LGIM Annual Member Forum

Kia Commodore

Hello everyone and welcome to the 2023 annual members forum. I'm really excited to be here today and we're going to have so much insight shared on this forum. My name is Kia Commodore and I'm your host for today.

A little bit of an insight into me. I run a financial literacy platform called Pennies to Pounds which I started back in university due to the lack of financial education that I saw when I was there. So I took it upon myself to create a platform to educate myself and my peers on personal finance and the aim has always been to dispel financial myths, simplify difficult financial jargon and rectify problems that people have when it comes to their finances.

The members forum aims to help people like you to plan for their future at whatever stage that you are in when it comes to your retirement journey. Now although today's theme is back to your pensions future, this is not a sci -fi convention.

However, I do want everyone watching at home to project yourself forward to that lovely day when you stop working and every day becomes a weekend. I can't wait for that day. I'm thinking about it myself and I want you to ask yourself this one question.

What should you be thinking about today to maximize your chances of reaching a dream retirement? So if you're asking yourself that question don't worry we're going to have some answers for you to ensure that you can reach that point.

The forums have been running since 2013 and have been virtual since 2020 and every single year the number of members that join us keep growing so we want to make sure that we grow with you and ensure the quality of the information that we give you increases as well.

We want it to be about you today so there's going to be a lot of questions that I'm sure you have and don't worry we've allocated a lot of time for Q &A at the end. Instructions should be on your screen now that will tell you how to ask these questions.

We can answer general questions for you however, if you have specific questions about your own personal circumstance, so for example, your fund value or your nominated beneficiaries, then you should head over to manage your account and find your virtual assistant in there.

He should be able to give you some more information. We'll be hearing from three of our members for our session today who will be sharing their journeys as they're at different stages of their retirement journeys and what they've learned when it comes to saving for their retirement.

I'm also joined by an amazing expert panel here with me today and with Charlotte, Jesel and Colin who are going to be sharing some of their insights and they are also at different points of their journey.

But I'm going to bring it to them to introduce who they are and what they do.

Charlotte Anthony

Thanks Kia. So my name is Charlotte and I've been working in pension education for over 10 years now and I currently at Legal & General work presenting to members to help them to understand how their pension works and also to help them to think ahead to their future.

Jesal Mistry

Hi everyone, my name is Jesal and I am responsible for the range of investment options that we make available to members of our workplace pensions. So those investment options are there to help your money grow over time and so I'm there to make sure that they continue to deliver long term.

Colin Clarke

Hi everyone, I'm Colin, I've worked in the pensions industry at Legal & General for over 30 years now. So I've seen pretty much everything that's sort of changed over that time and I currently lead up on our responses to government and regulatory consultations so I've got a good handle of how pensions work.

Kia Commodore

Amazing. Before we get into the session I'm going to ask each one of you to cast your mind back and think what advice would you give to your younger self about life in general?

Charlotte Anthony

Oh good question. So I think some of my responses are probably quite cliched but I'd say enjoy being young. I think that's something you probably don't enjoy as much as you should once you're there but also caveat that with the fact that you are as young as you feel and that's something I'm quite a lot saying now I've got a bit older. Don't stress about the small stuff because one day they will be yesterday's worries and be kind to yourself.

Jesal Mistry

Oh there's so much, so much I'd want to go back and tell myself including take a look at yourself at some of those questionable haircuts that you had in your teens. So there's definitely some stuff that I would say. I think the main thing though, a piece of advice I'd give myself is to do what you love, do what you enjoy because really that's the bit that you'll be most passionate about into the future and that will then see you in good stead for the future as well.

Colin Clarke

I agree with all of the things that Charlotte and Jes have said, you know that's very good advice I think for me to add to that I was born in the 70s so I lived through the questionable fashion trends of the 70s and 80s so I think I would say to myself look before you go out have a good look at yourself in the mirror. Do you really want to go out of the house looking like that?

Kia Commodore

I love those pieces of advice, I think I'd echo everyone and if I think back to younger Kia she probably did have some questionable fashion choices as well so I think I'd say maybe dial it back a little bit. You know, there's some great advice there. We're going to get straight into it now and I'm going to start with you Charlotte. We have got a lot of our members who are at different stages of their retirement saving journey, many of whom are at the beginning. So let's start with the basics then. What's the difference between a state pension and your own pension savings and why is it important to have both?

Charlotte Anthony

Okay, so if we talk a little about how they work that may help. So if we start with the state pension that's based on your national insurance record and the full state pension in the current tax year is £10 ,600 annually. What you get depends on of course your record and how many national insurance savings you have made and you will be eligible to receive the state pension when you reach the age that's set by the government and that's currently between age 66 and 68.

So the date you'll be able to access it depends on when you were born. If we move to your own pension that will work differently and your Legal & General pension will be a defined contribution pension scheme and what you get back depends on how much has gone in, how well the investments have performed, the charges that are deducted to manage the plan and the investments and also the choices that you make when you come to take your benefits at retirement. And they are both really important.

So I guess the state pension is there to provide you with a basic form of income and then your own pension savings can top up on that. And you've got an element of control into what you pay in and you can think about your goals for the future to identify if you're on track.

Kia Commodore

Amazing. Thank you for that Charlotte. So let's now talk about people who are in employment then. I think a lot of people with auto-enrollment may be enrolled into their workplace pension. So what exactly is a workplace pension?

