

When you divert pension entitlement into a **Stocks and Shares ISA** or **Fund and Share Account** through FlexInvest, the amount you receive depends on the type of account you're paying into and your personal tax circumstances.

## CONTRIBUTION EXAMPLE

Below is an example of how the payments are calculated if you do choose to redirect them from a pension. **The figures are based on a selected contribution of £1,000.**

	Amount paid into pension	Amount paid into ISA	Amount paid into Fund and Share Account
Basic rate taxpayer	£1,000	£700	£700
Higher rate taxpayer	£1,000	£580	£580
Additional rate taxpayer	£1,000	£530	£530

## IMPACT OF REDIRECTING PENSION CONTRIBUTIONS

Before deciding to redirect employer pension contributions to either a Stocks and Shares ISA or Fund and Share Account, there are some important things to consider.

If you're unsure whether redirecting employer pension contributions is suitable for you, please [ask about financial advice](#). Pension and tax rules can change, any benefit or impact will depend on your personal circumstances.

### REDUCED RETIREMENT INCOME

Redirecting pension contributions could reduce your retirement income. You can review the potential impact using our [Pension Calculator](#) to see if your estimated income in retirement still meets your expected needs. You can find out more about planning for retirement on [our website](#).

### INCOME TAX AND NATIONAL INSURANCE

Employer contributions that are redirected to a Stocks and Shares ISA and/or Fund and Share Account are considered as earnings (additional salary) and therefore are subject to Income Tax and National Insurance at your marginal rate. You could pay more in Income Tax and National Insurance each month. You could be placed into a higher tax band or, if you're a higher earner, have your personal allowance reduced.

### IMPACT ON STATE BENEFITS

The availability of some State benefits is affected by your income and how much capital you have. Redirected employer pension contributions will increase your income and so could affect your entitlement to certain benefits such as:

**Child benefit** – Your entitlement is means tested and an increase in your income may result in you needing to pay a 'High Income Child Benefit' charge. More information can be found on the [Government website](#).

**Means tested benefits** – These include – but are not limited to – Child and Working Tax Credits, Council Tax Support, Income Support and Universal Credit. Your income is reviewed to determine your entitlement, so you should consider whether redirecting employer pension contributions is appropriate for you.

### IMPORTANT NOTES

This information is based on tax rules for the 2023/24 tax year and is correct as of 16 February 2024. Pension and tax rules can change, any benefits will depend on your personal circumstances. The examples used apply to rest of UK taxpayers. Scottish taxpayers pay different rates of tax so their savings may be different. You can't usually access money you put in a pension until age 55 (rising to 57 in 2028). Investments can fall as well as rise and we therefore believe investing should only be considered for the long term (5+ years). As with all investments, you could get back less than you put in.