

IT PAYS TO KNOW YOUR PENSION

HELPING YOU UNDERSTAND YOUR PENSION



FREQUENTLY ASKED QUESTIONS

Q1 How much should I be saving into my pension?

Our research has found that people should aim to be saving 15%* of their salary into their pension every month if they want at least a moderate standard of living in retirement.

So even if you are years from retirement, you might want to consider contributing more if you can, because saving early gives your pension pot more time to potentially grow, and you could also benefit from increased employer contributions.

But we also understand that with the current cost of living, you might be thinking about changing how much you pay into your pension. The good news is that there generally is some flexibility with this. The first step is to speak to your employer about what your options are. You may be able to reduce your contributions to a minimum amount and still keep some of your employer's contributions. However, it's important to review this again if your finances improve.

*Remember this is made up of you and your employer's contributions. Source: Scottish Widows Retirement Report, 2024.

Q2 How much will I need in retirement?

The Pensions and Lifetime Savings Association (PLSA) states that an average person needs at least £14,400 a year to cover their basic needs, plus some left over to spend on leisure and social activities, like a short holiday and eating out about once a month. But that's considered the minimum amount you'd need. It is recommended that an individual will actually need just over £31,300 a year for a moderate living standard, and over £43,100 a year for a comfortable living standard with greater financial freedoms. So it's important to think about what you expect your expenses could be, and decide how much you'd like to have left over to allow for more freedoms and spontaneous spending.

And don't forget, as long as you pay National Insurance Contributions or earn National Insurance Credits in the UK, you'll be building up a state pension. The current full state pension is £221.20 per week**. You need a minimum of 10 years' worth of contributions to be eligible for a state pension, but you'll need 35 years' worth to get the full amount.

For lots of people, their state pension will form the largest part of their income in retirement, and you can find out when your state pension will be paid and what you are on track to get by visiting [the government website](#).

**as at April 2024.

Q3 How can I keep track of my pension savings with Scottish Widows?

You can keep track of your pension savings through the Scottish Widows app, or via your online pension account.

Once you've logged in, you can see the value of your pension, your contribution history and where your savings are invested. You can also make changes to your investments, and keep your personal details, selected retirement age and nominated beneficiaries fully up to date.

Q4 How do I register for the Scottish Widows app?

All you need is your National Insurance number and your pension number or postcode. Scan the QR code below to download the app and keep track of your pension savings on the go.



Q5 What tools and resources do Scottish Widows have available?

- Our new interactive **Pension Mirror** tool uses AI to guess your age and reveals the average pension savings value for other people of that age. You can then see how you compare by downloading the Scottish Widows app to check the value of your pension pot on the go.



< Scan to visit the Pension Mirror

- **Meet Your Future Self** lets you see when you're on track to retire, based on your current savings and contributions. And you'll also get an image of what you might look like when you get there.



< Scan to Meet Your Future Self

- Our projection tool on the app shows you what your pension could be worth in the future and gives you a better understanding of how some little changes to your contribution amounts can impact your retirement.
- Our [retirement possibilities tool](#) can help you see how much you could have in retirement by answering a few simple questions.
- And if you don't think you're quite on track just yet, try our [Paying More calculator](#) to see how making small changes to your contributions now could really add up over time.

Q6 How do I nominate someone to receive my pension savings if the worst should happen?

Nominating your beneficiaries is really important and you can do this through the Scottish Widows app, or by using your online pension account. It's important to regularly review your nominations and keep them up to date as your plans and circumstances change.

Q7 Why is it important to keep my selected retirement age updated?

Your retirement age tells Scottish Widows when you are likely to access your savings. This won't necessarily be the same time that you actually retire from work. If you are investing in the default, or another, investment strategy, the automatic de-risking of your investments will target this retirement age, so it is important this is kept up to date. You can change your retirement age at any time by logging into your [online account](#), or via the Scottish Widows app.

Q8 I have multiple pensions, how do I combine them?

Even if you have not had many different jobs, you might still have a number of different pensions to keep track of. You can transfer any other pension pots into your Scottish Widows pension through our individual transfer process on the Scottish Widows app, or via our [website](#).

Combining pension pots can make it easier for you to plan for your retirement. One pension saves you the hassle and paperwork of managing many different plans. You have one central contact and one place to see how your retirement planning is going. It could also save you money on charges. However, there are a number of things to consider before you transfer. You need to be careful that you don't lose any guarantees or features, and you should also compare the charges and funds.

Pension transfers aren't right for everyone and you may want to contact a financial adviser if you are considering transferring. If you think you may need help in making a decision you should speak to a financial adviser. You will normally be charged for any advice they give you. You can find an adviser at [unbiased.co.uk](#).

Q9 How can I trace a lost pension?

If you've lost track of any previous pensions you've built up, you can try the Government pension tracing service at <http://www.gov.uk/find-pension-contact-details>.

This is a free service and, if they have a record of your scheme provider, they will be able to provide you with the relevant contact address.

Q10 What support do you have available on wider financial wellbeing?

At Scottish Widows, we're committed to supporting you through times of uncertainty. And with the current cost of living, we want to support your holistic financial wellbeing.

We've relaunched our [Be Money Well](#) page on our website and on our Scottish Widows app, to help you take control of your finances. The site brings together useful information on topics such as life's money moments, financial literacy and retirement savings, and tools to help you manage your financial future.

Important information

Pensions are a long-term investment. The retirement benefits you receive from your pension plan will depend on a number of factors, including the value of your plan when you decide to take your benefits which isn't guaranteed, and can go down as well as up. The value of your plan could fall below the amount(s) paid in.

Scan the QR code to download the app today



Scottish Widows Limited. Registered in England and Wales No. 3196171. Registered office in the United Kingdom at 25 Gresham Street, London EC2V 7HN. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 181655.

Scottish Widows Administration Services Limited. Registered in England and Wales No. 01132760. Registered office in the United Kingdom at 25 Gresham Street, London EC2V 7HN. Authorised and regulated by the Financial Conduct Authority. Financial Services Register number 139398.