Charlotte Anthony

Okay, so we looked at how a defined contribution pension worked, but we haven't talked about the benefits. So when you're paying into your workplace pension, the government gives you an incentive to save. It gives you tax relief on the money that you pay into a pension. This will be subject to some upper limits. You'll also be benefiting from the fact that it's not just you saving in a workplace pension. Your employer will be paying in money too. So paying into a pension might generally not be costing you as much as you think.

Kia Commodore

Love that. When it comes to pensions, and I think I have this conversation all the time, it's how much you have in there, you know, is that that question? How much should I be aiming to have saved in there? So you mentioned that the state pension is something that we get, and how many natural insurance years of contribution you've made, that's around £10 ,000 per year. But outside of that, how much, how can people figure out how much you should have saved in their pension?

Charlotte Anthony

So great question, and it is a really difficult thing to do. And in fact, the Pensions and Lifetime Savings Association, when they did their research, they found that 77% of people saving for retirement didn't know how much they'd need for the future, which is why they developed the UK's retirement living standards. And that's there as useful guidance to give people an idea of what lifestyles might look like and cost at retirement. So definitely a really useful piece of research. The other bit of good news is that most of us can access tools now, and that might help to identify if you actually are on track for that future that you're looking for.

And we've got a retirement planning tool at Legal & General that members can access from Manage Your Account. And that will help you to think about what you might get back out at retirement and work towards different goals, depending on your needs.

Kia Commodore

I think that's really useful to mention, like I said, the retirement planning tool, just to have a look and project and see what that might look like for you. Let's bring it down to young people then. Because I think when we talk about pensions, we always think about old people when young people think the same. They think, you know what, I'm in my 20s and 30s. I think about my retirement when I'm 40-50. So to our young members who are watching, what should they do to actually stay on track and think about their pensions from now?

Charlotte Anthony

So really, really important to say, isn't it? It is difficult to think about the future, particularly when it's a particularly long way away. And I'm constantly having conversations with my two daughters who are both in their 20s about the importance of pensions. And I guess the benefits of paying into a pension. So if you are younger, start to understand what the benefits are. Because ultimately, the earlier you start saving, the more you pay in and the longer you pay in for, the better an outcome you might get back at retirement in terms of what you can afford when you come to get there.

As you said, that weekend here, at the beginning of the presentation. So look at the benefits. Remember that it might not cost as much as you might think. So the tax relief element, the employer's contributions, and the fact that of course, that you could be working for a really long period of time. But we know from research, from people aged 22 to 32, that they want to retire at age 60. So if you retired at age 60, your retirement years could be significantly longer or long, which is great news. But then that money's going to need to last you for quite a period of time. So if you do want to retire at 60, start thinking now and using those tools to think, okay, how much do I actually need to pay in so I can get back what I want at retirement?

Kia Commodore

I think that's good. So any young members, if you're looking to have that dream retirement and have it earlier than usual, you need to think and start early. Let's talk about where we are right now in the economy. So I think everyone's feeling the pinch. Everyone's feeling things go up and maybe they've got less money at their disposal. So there's going to be many people who are watching who are making that difficult decision to think about whether or not they should keep their money for the now and maybe delay or stop making pension contributions or perhaps reduce their contributions.

Kia Commodore
So what would you say to anyone who's in that position as to whether or not they should think about the now and have their money now or reduce or stop pension contributions?

Charlotte Anthony
So it's a great point. There is a cost of living crisis and it is difficult for many members and many people in the UK generally.

So one of the things to be aware of is that Legal & General, we've developed an uncertain times hub and that can be accessed from Manage Your Account and our experts feed into that hub and that can help you with things like managing and protecting a pension, it can help you to understand inflation for example and how that impacts on the cost of living and also investing in uncertain times so that's probably a great place to start understanding it a little bit more.

But in terms of if you are thinking of either changing what you pay into a pension reducing or stopping contributions altogether do just sit back and ask yourself a couple of questions. So when is it that you're retiring and you know what's the lifestyle that you're hoping for when you get there? How much do you have saved at the moment and how long is that going to last you? And then ultimately what contributions would be affordable to you so you'll need to look at your own personal situation and what you pay in does need to be affordable but it's also important that our members do understand what they may be giving up on if they start to reduce contributions or stop paying in altogether - for example their employer makes might stop contributing at that point too. So important to understand all the factors.

Kia Commodore
Amazing. So let's think about the other side of the coin then. So people who may have a bit more disposable income at their disposal, should they consider putting in more into their pension if they have the means to do so?

Charlotte Anthony
Absolutely. Definitely worth paying more into a pension if you can afford to. And as we've said, the more you pay in, the longer you pay in, the better the chances are of having a decent income in retirement.

And there may be, of course, really easy ways of doing that. So incremental increases across your working life. As example, is when you get a pay rise, you might want to put some extra money into your pension at that point. Or if you are lucky enough to get a bonus at the company that you work at, you may want to put some of that money into your pension. And let's be realistic and say that there might be reasons that people need to pay more into a pension.

So for example, if you do have a gap. So I guess I've got some personal experience of this working part time for a number of years, and lots of common with other women who fall part of the pension's gender gap. And it's important to say you need to look at your own situation and work out if you do have gaps, if you can afford to pay back in. And women, for example, are retiring with less than half of what a man is retiring for.

And that is, you know, lots of different reasons that have led to that could be childcare, the cost of it, could be maternity leave, could be leaving a career early due to the menopause or caring for family members. So just be aware of when you might need to pay back, pay a bit more in because it might be needed.

