

How much should I be paying into my pension?

Based on salary exchange*

You might have to say goodbye to your take away coffees, but look at how much more you might end up with after investing this money into your pension instead. In this example we're assuming a contribution of 8% which includes 3% from your employer and 5% from you. We'll then look at the difference 1% increments make to the overall value.

Based on Median salary of **£31,285 (ONS 2021)**

INVESTING 8% OF YOUR SALARY

INVESTING 9% OF YOUR SALARY

INVESTING 10% OF YOUR SALARY



Your Pension Contribution

£130.35
This is your contribution of **5%**

£156.43
This is your contribution of **6%**

£182.50
This is your contribution of **7%**



Your Employer's Pension Contribution (3% fixed)

£78.21

£78.21

£78.21



Total put away (monthly)

£208.57

£234.64

£260.71



Actual monthly cost to you (Because salary exchange reduces the amount of Income Tax and NI you pay)

£88.64

£106.37

£124.10



Take-Home Pay (after net pension contributions, tax and National Insurance deductions)

£1,989.36



£1,971.63



£1,953.90

£17.73 - that's about 8 coffees

£35.46 - that's about 15 coffees



Total contributions over 30 years

£75,084

£84,469.50

£93,855



Total after 30 years
Based on an investment growth rate of 4.6% and a fund management charge of 1%. These figures take into account 2% inflation and are shown in today's money

£93,600

£105,000

£117,000

These figures are only for illustrative purposes and are not guaranteed.

Remember, investments can go down as well as up and you might not get back all the money you paid in.

To find out more about where your pension money goes, visit us at royallondon.com/secretlifeofpensions or [#SecretLifeOfPensions](https://twitter.com/SecretLifeOfPensions). Find out what happens when your pension money leaves your pay packet.

*The pension contributions in this example are paid by salary exchange. The income tax and the national insurance savings are not invested. Take-home pay is higher as a result. This is based on current pensions and tax legislation, which is subject to change. It is not intended as a substitute for taxation, legal or financial advice.

