PAYE) to collect Income Tax and National Insurance
- The taxes will be deducted from your pay by your payroll department
- Some benefits are tax free
- Salary and other benefits are not

rates of income tax 2022/23.

Personal Allowance

on the first
£12,570*



£12,570*

Basic Rate Tax

on the next
£37,700



£50,270

Higher Rate Tax

on the next
£99,730



£150,000

Additional Rate Tax

on earnings above
£150,000



*The Personal Allowance reduces by £1 for every £2 of income above £100,000.

National Insurance 2022/23.

Lower Earnings Limit (LEL)

Primary Threshold (PT)

Upper Earnings Limit (UEL)

National Insurance Rate: 0%
Qualifying Year : ✗

£0 - £6,396

National Insurance Rate: 0%
Qualifying Year : ✓

£6,396 - £9,880

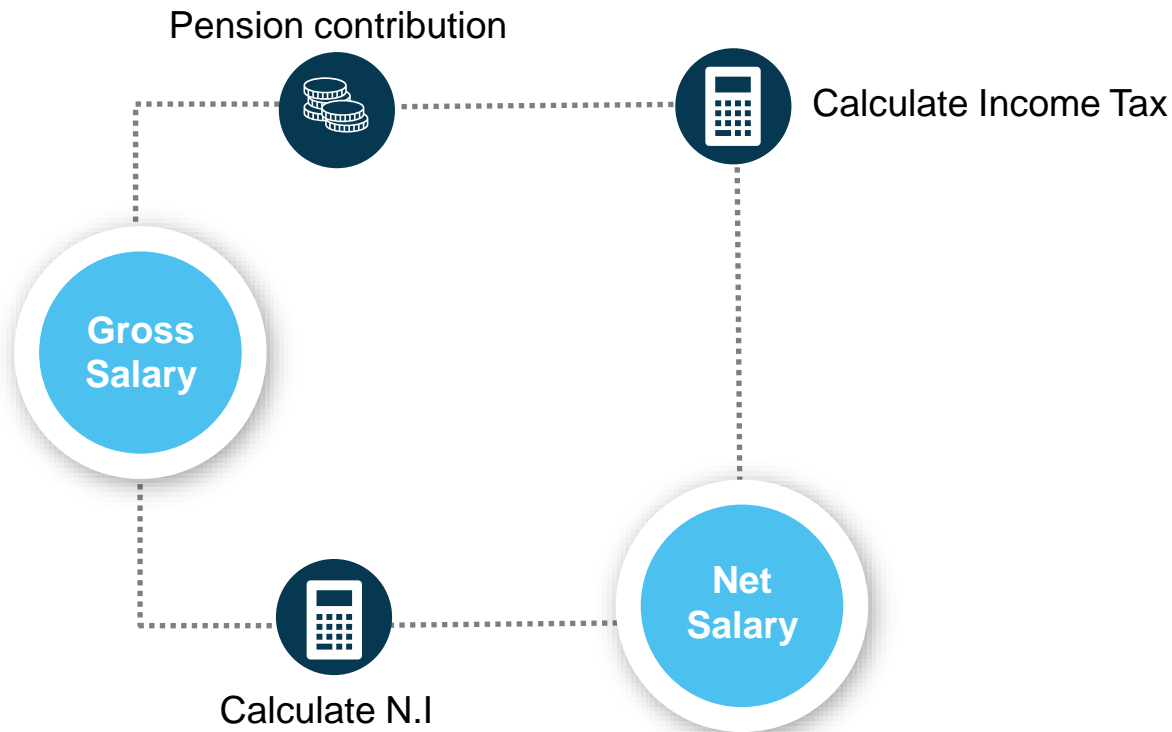
National Insurance Rate: 13.25%
Qualifying Year : ✓

£9,880 - £50,270

National Insurance Rate: 3.25%
Qualifying Year : ✓

£50,270+

pension tax relief.



You save:

Basic-rate
Taxpayers
up to **20%***

Higher-rate
Taxpayers
up to **40%***

* Tax relief on pension contributions is limited to the greater of 100% of relevant earnings and £3,600.

Salary Exchange.



You save:

Basic-rate Taxpayers
up to **33.25%***

Saving made up of:

- 20% income tax, &
- 13.25% National Insurance

Higher-rate Taxpayers
up to **43.25%***

Saving made up of:

- 40% income tax, &
- 13.25% National Insurance

* Tax relief on pension contributions is limited to the greater of 100% of relevant earnings and £3,600.

workplace pensions.