Kia Commodore
So you highlighted a really important topic there, the pension's gender gap. So speaking to women specifically then, what can they do to make sure that they're giving their pension saving, their savings in general a boost?

Charlotte Anthony
So I guess knowing about it is the first thing, isn't it? If you can understand where you're going to have a gap, then you might

be able to take action if it's possible to do something about it. So keep an eye on the tools, use the tools, make sure you're registered for all your online accounts for your pensions and manage your account for your Legal & General pension. That will help you to identify throughout. your working life? Are you going to reach those goals? Are there going to be periods where you can't afford to pay in as much and can you plug that gap a bit later on down the line?

And we've talked about the pension gender gap. There is also an ethnicity pension gap as well. So, lots of reasons why people need to be very aware of kind of where they are with their savings and to monitor if they're on track and do as much as they can to plug those gaps.

Kia Commodore
Amazing. Thank you, Charlotte. Now, finally, just to wrap up, what steps can our members take for watching that to help them ensure that they reach a really good pensions future for themselves?

Charlotte Anthony
So obviously it's worth looking back. We've talked about what you might have in your Legal & General pension, but you might have other pensions too. So look at all of your pension savings, billions of pounds worth of savings goes unclaimed, make sure you know what you've got and that that can be part of your future. Do consider leaning into what you've already got. So start to monitor it, identify if you're on track and start thinking about that future. So we've talked about some of the research that's available. Start thinking about the kind of lifestyle you want so you can then monitor if you're gonna reach that lifestyle standard.

Kia Commodore
Amazing, thank you so much Charlotte. You've shared so much insight. I think that's been very useful to our members. This year we're delighted to have the opportunity to talk to our members about their pension schemes and they'll be sharing their experiences and all of their views and words are their own. Here is Robert Waugh, Chair of the Trustee board of Legal & General Mastertrust who will tell you all about it. He can say it better than I can. So over to you Robert.

Robert Waugh
Good morning everyone. Welcome on behalf of Joanne Segars, the Chair of the Independent Governance Committee and myself. We're delighted to have so many of you here where we hope you will learn something new to help you plan for your pension future.

The IGC and the Trustees represent you, the members and we're tasked with ensuring you get value for money across areas like performance, fees and service levels. Members are the focus of everything we do. So I'm delighted to be here in front of so many of you today.

After me, you'll be hearing from Carolyn, Dylan and Richard who are all at different stages of their pension savings. They'll be sharing what they might tell their younger self with all they know now and what they've learned about saving for their pension's future. I'm sure their stories will provoke questions. Please feel free to enter them in the chat function. Thank you for investing your time for your pension's future. I'd now like to hand over to Carolyn.

Carolyn
Hi, I'm Carolyn. I am currently 63. I know applause please. I don't look it. I've got about three years or so to state retirement, but my company pension I can take at the moment. I work at Sainsbury's and I have worked here for a while and I'm speaking to you from lovely South London.

I think I probably started to think about my pension, first off when I had my daughter, when I was about 29 and then later on really thinking about it when I got to about 40. So it was kind of in the back of your mind, but definitely 40 when I started to think about it seriously. And the action that I took was essentially make sure I've still got one. I started to look more at the old, my old job and keep an abreast of what pensions I had there, you know, just so I didn't lose sight of them.

My first bit of advice would be, if you leave a job and you're angry, don't take your pension contributions back. Because I think that's one of the first things that you want, you say to yourself, I don't want them to have my money. But it's not their money, it's your money. So one of the mistakes I made was an earlier job, taking a refund of contributions. Whereas if I think of now, that's another pension I could have had. So that would be my advice to my younger self.

And it's my advice that I give to my daughter now. Just don't think about it. Just pay it. It might hurt a little bit, but just don't think about it. Keep paying those contributions. My first tip would be to join the Manage Your Account. Make sure you open your account, Manage Your Account. Because the reason is, one reason I think is, when you move from job to job and you lose sight of your pension, but you will never lose sight of Manage Your Account, because it goes wherever you are.

So you can always go in and have a look. And the other thing is, it's more tangible in a way, because you see your account, you see how much is in there. There's great tools on there. There's the retirement planner, and it's just a really good way, really good way of you looking and knowing what your pension is all about. I think that's as you get older you need more knowledge and the easiest way to get more knowledge is to use the tools that are there. Go out there and use it.

Kia Commodore

Some really great insight from Carolyn there and she shared some amazing tips. I think some of the key takeaways is to make sure you keep track of your old pensions, to not take out any pensions in haste which was a good tip she had put there and if you haven't already make sure you sign up to manage your account and keep a track of your pensions.

During that video we've had a lot of questions come in so I'm going to bring it back to my expert panel and we're going to answer your questions. If you do have questions remember we do have the Q&A section at the end, instructions are on your screen and we'll still get to them towards the end.

First question though is Carolyn spoke there about taking a refund from her pension when she was younger. Is this something that you can do? I'm going to ask you this Colin.

Colin Clarke

Okay, yeah so the rules were different many years ago. You used to be able to take a refund from your pension if you had a sort of relatively short period of membership. The government changed those rules to try and encourage more people to keep their money in the pension for the longer term.

So the only time that you could take a refund now is just after you're automatically enrolled. So if you do that within the first month then you can get your month's contribution back. But outside of that once you're in the pensioner scheme after that time you have to leave the money invested in there until you're old enough to take it.

Kia Commodore

That's good to know. Thank you for that Colin. Next question is we've had a number of questions about finding pensions from old employers. So for example Isabel has asked how she could find that if she has pensions from old jobs and Natalie has also asked whether all the employments are moved into one pot or she's keep track of all of them. I'm going to bring this to you then Charlotte.

