Pensions

What is a pension

A pension is a regular payment made to a person following retirement from service or through fragilities like death or ill health

A recipient of a retirement pension is known as a pensioner or retiree

If you haven't been provided with any information relating to your membership under pension scheme, ask your employer if there is a pension scheme in place, what sort of scheme it is, and whether you are a member or not.

How do the different pension schemes work

The majority of pension schemes work in the same way - whilst you are working, you pay a small amount into your pension fund. When you stop working (or reach State Pension age), you then receive regular payments based on the amount you have contributed.

What information should I expect to receive about my pension

When you join a pension scheme, you are entitled to information about your pension benefits, how the scheme is run and how the pension fund is performing. The trustees of the scheme must give you this information in a way that is easy to read and understand

Pension schemes are normally set up either under a trust, an association of persons or a business carried on under a scheme or arrangement

Where your scheme is set up under a Trust, the scheme's assets are looked after by trustees on behalf of members, their dependents and other beneficiaries

In most pension schemes, trustees do not actually carry out the day to day running of the scheme

No matter who looks after the day to day running of the scheme, trustees remain responsible for making sure that members get full information about the scheme and their own entitlements

Trustees appoint a licensed Pension Administrator to carry out certain functions relating to the scheme, in particular to manage member data, administration of exists and payment of benefits and reporting to trustees and members in form of annual reports and annual benefit statements for members



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What contributions am I required to pay into a pension scheme



Contributions tend to be set as a percentage of pensionable emoluments which in general would be a percentage of your salary.



If you join the scheme, you will be required to pay the level of contribution set out in the scheme rules.



The employer will be required to pay contributions as defined in the scheme's rules e.g. 10% of your net salary would be deducted as your contribution.

When will I receive retirement benefits



You will normally receive your retirement benefits when you retire.



With Normal retirement, Pension schemes provide benefits at the scheme's normal retirement age, which is between 50 and 70 which is also provided for by law.



Most pension schemes permit members to retire early with the employer's and/or trustees' consent, generally from age 50 onwards or with a minimum 20 years of service.