

Puzzled By Pensions? Christmas Quiz Answers



1. (c)

Employers must currently auto enrol their workers into a workplace pension scheme once they have reached the age of 22 - and they must currently earn £10,000 or more.

For more information access our *Auto-Enrolment Guide*: www.usdaw.org.uk/AutoEnrolmentGuide

2. Drawdown

From April 2015 the Government changed the tax rules to allow people to access their pension savings as they wish at the point of retirement. Rather than having to swap your pension pot for a regular income for the rest of your life (known as purchasing an annuity), the Government introduced a more flexible "drawdown" option.

For more information check out our webpage on pension options:
www.usdaw.org.uk/OptionsAtRetirement

3. (a)

Generally you are allowed to take up to 25% of your Defined Contribution pension pot as a tax free lump sum. Check out our Pensions Jargon Buster Guide: www.usdaw.org.uk/PensionsJargon

4. (b)

The normal minimum pension age (NMPA) is the earliest age most people can start withdrawing money from their personal and workplace pensions. It's currently 55 years but this will increase to 57 from 6 April 2028, unless you have a Protected Pension Age or you're retiring due to ill health.

For more information access our *Pensions Guide*: www.usdaw.org.uk/PensionsGuide

5. (a) The Pension Regulator (TPR)

Amongst other duties TPR is responsible for implementing auto-enrolment legislation and ensuring employers comply with their auto-enrolment responsibilities.

6. (b)

There is a limit on the total amount that can be saved each tax year, with tax relief applying and before a tax charge might apply. The current Annual Allowance limit is £60,000.

For more information access our *Tax and Pensions Guide*: www.usdaw.org.uk/451

7. (c)

A Letter of Expressed Wishes (also known as a Nomination Form) provides the Trustee of your pension scheme with information on how you would like any pension monies payable to be distributed in the event of your death. Whilst not legally binding, it provides guidance/direction for the Trustees.

8. (d)

The annual increase to the state pension is called the 'triple lock guarantee'. This was introduced by the Government in 2010.

For more information access our *State Pension Guide*: www.usdaw.org.uk/428

9. (a)

This is correct and is known as Redundancy Sacrifice. You must ask your employer if there is a mechanism to do this prior to you leaving. You need to be careful that you do not exceed the Annual Allowance of £60,000 (2025) or the Money Purchase Annual Allowance of £10,000 (2025).

10. (c)

If your contact details change, you should get in touch with your workplace pension provider and update them.

This is important as it will ensure you receive information about your pension. If you have lost track of a pension, take a look at our website to access the checklist for tracking down your policies:
www.usdaw.org.uk/PensionTracingDay