Charlotte Anthony

Yeah sure. So the first thing you could do to find any previous employers pensions is to use the government's pension tracing service. So if you're not sure of what the employer's pension was you can use that service to identify the provider, get their details so that you can then contact them and track down that pension and that is really important that you do that.

It isn't automatically moved so that's the other part. So Alison's question, it is important of course that you do track your own pensions and as we said a bit earlier billions of pounds worth of savings goes unclaimed and people aren't in touch with their savings. So really important that you do take that step.

Kia Commodore

Absolutely really important if you have a pension makes you go and track your pension and find the old ones. One last question then is on what feels like a related subject members have been asking what to do when they have traced their pension and Nika asked if it's better to consolidate pensions from previous employers or try to keep track of them separately? In fact we've had this question so many times about consolidating your pension that a total of 21% of questions that we received in advance were around transfers and consolidations so I'm going to come back to you Colin with this question.

Colin Clarke

Okay, thanks, Kia. It's a personal decision at the end of the day as to what's best for you. Some people may find it easier to combine everything in one place because it's easier to manage, but there's lots of things that people need to think about before making that decision to move your pensions.

So look at whether the charges that you're going to be paying in the one arrangement is going to give you better value for money than what you're in before. Look at your investment options, compare from where you're coming out of to where you're going to, whether that's right for you.

Charlotte Anthony

Also, some older pensions might have things like guarantees that you could possibly lose, so it's important to check with your providers whether that applies to you. And also the type of pension that you've got as well, whether it's a DC scheme like you have with Legal & General, or whether it's a final salary type scheme. And there's rules and protections around transferring from those kinds of schemes where you might have to take financial advice to make sure that it's the right decision for you, but ultimately it's personal and you need to do some research to make sure it's the right decision.

Kia Commodore

Amazing. Thank you so much, Colin. If you do have questions, like I said, the Q&A section is still at the end, so please do follow the instructions on your screen and we'll get to those at the end. Next up though, we'll be hearing from another one of our members, Dylan, who was planning to take his pension earlier than what is considered normal at the retirement age of 65.

Dylan

So, hopefully I have about three years to retirement and at the moment I work as a software engineer for the London Stock Exchange Group and I am mostly working from home in Nottingham. Probably in my 30s when I realised that pensions were very good at in terms of tax and then once the pension freedoms were introduced that's when I really started putting more in because I liked what the drawdown option now allowed in terms of the greater flexibility and also that I would be able to leave what anything that was left over from my pension to my family.

The bit of advice I'd give myself would be to always take advantage of the maximum level of matching that your company allows because your company will normally put you on a lower contribution level to start with and all you need to do is go and find their form to put yourself into the higher matching amount and that's great because you'll get that extra amount from your employer.

I think the The main thing is to engage with your pension as soon as possible. So go onto the L&G site, check how much you've built up so far, but also find out from them. They've got a lot of useful informational resources. So if you want to know what the difference between an annuity and drawdown is, that's great. And then you can also use their tools to find out how much you might need in retirement and how far you are towards that goal. So yeah, just engage with your pension and use their tools and go in there once or twice a year.

Kia Commodore

Brilliant to hear from Dylan there. He shared some really great insights and some of my key takeaways from that was that he mentioned that pensions are tax efficient ways to save and he also spoke about pensions freedom. He mentioned engaging with your pensions as early as possible and just keeping track of how much you've got in there, as well as taking advantage of employer contributions, which we heard from Charlotte a bit earlier, taking advantage of the extra money that you employ to contribute into your pension.

We've had a few more questions come in, so we're going to get to those right now. Question one is we've had 17% of you asking about general retirement queries. So I'd like to explore one of those that came out of Dylan's video around pensions freedom. So I'm going to come to you, Colin. What does pensions freedom mean for our members?

Colin Clarke

Okay, so pension freedoms were introduced in 2015. Before that time, the options that you could have with your pension were fairly limited. For most people, the only option was really to buy an annuity, which is a product that gives you a guaranteed income for life. But it didn't have the flexibility of leaving money invested, being able to sort of take money out as and when you might need it.

When pension freedoms came along, it completely changed the rules. So now members in schemes such as yours have got a lot more choice as to what you can do with your money. So you can still buy an annuity if you want security of a guaranteed income or you could take what was mentioned on the video as drawdown which is where you can actually take as much or as little as you like out of your pot whenever you want.

You can stop and start doing that at any time or you could take cashlump sums if you want. It's entirely up to you now so you can mix and match all of those things if you want. Be careful though because some of it is taxed so if you're taking a lot of money out you might end up paying more tax than if you were to spread it out over a period of time.

You need to think about whether you might run out of money. So lots of choice but also lots of things to think about as well.

Kia Commodore

Very good insight. Thank you so much Colin. We've got another question and we'll come to you Charlotte for this one. So Vicki has asked, can I increase my monthly contributions and would my employer increase their amount too?

Charlotte Anthony

Yeah, so I'll answer the first part. So you may be able to increase what you're paying in, whether or not your employer increases what they're paying in when you increase your contributions, depends on your contribution structure. And your contribution structure for the pension is something that your employer will provide. And if you're unsure of the details of how that structure works, then reach out to your HR or your payroll team.

You might be able to access that information on a benefits platform if you have one. And that will give you an understanding of, oh, if I pay in a little bit more, would my employer pay in a little bit more?