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are your pension savings on track?

Your annual pension statement will show you:



What your pension is worth



What it is projected to be worth when you retire



Your retirement date

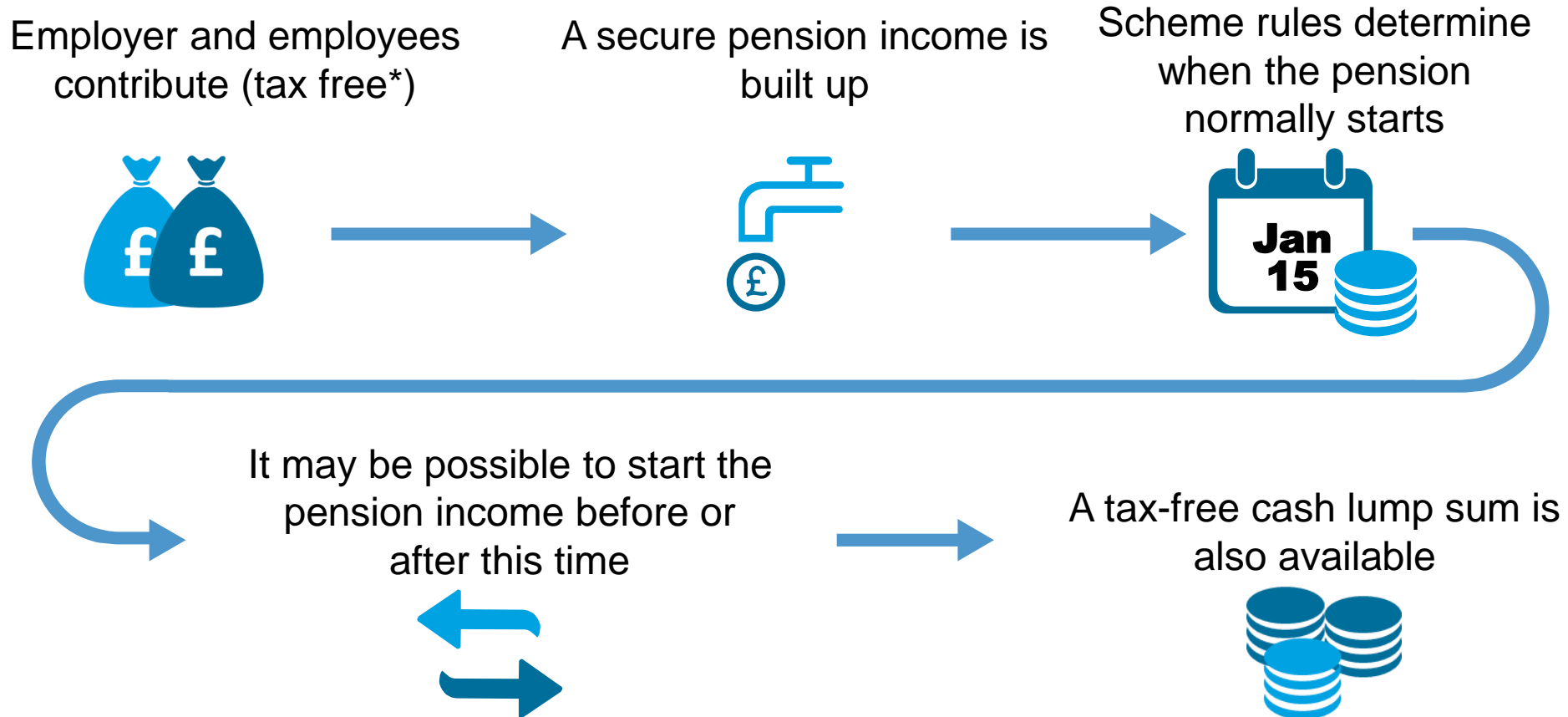
Online Pension Calculator

- Calculate the target income you would like in retirement
- Forecast your retirement income for all your pensions
- Identify if the retirement income is likely to be less than the target income



moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/pension-calculator

defined benefit (DB) schemes.



*subject to HMRC limits

how to calculate a DB plan.



