

Don't leave your pension to chance

It may not be at the top of your list of priorities, but as Carol and her sister, Anne, found out, you can't just assume your pension is taken care of...

Pensions had never been very high on Carol Phillips' agenda—until her younger sister, Anne, mentioned that she was going to have to start her own after getting divorced.

'I was really shocked when Anne told me she was going to have to put money away for her retirement,' says Carol, 44. 'Her ex-husband, Peter, had a really good job and I'd just assumed she'd benefit from his pension. But Anne ended up getting a lot less towards her own retirement than she'd expected. It made me think about what my financial situation would be if anything

them. 'We saw a Government Info-line number, rang it, and within a few days had received some leaflets that answered some of our questions and told us where to get more help.' There were some surprises in store for them, too. 'I found out that I'd be getting my state pension later than I thought,' adds Carol. 'Apparently, from 2020, women will be getting their state pension at 65—the same as men. As women tend to live longer than men, I suppose it makes sense and it's much easier to plan for the future when you know what changes are going to take place.' Carol also discovered from the Government leaflets that if she and Mike divorced, or he died prematurely, she could still get a state pension based on his payments. 'I was relieved to find I'd have something,' says Carol, 'but I also want to have money for treats and holidays when I've stopped working. 'Because the kids have left home, I've got a

I can afford to pay into a pension, but I don't want all my money tied up so I can't buy things for Jack or take him on holiday,' she says. As well as explaining what her options are, the leaflets also told Anne about the new flexible Stakeholder Pensions, planned for next year. 'I know I need to start saving now, but because I know these schemes will be available, I've chosen a pension that will let me switch to a Stakeholder pension when I want to,' she says. There are also plans to improve the way pensions can be shared out if marriages break up. It's nice to know that in future other people in that position will have less to worry about. Armed with all this new information, the sisters were determined that Carol's daughters, Laura, 23, and Zoe, 22, would be better prepared than they'd been. 'Zoe has just started her first job after leaving college. She's really enjoying having money to

spend on clothes and going out, but I've managed to convince her that her future is important, too. She's agreed to put away £20 a month and, because she's started early enough, it should build into quite a large sum by the time she's ready to retire. As she earns more, she'll be able to invest more.' Laura is married to Gary, and is a full-time mum to six-month-old baby Jenny. The Government is changing the

rules to ensure that women who stay at home with their children will still get something towards their pension. 'That's good news for her,' says Carol, 'but I've still made her promise that if she goes back to work, she'll start saving towards her own pension, so she'll also be financially independent. 'With all the information that's available now, there's really no excuse for not planning properly for your retirement.'

'Our children will be better prepared for the future'

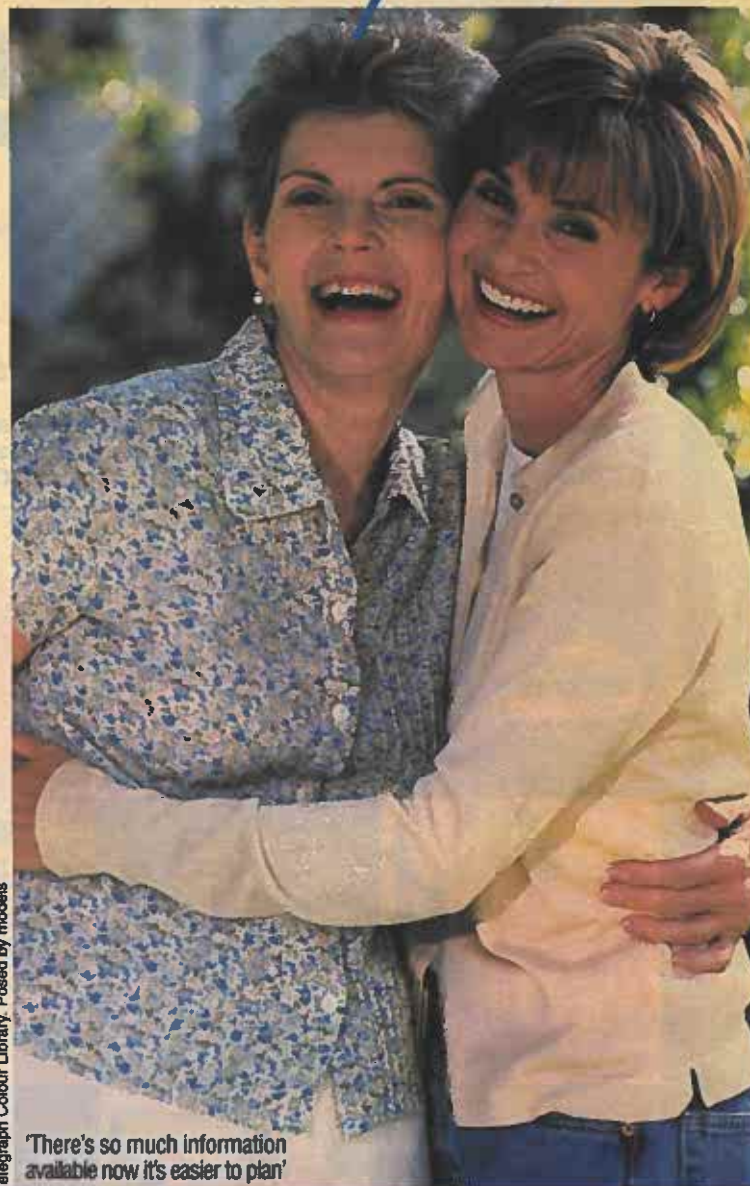
happened to my husband, Mike. 'But the real problem was that neither Anne nor I knew anything about pensions. It all seemed so confusing, and although we both work full-time, we had no idea how much we should be putting away. We were also worried we might have left it too late.' The sisters decided to get some information to see what options were available to

