

Retirement FAQ's

Common pension and retirement questions:



THOMAS WHITING LTD.
FINANCIAL SERVICES



Questions our clients ask

Below are answers to some of the most frequently asked questions about retirement planning in the UK. Use this guide to make informed decisions or consult a financial adviser for personalised advice.

When should I start saving for retirement?

The earlier, the better. Starting young allows compound interest to grow your pension significantly over time.

How much should I contribute to my pension?

A common rule is to aim for a total contribution of around 15% of your income, including employer contributions.

What is the State Pension, and how much will I get?

The State Pension is a regular payment from the government. The full new State Pension is £230.25 per week (2025/26), depending on your National Insurance record.

What types of pensions are available in the UK?

Main types include the State Pension, workplace pensions (defined benefit and defined contribution), and personal pensions (including SIPP's)

How are pensions taxed in the UK?

You can take 25% of your pension pot tax-free. The remaining 75% is taxed as income when withdrawn.

What is auto-enrolment?

Auto-enrolment is a government initiative requiring employers to enrol eligible employees into a workplace pension scheme.

What is a SIPP?

A Self-Invested Personal Pension (SIPP) offers more control and flexibility in choosing your investments.

Can I have multiple pension pots?

Yes, it's common to have several pensions from different employers or personal schemes.

Should I consolidate my pensions?

Consolidating pensions can simplify management and reduce fees, but it's important to check for exit fees or lost benefits first.

When can I access my pension?

Generally, from age 55 (rising to 57 from 2028). State Pension age is currently 66, rising in future years.

What happens if I die before retirement?

Your pension may be passed to beneficiaries. Tax treatment depends on age at death and type of pension.



Questions our clients ask continued

How can I boost my retirement savings?

Consider salary sacrifice, increase contributions as your salary increases, and take advantage of employer matching contributions.

What are the implications of retiring early in the UK?

Retiring early may reduce your pension benefits and increase the risk of running out of money.

How does the Lifetime Allowance affect my pension savings?

The Lifetime Allowance is the maximum amount you can save into your pension without facing extra tax charges. Exceeding it results in tax penalties.

What is a defined benefit pension scheme, and how does it differ from a defined contribution scheme?

A defined benefit scheme provides a guaranteed income based on salary and years of service, while a defined contribution scheme depends on contributions and investment performance.

How do I calculate how much I need to live on in retirement?

Consider your current expenses, lifestyle expectations, and future needs to estimate your required income.

What are pension freedoms, and how do they work?

Pension freedoms allow you to access your pension pot flexibly from age 55, including taking lump sums or purchasing an annuity.

Can I take my pension as a lump sum?

Yes, you can take your entire pension pot as a lump sum, but only 25% is tax-free.

What should I do if I haven't saved enough for retirement?

Consider increasing contributions, delaying retirement, or seeking financial advice to explore your options.

How do I ensure my pension lasts throughout my retirement?

Plan a sustainable withdrawal rate, consider annuities, and regularly review your investments.

What are the risks of investing in my pension?

Risks include market volatility, inflation, and longevity risk (living longer than expected).

How do I create a retirement budget in the UK?

Estimate your income sources and expenses, considering lifestyle changes and inflation.



Questions our clients ask continued

What happens to my pension if I die before retirement?

It can be passed to beneficiaries, usually tax-free if you die before age 75, or subject to tax if you die after.

Can I continue to contribute to my pension while receiving my pension?

Yes, as long as you are under the age of 75 and still have relevant earnings.

How do health care costs factor into retirement planning in the UK?

Consider potential healthcare needs and costs, as they can significantly impact your retirement budget.

What is the role of a Financial Adviser in retirement planning?

An Financial Adviser provides personalised advice on pension options, investments, and overall retirement strategy.

How do I handle my pension if I've been self-employed?

You can set up a personal pension or a self-invested personal pension (SIPP) to save for retirement.

How does divorce impact my pension rights in the UK?

Pensions can be considered marital assets and may be split during divorce proceedings.

What are the common pitfalls to avoid when planning for retirement?

Common pitfalls include underestimating expenses, failing to adjust investments, and not planning for healthcare costs.

How can I access financial support for retirement planning?

You can access support through government resources, financial advisors, and workshops offered by financial institutions



Services

We provide well-resourced teams to support your clients, offering advice across a wide range of planning needs — from straightforward financial requirements to complex, specialised planning and investment solutions.

- Personal and workplace pension advice
- Retirement income strategies
- Pension consolidation
- Tailored investment portfolios
- ISA and GIA advice
- Investment Bonds
- Risk profiling and diversification strategies
- Regular portfolio reviews
- Residential & BTL mortgages
- Long-term Care Planning
- Life Insurance & Critical Illness
- Income protection
- Tax, Estate and Inheritance Tax Planning
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