**Accrual
rate**

(e.g. 1/60)

The proportion of
your earnings you'll
get as a pension for
each year as a
member



**Pensionable
earnings**

(e.g. 1/60 X £25,000)

Usually salary at
retirement or career
average



DB income

(e.g. = £416pa)

Your DB income
in retirement

career average – an example

An individual has 3 years pension membership before leaving the scheme:

- Year 1 pensionable salary = £30,000
- Year 2 pensionable salary = £31,000
- Year 3 pensionable salary = £32,000

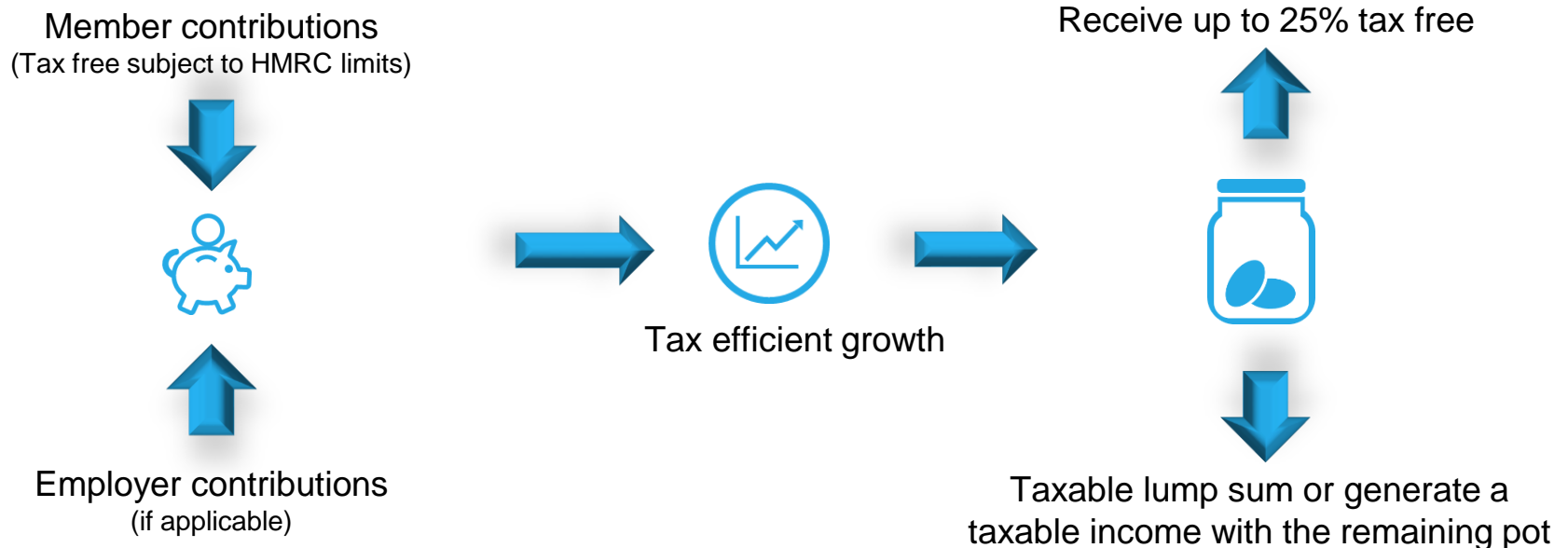
On a 1/60th scheme, they would receive 1/60ths of their pensionable salary for each year they were a member

	Year 1	Year 2	Year 3
Year 1 pension	£500 (1/60 of £30,000)	£505 (CPI 1%)	£520 (CPI 3%)
Year 2 pension	-	£517 (1/60 of £31,000)	£532 (CPI 3%)
Year 3 pension	-	-	£533 (1/60 of £32,000)
Pension at end of year 3			£1,585

Please note: scheme rules determine how benefits are calculated

defined contribution (DC) schemes.

- The UCRSS and Peoples Pension are examples of a DC pension schemes
- The USS is a hybrid so can be made up of both DB and DC savings
- If you make AVCs as a member of a DB scheme, these will be held on a DC basis



Workshops are available aimed specifically at member of the UCRSS

additional voluntary contributions.