Kia Commodore

Amazing, thank you Charlotte. And then our last question is, if our members think that they should save more, how do they go about altering their pension contributions? I'm going to come back to you with that Charlotte.

Charlotte Anthony

Sure, so to change your contributions, this is something again you do via your employer because it's dealt with by your payroll. So your pension contributions are deducted from your pay. So ultimately you'll need to reach out again to your employer, either payroll or HR or your benefits platform might allow you to do that and get that pension contribution amended.

Kia Commodore

Amazing, thank you so much, it's been great insight. Lastly, we're going to hear now from Richard, who is early on in his pension savings journey and is 30 years from retirement.

Richard

Hello, my name is Richard. I have 30 years to retirement. I am a mechanical engineer. I work in Bristol and I'm filming from there today. So I first started thinking about my pension when my company converted from a defined benefit to a defined contribution scheme. And I realized that I needed to have a lot more input into the pension and my retirement in the future.

So I only started saving for my retirement a few years ago, but one thing I've learned is that the more you contribute the earlier on, the bigger difference it makes in the future.

Saving with Legal & General, I found there's some good interactive resources on the website which helped me realise that I needed to start saving a lot earlier and a lot more to provide a good retirement in the future, including the retirement planner tool that was very useful.

Kia Commodore

That was great to hear from Richard there, and he shared some amazing insights. The more that you contribute early on, the more you can have in your pot and you can make that you get the retirement that you deserve when you get there. Now we've had a few people mentioned the retirement planner and I promise you we haven't set that up. It's just a great tool to have a look at and research online.

I do promise we haven't set that up, we haven't. We are not too far off from the Q&A section so if you have any questions, please do follow the instructions on the screen and pop them in. Before we get there I have a few more questions. I've got question here. So we've had a couple of shout outs from our members So I'm going to come to you Charlotte. Please tell us more about the retirement planner since it's come up a few times and how people can access it and what it will show you

Charlotte Anthony

So the retirement planning tool can be accessed from Manage Your Account. So you need to go to Manage Your Account to access the retirement planner and the tool will do some of the hard work for you. So because you're in a secure environment, it will know your details. It will auto populate some of the figures and what it will do is it will help you to look forward. So look at what you're saving now and how long you're going to plan to save for and what your goals are, which you can set within the tool so you can think about the lifestyle that you want to have.

And then you can think about what you're going to get back. And you can really really look at experimenting in paying different amounts of money in so that's one way if you're thinking of increasing contributions as someone mentioned earlier. That might give you an idea of how well a difference that could make.

You might want to know what the state pension included looks like, you might have other pensions elsewhere. And if you know the the value of them for your DC pensions, you can add those in and if you've got a final salary scheme and you know the income you can also add that in as well.

So it's a way of looking ahead to monitor if your savings are on track. Now we mentioned earlier when we talked about defined contribution schemes that they're not guaranteed because it depends on investment performance. So you can also consider different performance, so whether that be low medium or a higher performance and what that might impact on what you might get back.

Now it's always important when you're using the tool that you do read all of the assumptions because it will use assumptions to populate the figures and it doesn't replace the need for you to to take either the free guidance that's available from people like the Pension Wise or to think about financial advice.

Kia Commodore

Amazing, thank you so much Charlotte. I think it is a really useful tool for people to have a look at. Now our last question before we get to the Q&A section is a lot of our members, particularly the younger members, are interested in how much they need to save. So we touched on it a little bit earlier with you Charlotte. But for example, Thomas asks how much he should have in his pension right now at the age of 35 to have a comfortable retirement at 60. I want to come to you Colin with that question.

Colin Clarke

It's a really great question and it's probably a question that many of you are probably asking at the moment. There isn't really a simple answer. I couldn't sit here and say, okay, you need about £200 ,000 in your pocket because it is very personal.

So it is going to depend on what your goals and what your aspirations are. Charlotte's mentioned about the retirement planner. I very much encourage you to go and have a look at that and play around with it.

It's got some fantastic tools on there that suggest what sort of lifestyle you might want in retirement, whether you want to spend money on sort of luxuries or just the basics, whether you want to take holidays in the UK or abroad, you know those kind of lifestyle choices and what you can do on the planner is play around with different contribution levels as Charlotte mentioned, you could bring in other pots that you've got elsewhere. And and it will give you an indication of how much you need to have at a particular point in time to get to the lifestyle that you want or whether you're falling short and what more you need to do if you want to increase the chances of getting that income.

So very much encourage you after this forum to go and have a look on manage your account, play around with it and get some ideas about how far you are from from achieving your goals.

Kia Commodore
Amazing, thank you so much Colin. We have reached the section of the Q&A where if you have any other questions we are here to answer them. I've got an amazing panel lined up so we can answer your questions for you. A few have come in and Jesal I'm coming to you because we've had a lot of questions around investments so I know this is your expertise so we've got to come to you.

First question and one that's come up a few times is perhaps you could address for us a theme that we've seen around fun performance in recent years. What's driven this and should our members be concerned?

Jesal Mistry
Yeah absolutely Kia. So I think it's important we take a slight step back a second as well and just consider what do we mean by investment and why is it an issue for us. As Charlotte mentioned earlier two key things are really important to how much money you have at the end, how much you put in and how long for, and also the performance that you get from your investments.

Now your savings are invested in different types of investments to ensure that they continue to grow particularly over that longer period of time and that gives you the growth that you need to then achieve your aspirations in terms of returns over that period of time.

