

## Time to SIPP into financial freedom?

'I want to take charge of my retirement savings'

A Self-Invested Personal Pension (SIPP) is more than just a pension. It's a gateway to financial freedom that can offer you an unparalleled level of control. With a SIPP, you are at the helm of your investment decisions, determining how your money is invested and your pension pot grows. Whether you make regular contributions or occasional lump-sum deposits, even a modest start can significantly impact your retirement nest egg.

SIPPs come with the bonus of tax benefits, matching those other pensions offer. For instance, a contribution of £8,000 to your SIPP attracts a £2,000 top-up from the government. If you're a higher rate taxpayer, you can gain even more through tax relief.

### TAX SITUATION

The government substantially enhances up to 45% (or 47% for Scottish rate taxpayers) as tax relief on any contributions you make. This means your money can grow more efficiently and provide a larger nest egg for your retirement. However, remember that your specific tax situation will depend on your circumstances and may be subject to pension and tax law changes.

Investing in a SIPP means securing your funds until you reach a certain age – currently 55, but set to increase to 57 from 2028 onwards. This is an essential factor to consider before opting for a SIPP. In most cases, you can contribute up to £60,000 a year of your earnings tax-free (less any employer contributions). There's no 'right' age to start saving for a pension, but starting early allows your money more time to grow.

### INVESTMENT OPTIONS

SIPPs are normally accessible to anyone under the age of 75. Even without an income, you can contribute up to £2,880 each tax year and still qualify for tax relief. For parents, a Junior SIPP offers a way to start investing in your child's future. Remember, though, access to these funds will only be available to your children once they reach the minimum age – again, 55 now, rising to 57 in 2028.

SIPP schemes offer a broad selection of investments you can manage independently or with our expert guidance. They provide a more

comprehensive range of investment options, including company shares (UK and overseas), collective investments like Open-Ended Investment Companies (OEICs), unit trusts, investment trusts, property and land. However, residential property is excluded.

### ACCELERATING GROWTH

Remember, as with any investment product, the value of your pension may fluctuate. You might not get back the amount you originally invested. Additionally, choosing how to reinvest dividends could also accelerate the growth of your SIPP pension pot, outpacing some employer-based pensions that don't offer the same control and flexibility.

While your employer may contribute to your SIPP, there's no legal obligation for them to do so. This pension scheme allows you to make informed decisions about your savings and where to invest them, standing out from standard employer's pension schemes. ■

THIS ARTICLE DOES NOT CONSTITUTE TAX OR LEGAL ADVICE AND SHOULD NOT BE RELIED UPON AS SUCH.

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS THE PLAN HAS A PROTECTED PENSION AGE).

THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.

### HOW CAN OUR TAILORED RETIREMENT PLANNING SERVICE HELP YOU?

Each SIPP scheme has its own set of rules and investment opportunities. Don't hesitate to contact us if you want to learn more about how a SIPP could fit into your retirement plans. We're here to help you navigate the complexities of pension investment and make informed decisions that align with your financial goals.