Contributions are deducted from your salary, receive tax relief* and then invested



Building up a separate pot of pension money



Option to receive these AVCs from age 55**

Retirement options include:

If the AVC is taken at the same time as the main scheme:

- Up to 100% tax free cash*
- Increase your LGPS pension (& up to 25% tax free cash)

Alternative options (a transfer may be required):

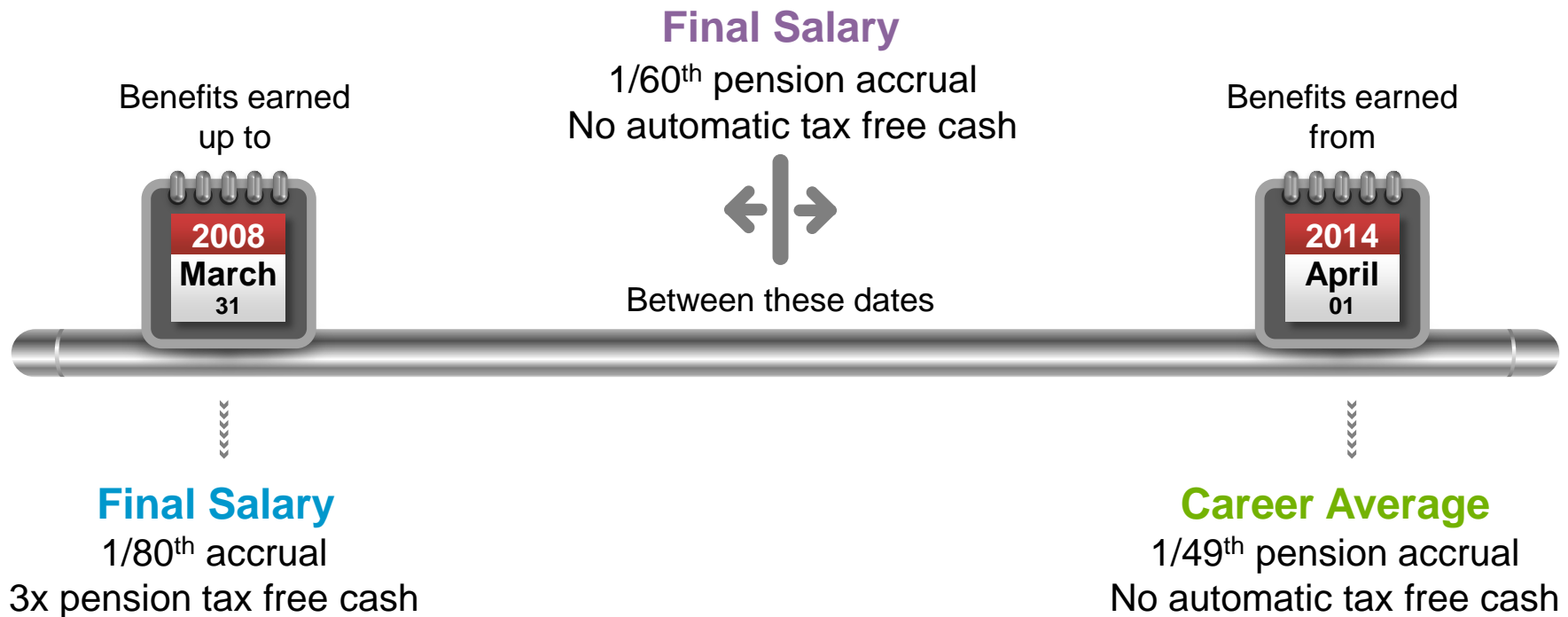
- Annuity (& up to 25% tax free cash*)
- Cash lump sum (25% tax free & 75% taxed)
- Flexi Access Drawdown (& up to 25% tax free cash*)

* Subject to HMRC limits.

** The minimum age for accessing your pension is expected to increase to age 57 from 6 April 2028.

Pension savings in certain schemes may be protected from this change.

the LGPS.



The LGPS offers you the flexibility to pay half your normal contribution rate and build up half your normal pension. This is called the 50/50 section of the LGPS. You keep full life and ill-health cover if you join the 50/50 section.

TPS before 1 April 2022.

1/60th Final Salary

No automatic tax free cash

Joined on or before



Between these dates

Joined on or after



1/80th Final Salary

3x pension tax free cash

Career Average (CARE)

1/57th pension accrual
No automatic tax free cash

TPS from 1 April 2022.