Now over that period those investments can go down as well as what up and it's important to know that that actually by the longer time period that you have and the more risk you take so the more it goes up and down the more potential there is to achieve a better return at the end of that.

So over the last few years we've seen lots of dynamics that have been affecting the investment market so we've seen things like the COVID crisis, the Ukraine war, we've seen the challenges around the mini-budget from last year and actually this year we've seen the conflict that's happening in Israel as well.

All of those elements play into the investment markets that then impact on your money going up and down quite a lot over that period of time. I would like to just reassure people that if you're investing generally over the longer term, the more risk you take, generally you should get a better return over that period of time.

So if you've got a long period to retirement, 5, 10, 15 years and plus, please don't worry too much about how much your money is going around up and down in the short term because it's a longer term theme and you can't access your money for a long time.

If you're coming closer to retirement, you may want to start to think about how do I reduce that risk? How do I stop my money going up and down so much so that when I come to take my money out of the pension, that it's not falling in value too much, that I continue to achieve that amount.

But even then, you don't have to take all your money in one go. You can take it over a period of time. So there is an element of thinking about how much money you need and when and therefore then how your money is invested over that period.

Kia Commodore
That's really good insight. I think one of the key things there is thinking for the long term. I think sometimes you look at things going up and down and you think about the short term. But if you don't need it now, the long term is what we want to think about. So thank you so much for that.

I have another question for you. So Stephanie asked, should I be actively looking at the performance of my chosen fund or just trust that it's doing its thing?

Jesal Mistry
I think that kind of comes down to how much interest you have in your investments to an extent. So absolutely, if you want to, please do look at your investments. But I would caution against making decisions of the back of very short term levels of performance. As I said, pensions can be quite a long term investment. So money will go up and down. And so don't lose confidence in that because therefore you could make some decisions that could detriment you overall. It's very important to note that past performance isn't a guide to the future.

Things often change as they're moving forward. So something that may have done really well last year might not do so well moving forward. So you end up buying into something at the top of its performance and you could see your money fall from that point as well. So really do consider carefully where you're invested and when you're making decisions. And if you're unsure, it's often better to stay in the default option that's in within that.

And that's the automatic option that you're placed into when you join the pension plan. Because that's the one that's generally looked at most closely and most often by all the governance bodies that sit around pensions. And therefore you are being looked after as you go through that journey by all those people that are looking at it on your behalf.

Kia Commodore
Amazing. Thank you so much, Jesal. That's a really great question. Answer, sorry.

Colin, I'm going to come to you. So our members joining from New Zealand, hello, and other countries who have asked how easy is it to transfer pensions overseas or start claiming pensions from overseas?

Colin Clarke
Okay, that's a really good question as well. I'm sure there's quite a few members that are listening today that might be in this situation. Now, as you can imagine, with pensions and tax, there's various rules that the government have got around that.

But the short answer is, yes, in general, you can transfer your pension overseas. But if you want to avoid tax charges, there's only certain types of overseas pensions that you can transfer to. So it's important that you find out whether the pension that you've chosen is one of these sort of UK -recognised pension schemes.

The other thing to think about is whether you have to pay any tax if you transfer it over there. If you're not living in the country of the scheme that you want to transfer to, then generally, you have to pay tax. But ultimately, as long as you can find a suitable scheme for it that's approved by the UK government, then you can transfer your UK pension overseas. If you want to have your pension stay within the UK and actually pay your income overseas, you could do that as well.

The amount of tax that you pay is going to depend on the country that you're living in at the time. But there's usually arrangements that most countries have got with HMRC in the UK so that you don't end up paying tax twice. But if you're interested in that, it's something that you should possibly get some tax advice on to see what the best tax efficient way is, whether you leave it in the UK, whether you transfer it overseas. But yes, it's not stuck here. You have got some portability with it.

Kia Commodore
Amazing. Thank you so much, Colin. That's really good insight for our members who are overseas. I hope that gives you some clarity on what to do with your pensions.

We've received 280 questions. Now, we are going to try our best to answer as many as we can, but I don't think we can get through all of them. But we've got one here. The question is for you, Charlotte.

If I die before or after I start to claim my pension, will the full value of my pension pot be passed on to my spouse or my children?

Charlotte Anthony
Yeah so you can pass pensions on is the good news so one of the ways that you can do that is by nominating beneficiaries. So in Manage Your Account there's a digital form that you can complete and that will tell people at Legal & General, or your scheme trustees, who you want that money to go to.

Now they may have some discretion over who that money goes to ultimately but as your personal circumstances change we do recommend that you keep that record up to date as that can make it much easier for the people that you leave behind. So if you die before you take your money that money can be passed to your loved ones as per your wishes or at the discretion of the trustees.

After you've started to access the money that depends on how you've accessed it, so Colin talked about the different ways you can access a pension a bit earlier. So if you've bought an annuity for example you'll have already used the money to buy that product and it will depend on the options you've decided to include in the product as to whether any money continues to be paid to your loved one on your death.

If you've taken all the money out as cash and the pension is empty, then of course there isn't any money to be passed on from the pension, but your money may be passed on as a part of your estate if some of that money still sits with you.

And in terms of drawdown, the money would be in the pension still. So if you've still got some funds in the pension that remain invested in the same way as before you die, you can then pass that money on to your loved ones. So yes, you can is the short answer.

Kia Commodore
That's good. No, thank you so much, Charlotte. Thank you for that. We have a number of questions coming around how people can take their pension. So we've touched on it a little bit, but Dora has asked what the difference is between drawdown and taking a lump sum.