bit of spare cash to put away. I know I've left it a bit late, but I've still got around 20 years to save for our retirement.' Anne, who's 38, has a six-year-old son, Jack. She works full-time, but was worried that starting her own pension might mean she wouldn't have any spare cash to spend on her son. 'I earn £19,000 a year, and get help from Peter for paying the mortgage and the bills. I know



The Government has produced a range of impartial information leaflets on pensions, written in plain, jargon-free English, to help explain the pensions options available. If you want to order a Women's Pensions Pack that answers your questions, such as what pension options are open to you, what age you will get your state pension and what you can do to

make sure you'll have enough to retire on, ring the Pensions info-line number, 0845 7 31 32 33 quoting reference WAN1 (calls are charged at local rates) or visit the website at www.gogetpensions.gov.uk. A telephone service is available on 0845 604 0210. You can also write to DSS Pensions, Freepost BS5555/1, Bristol BS99 1BL.



'There's so much information available now it's easier to plan'

If you were born...	...then you will get your state retirement pension...
Before April 6 1950	at 60
Between April 6 1950 and April 5 1955	between 60 and 65
On or after April 6 1955	at 65

Our future's bright

Great pensions information for you
— no woman can afford to ignore this!



For Sarah Jones, 44, it was a chance conversation with her sister Lynne which made her realise that unless she started saving for a pension soon, she might struggle to get by in retirement. "When Lynne split up with her husband Bill last year she realised she could no longer rely on the money he was putting away," explains Sarah. "She was panic-stricken. Then I realised that if something happened to my husband John, I would be in exactly the same position — and I'm several years older than Lynne."

The sisters decided to investigate what options were open to them. "We saw a Government info-line number, called it, and within a few days we got some leaflets in the post that were really helpful," says Sarah. Her first surprise was that she'd be getting her State pension five years later than she'd originally expected.

"From 2020, women will get their State pension at 65, as men do," she says. "Women tend to live longer anyway so it makes sense and it's far easier to plan for the future when you know what changes are in store."

Sarah also discovered that if she got divorced or prematurely widowed she could still get a basic State pension based on John's payments. "But I decided I wanted to put something aside for myself," Sarah explains. "I've still got around 20 years to make sure we still get away for holidays once we retire and spoil our grandkids."

Lynne, who is starting a private

pension from scratch, was also given helpful advice on the options available and the new, flexible pensions that are planned for next year.

"I'm not waiting till then to start saving, but I was able to choose a pension that would let me switch easily when I want to," she says.

Now Sarah is determined her own kids don't leave it too late to sort out their pensions. "My oldest, Liz, 23, is a full-time mum, but the Government's changing the rules to make sure that people like her will still get something towards their pension," she says.

"My other daughter, Jane, 22, has just started her first job after university. Money is a bit tight for her, but I keep telling her even if she's only putting

'Even if she's only paying in £20 a month, she's started early enough to build up a large sum when she retires'

£20 a month into a pension, she's started early enough so it can build up to quite a large sum when she's ready to retire. And she can pay in more as her earnings increase. She knows how worried Lynne and I got about the whole thing, so for once she's decided to listen to me! If you want peace of mind and plenty of cash when you retire, you really can't start planning too soon."

IF YOU WERE BORN

YOU WILL GET YOUR STATE RETIREMENT PENSION...

Before 6 April 1950

At 60

Between 6 April 1950 and 5 April 1955

Between 60 and 65

On or after 6 April 1955

At 65

For more information on your options you can order a *Women's Pension Pack*. It answers questions about what pension options are open to you, what age you'll get your State pension and what you can do to make sure you'll have enough to retire on. Call the pensions **info-line on tel: 0845 7 31 32 33 quoting ref BES 1** or visit our website at www.gogetpensions.gov.uk. A textphone service is available, tel: 0845 604 0210.

FOR MORE INFORMATION

The Government has produced a range of impartial pensions information leaflets, written in plain, jargon free English, to help explain the pensions options available.

For a copy of *Don't leave your pension to chance*, which gives an overview of how pensions work and what choices there are, call the Pensions Info-Line, tel: 0845 7 31 32 33 giving reference: BES 1. Calls are charged at local rates. A textphone service is available on tel: 0845 604 0210. You can also write to DSS Pensions, Freepost BS5555/1, Bristol BS99 1BL, or visit: www.gogetpensions.gov.uk

It's never too early to start a pension, but don't panic if you think you've left things a bit late



21 MARCH 2000