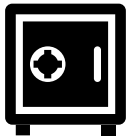
All members join the career average section

**Career Average
(CARE)**

1/57th pension accrual
No automatic tax free cash



The final salary sections close for future accrual



You will retain any benefits earned before 1 April 2022



These benefits can be accessed in the same way and at the same time as you could before 1 April 2022



The calculation of the final salary sections will still be linked to your final salary

the USS.

Previous Schemes closed to future build up.
USS Retirement Income Builder &
USS Investment builder introduced

Joiners Before
Final Salary
Pension accrual: 1/80th
3 x pension tax free cash



October 2011

Joiners after
Career Revalued Benefit
Pension accrual: 1/80th
3 x pension tax free cash



31 March 2016

1 April 2022



- Changes to:
- Accrual rate
 - Threshold
 - Revaluation cap

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the changes in the USS.



- Pensionable salary over the DB Core Pensionable Salary will be used to calculate contributions to the Investment builder

8% Member contributions

12% Employee contributions

£59,883.65 (2021/22)

Salary Threshold

- 1/75th pension accrual
- Member contribution rate of 9.8%
- Active revaluation: CPI up to 5% & half of CPI above 5% up to 10%

the changes in the USS.



- Pensionable salary over the DB Core Pensionable Salary will be used to calculate contributions to the Investment builder