So I'm going to come to you, Colin. Can you please explain the different types of retirement options that are available?

Colin Clarke
Okay. So before we get on to drawdown, I'll cover the other forms of the ways that you can take your pension, which is really

to decide whether you want to take a guaranteed income or whether you want flexibility.

If you want a guaranteed income, I mentioned earlier that there's a product that you can buy called an annuity, which is an insurance product that guarantees that you'll receive your level of income either for a fixed period of time or for the rest of your life.

So it's an insurance that the money is not going to run out for that period of time. There's advantages and disadvantages of that. Advantages is obviously that the money isn't going to run out, but the disadvantage is once you've made your decision, then you can't change your mind.

So it's important that you think about what type of annuity is best for you because some of them can increase in payment, some of them don't, some of them can provide benefits for your loved ones when you die, others don't. So it's all about the choices that you make at the time.

On the opposite end of the scale where you've got a lot more flexibility is where you've got drawdown or taking lump sums. The main difference between the two is really how they're taxed.

So if you go into drawdown, you would usually take 25% of your pot upfront as a tax-free lump sum if that's what you want to do and then the rest of the money remains invested and you can either use that to pay you a regular income until it runs out which you can stop, start and change whenever you like.

Whereas with lump sums, rather than sort of taking the whole 25% tax-free cash up front, you can take a lump sum periodically where 25% of that is taxed each time and then you pay tax on the rest. So it's just a different way of taking income from your pots. So some people might want to take the tax-free cash in one go, some people, if you don't really need it, then you don't really need to take it all in one go, you know it's not a call to action, you don't have to do it. So lump sums just give you that flexibility of taking it in little bits each time.

Kia Commodore
That's really good to know, thank you so much Colin. We've had so many questions like I said, I'm trying to get through them as fast as we can so keep sending them in and we'll try and get through them.

So this one's for you Jesal and it's from Emma. So Emma's asking is it possible to choose an ethical green investment pot for your pensions savings?

Jesal Mistry
Yeah, so investing responsibly is really, really important. And it's really, really key to how we manage money on behalf of our customers within Legal & General. We take very different stances on this, I guess, depending on the type of investment options that you actually choose within the pension plan.

But fundamentally, as an investor or a manager of savings on behalf of members, it's really important we take this seriously. And what we do there, particularly where we're investing in stocks and shares, it means we own a part of a company.

And therefore, we have a say in how that company operates. And we can vote on things like the AGM around that company's particular views or all kind of their actions going forward. We have a view that by holding that company, by remaining invested in a company, we can actually vote, we can vote against, we can talk to them, we can try and engage them and influence change within them.

Because if we don't hold them when trying to do that, then somebody who's maybe less responsible in how they invest would hold them and allow companies to do what they want to do. So fundamentally, across all of our funds that we manage, we actually engage with companies in which we invest and we try to influence them in the right direction.

But there are some, we recognize that some of you out there actually may have very specific views on investments. Maybe you don't want to invest in certain type of companies or want to take a certain stance.

And so within the range of funds that we offer within the workplace pensions, you have the opportunity to invest in more green options, more ethical options. So please do have a look on Manage Your Account. The range of funds will be available there and you can dig into how they're invested, what the particular requirements are and choose stuff that's in line with your particular requirements if you want to.

Kia Commodore

I think that's really good to know. I think, like you said, investing is very personal and people have different views when it comes to what they invest in. So knowing that you can take charge is really good for people to know. Thank you so much, Jesal.

So, Charlotte, I have a question for you. A theme in the questions that we're getting is changing details. So, for instance, telling L&G the age at which you want to retire, how can our members do this?

Charlotte Anthony

So, the good news is you can do it on all through Manage Your Account. So, you can update your details, including the age when you're planning to retire. So, there will be a default age that's set for your scheme. It might be 65. It could be a slightly different age. But you can go log in and just change that as and when you want to. Now, really important that everybody does review the age that they've set, particularly in that journey and run up to retirement, as depending on where your money is invested, how your investments are managed may be targeting that particular date. So, keep an eye on it, but you can update it quite easily in Manage Your Account.

Kia Commodore

Amazing. That's really good to know. Thank you so much. Come back to you Charlotte with another question. This question is, can you add to your pension pot after employment has ended and can you get tax relief on the added contributions?

Charlotte Anthony

So whether or not you can continue to pay into a pension depends on the type of pension scheme that you're in. So if you're in a contract pension scheme, you may still have the ability to continue to pay into that pension after you've left employment with other types of schemes you don't. So you will need to check on the terms of how your scheme works. And yes, when you pay into any pension, you will get tax relief on the money that you pay in. That's that incentive by the government for us to save.

Kia Commodore

That's really good to know. Thank you so much, Charlotte. I've got a question for you, Colin. Zahid has asked, what age can I start to take my pension?

Colin Clarke

Okay. At the moment, the minimum age is 55. But the government is increasing that minimum age to 57. And that kicks in in April 2028. And the reason for that is because the government wants private pension ages to be sort of broadly 10 years before state pension age. So the state pension age is going up to 67 in 2028.

So the age when you can take your private benefits is going to move with that. So if you reach 55 before you get to 2028, then happy days, you can still take your money from 55. But if you haven't got to that point after that, then for most people, you won't be able to take it until you're 57.

There are some rules around depending on what type of scheme you got, and when you joined the scheme where you might be able to keep a protected age of 55, but it doesn't apply to everyone. So plan for it going up to 57. But you might be lucky and have a protected age if you've got a scheme that's got one of those.

