

Personal and Stakeholder Pensions

Personal Pensions represent a popular and attractive way of saving for your retirement.

All monies invested into your fund grow free of capital gains tax, and the contributions you make are enhanced by income tax relief at source. For example if you invest £80, the government adds on tax relief (currently 20%) to enhance your contribution to £100! If you are a higher rate taxpayer you can claim additional relief through your pay coding.

A personal pension is an arrangement made in your name over which you have personal control. You can alter your contributions, suspend them, or stop them completely.

You will be eligible to take 25% of your accumulated fund tax-free when you retire, from age 55. There are a range of options when you decide to take benefits whether before or after age 75.

Personal Pensions usually offer a range of investment mediums to suit your attitude to investment risk, and you can change your investment at any time.

Stakeholder pensions are similar to personal pensions but have their charges capped at 1.5% for the first 10 years reducing to 1% thereafter. Whilst Stakeholders are generally considered a little cheaper than Personal Pensions, investment choices may be restricted.