8% Member contributions

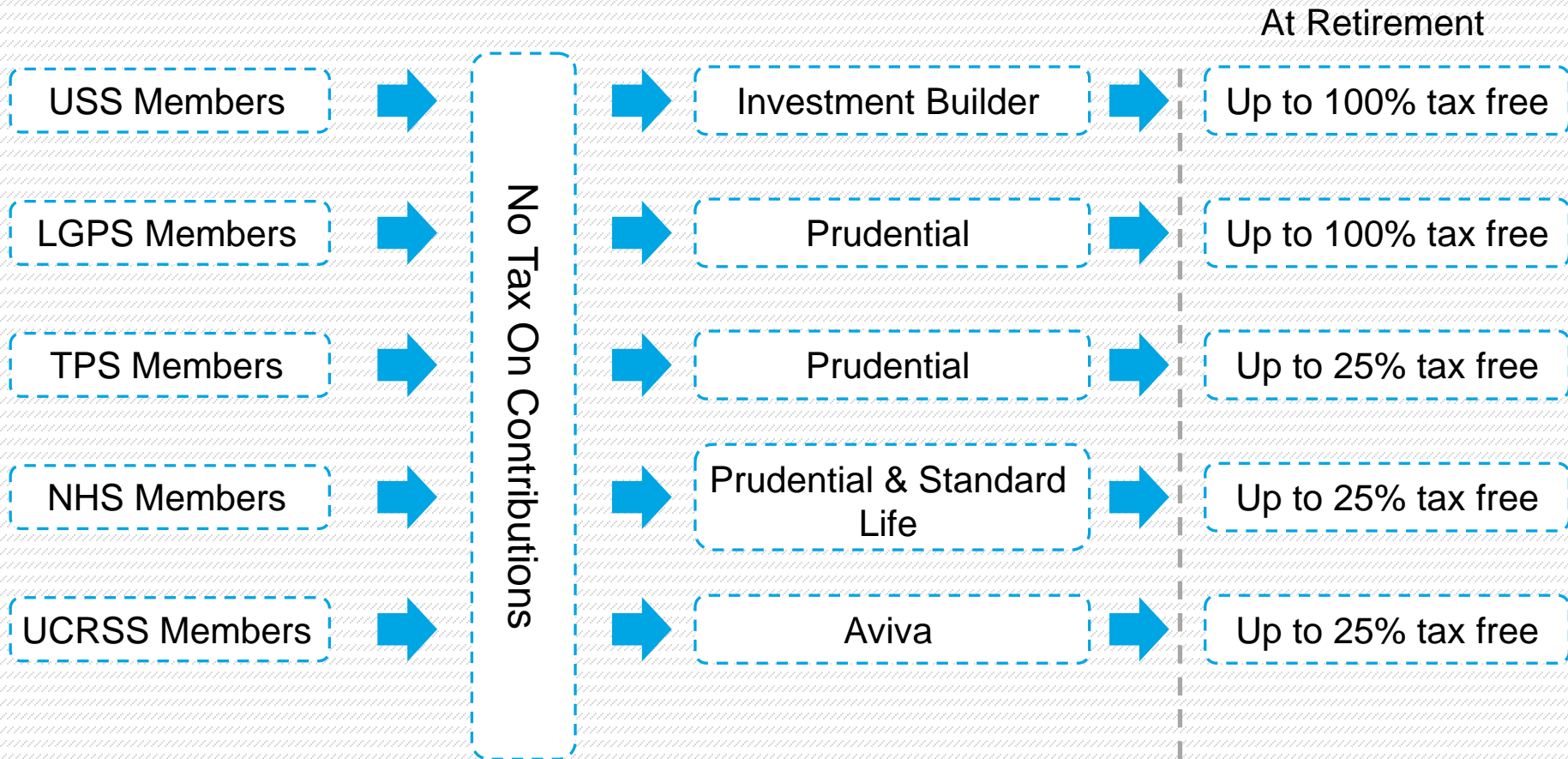
12% Employee contributions

£40,000 (from 1 April 2022)

Salary Threshold

- 1/85th pension accrual
- Member contribution rate of 9.8%
- Active revaluation: cap of 2.5%

AVC summary.



Tax relief on contributions and maximum tax free cash entitlement is subject to HMRC limits

LGPS – salary exchange

LGPS members are able to make AVCs using salary sacrifice

- Annual Salary £30,000
- Employee AVC = £1,500pa (5%)
- Tax Saving = 20%
- NI Saving = 13.25%
- Personal Cost = £1,001pa



Tax savings



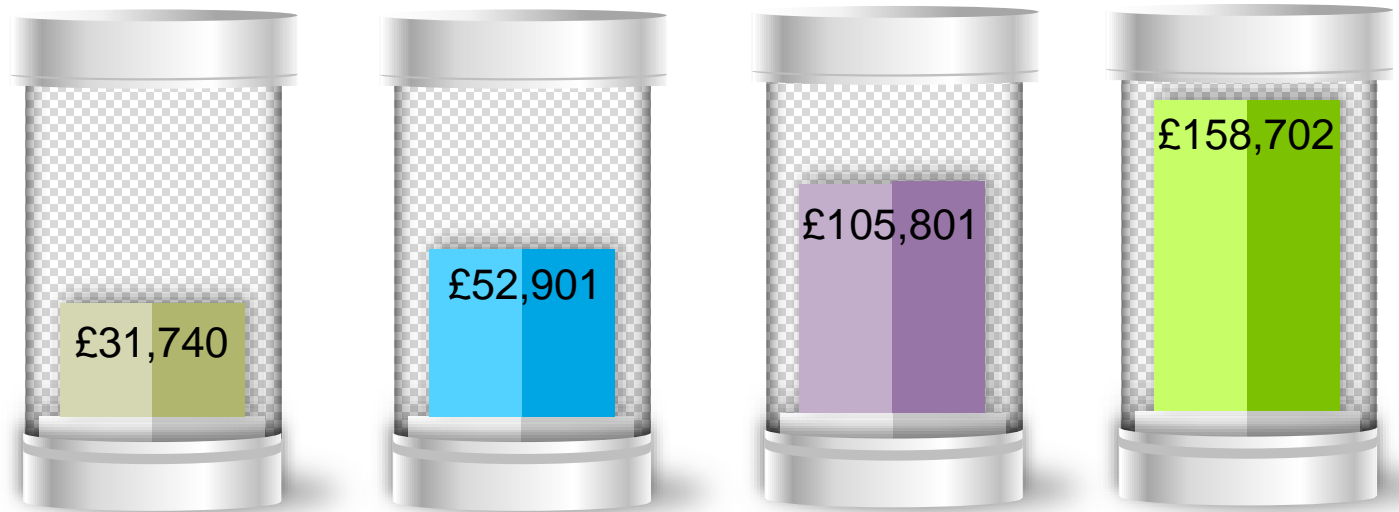
Employee AVC (5%)



how your contributions may add up.

The below example is based on a 40 year old earning £30,000pa.

Pensionable salary: £30,000 | Planned Retirement: Age 68



Contributions

3%

5%

10%

15%

Figures shown are for illustrative purposes only.

how your contributions may add up.

What assumptions are used to estimate this future pension value?