Kia Commodore
That's good to know. Thank you so much Colin. Charlotte, I'm coming back to you. So many questions are getting through now.

So another question that's come up a few times is, can I pay in a lump sum? And how do I do this?

Charlotte Anthony
So you may be able to pay a lump sum into your pension. Usually contributions are made via your payroll. And a lump sum could be, we mentioned paying some bonus money into a pension earlier. It might be that you still do that through your payroll when you make that lump sum contribution directly through your employer.

If you want to pay a lump sum outside of your payroll, you can make a contribution, a lump sum payment via Legal & General. So you would need to get in touch with Legal & General to arrange this. But do bear in mind that sometimes paying via your payroll can be more efficient for you depending on the methods that your employer uses. May just save you having to fill in a tax return or claim extra tax relief if you're a higher rate taxpayer.

Kia Commodore
Amazing. Thank you so much Charlotte. Jesal. I'll come back to you. So we've got quite a beefy question here. So I know you're ready for this but I'm going to give this to you. So we've had another question come through around ESG investments and the progress and plans to net zero. Right? Noting that there's a range of investments - perhaps you give us an overview on the main defaults, given that this is where the majority of our members are invested?

Jesal Mistry
Yeah, absolutely. So net zero is an interesting term for those that don't know what that means out there. It means effectively achieving a zero greenhouse gas emissions from the investments that you make, essentially, within the investment portfolio. So, within the world, we need to do this to stop temperature going up too much, to then avoid catastrophe around climate change in particular.

And so, within Legal & General, we take this very seriously. So, we've committed across all of our investments to achieving net zero by 2050, and a minimum of 50% reduction by 2030. So, we're working very hard to ensure that we continue to achieve that over that period of time.

Now, that might be reshaping some of the investments to make sure that they're investing in companies that are helping that transition. So, companies that are building wind farms or solar fields, for example, that are investing in that area.

That might be moving away from companies that are doing less on that side of things. So, maybe mining companies that are doing lots around coal. So, we're working on moving away from that over that period of time.

But it's very much around reshaping those investments to achieve that net zero by 2050, to ensure that we then all retire into the world that we want to retire into, and it continues to do what we want to do.

Kia Commodore
Amazing. Love that. Thanks so much, Jesal. I think we've got time probably for two more questions. So, if you have another question, you've got a little bit of time to squeeze it in now. I'm going to come to you again, Charlotte.

So, Anna has asked, do you have to use a financial advisor to consolidate your pensions? I know you touched on this a little bit earlier as well.

Charlotte Anthony

Yeah. So, you may not have to use a financial advisor to consolidate your pension, but that's not to say that we don't recommend that you consider using financial advice to move your pension.

And there can be instances, depending on the type of pension scheme that you are in, where you actually are required to take financial advice. And I know Colin touched on earlier about final salary schemes, defined benefit schemes, or pensions with particular benefits built in, that there may be a requirement for your own protection that you get financial advice and for that financial adviser to have recommended that that's in your best interest before we can accept the pension transfer.

So, in essence, no, but we recommend it's a good idea to think about it doing it. Always read all the information that's available, the guide to pension transfer. is a great place to start and you'll find that on Manage Your Account.

Kia Commodore
Amazing, thank you so much. So we have had 1 ,000 questions submitted in advance before this event. You've asked almost 400 during this session, which we are absolutely blown away by. I wish I could get through that many, but I think I would leave my voice by the end of it.

But we want to thank you. We've answered as many as we can, but now we have come to our final question. So this one is for Colin. Talking generally about consolidating pensions, what does that look like in terms of consolidating and transfer in service, those kind of things?

Colin Clarke
Yeah, we've heard a lot today about the things that you need to think about if you're thinking about consolidating your pensions. We've mentioned a lot about the information that's available to you on Manage Your Account.

We've got lots of guides that explain the things that you need to look out for. We can also signpost you to where you can get some guidance and advice and some extra support. So I think the general sort of closing theme I would say about consolidating is something that you should think about if you have got lots of pensions elsewhere, but make sure you do that research, you look at our guides, you get some impartial guidance or advice and make sure that whatever you do is the right choice for you.

Kia Commodore
Amazing, thank you so much Colin and thank you to everyone watching for submitting all of your questions. They have been amazing. If you still have questions after this, make sure you head over to Manage Your Account where you've got your virtual assistant there.

You can answer any personal questions that you have around your own situations. Thank you to my amazing panellists. You've been incredible and it's been great sharing a stage of you and hearing all of your amazing insights.

Just to wrap up then what we've covered, I think there's some really key themes. We've covered a lot of information and hope you've learned. I think some of the key things are, that we want to make sure you keep in track of your pensions.

You make sure you're understanding how much you're contributing and as always make sure you're making decisions that best suit your situation. Following this in the next coming weeks, we'll be issuing you with a newsletter that covers a little summary of what we've covered in this members forum today and it will include some really helpful links and tools that you can use to make sure that you are heading towards that dream retirement that I know you have in mind.

This session has also been recorded so no need to panic. Anything that you want to rewatch, you can do so and make sure you're sharing it with friends and families and anyone you think would benefit from this session.

We also have a really helpful podcast which can hopefully help you with your retirement planning. It's called A Little Bit Richer and you may hear and see a familiar voice on there as I'm the host of that podcast but there's amazing episodes on there that can help you to continue your retirement planning.

Thank you so much for joining us on the 2023 annual members forum and I hope you have an amazing day. Thank you guys.