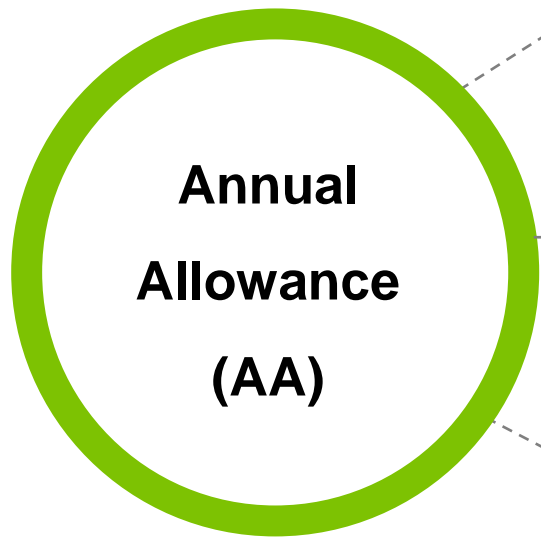
- Contributions rates remain unchanged
- Annual pay increases by 2.5%pa
- Charges of 0.75%pa are taken from the pension pot
- The pension investments grow by 5% each year
- Inflation of 2.5% applies - the value of the pension pot shown in the example is in today's money



The assumptions used are from the Money Helper Pension Calculator. These have been used for illustrative purposes only.

tax allowances.

limits on tax efficiency.



The annual allowance is £40,000*



This may be reduced if your total taxable income exceeds £200,000



Carry forward may be available from up to the 3 previous tax years



If you think you may be affected, ask about this on your follow up call.

*Tax relief is only available on contributions up to the greater of 100% of relevant earnings or £3,600

limits on tax efficiency.

Lifetime allowance (LTA)

- £1,073,100
- DB pensions are converted at 20:1
- DC pensions and tax-free lump sums valued at monetary amount



If you think you may be affected, ask about this on your follow up call and register for the “**Senior reward**” webinar



next steps.

uol-lifechoice.



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your journey towards retirement.

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Useful links to help your health and wellbeing in retirement.

[Read more](#)

Your Finances

Useful tools to help you plan your 'journey towards retirement'.

[Read more](#)

Contact us

For further information, please get in touch.

[Click here](#)

www.uol-lifechoice.co.uk

your pension scheme.

01

The Teachers Pension Scheme

www.teacherspensions.co.uk/members

www.teacherspensions.co.uk/members/videos.aspx

02

The Universities Superannuation Scheme

www.uss.co.uk

03

The Local Government Pension Scheme

www.lgpsmember.org/arm/already-member-how.php

www.lgpsmember.org/arm/already-member-extra.php

04

The UCRSS – members should sign up to ‘MyMoney’

www.avivamymoney.co.uk

05

The NHS Pension Scheme

www.nhsbsa.nhs.uk/member-hub

other useful contacts.

01

Money Helper pension calculator

www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/pension-calculator

02

Money Helper credit card calculator

www.moneyhelper.org.uk/en/everyday-money/credit-and-purchases/credit-card-calculator

03

Financial help relating to COVID 19 (mortgage holidays, loans, insurance)

www.moneyhelper.org.uk

04

General tax and National Insurance information

www.hmrc.gov.uk

05

Pension Tracing Service

www.gov.uk/find-pension-contact-details

seeking advice.

- Regulated financial advice can provide you with the most suitable course of action relating to a wide range of financial needs.
- It is important that you take steps to ensure you are dealing with genuine firms/individuals and that they are authorised to provide advice in the areas you require.
- A list of regulated financial advice firms can be found here:
<https://register.fca.org.uk>



See more about the financial services register on the next slide

the financial services register.

- Under each firm listing there is a section titled 'activities and services' – this details the types of services the firm are regulated to provide.
- Each firm has a regulatory responsibility to ensure Advisers working for them are deemed appropriate for the role – the firm can provide you with a list of their regulated Advisers.
- The FCA are publishing a Directory detailing all regulated advisers, which will then enable you to independently verify any individuals you are dealing with.

Contents

Who is this firm?

How are customers protected?

What can this firm do in the UK?

Restrictions

Activities and services

Who is involved with activities at this firm?

Who is this firm connected to?

contact us.

We provide a telephone helpline and a regulated financial advice service through **my wealth** - a trading name of Wealth at Work Limited which is a member of the Wealth at Work group of companies.

It helps individuals to understand their personal financial situation especially when selecting their retirement income options.

- Telephone **0800 028 3200**



thank you.

0800 028 3200

www.wealthatwork.co.uk/mywealth