

Understanding your Nest pension



Q&A. Information accurate as at March 2025.

Q: If I've already set up my private pension and set it to retire at 55 prior to the change. Will this still be affected by the rise to 57?

- › You would need to contact your private pension provider directly to ask this question. If your pension provider is Nest the minimum retirement age will change to age 57 in April 2028

Q: How much do you need to be earning per year in order for NI contributions to be taken?

- › In tax year 2024/25 the threshold above which an employee pays National Insurance is £12,570 per annum (£242 per week), however, if you earn at least £123 per week, you will get a credit as if you were paying National Insurance.

What qualifies as a gap in National Insurance? I have been unemployed for at least two short periods of time and I'd be keen to know if I'm on track.

- › You would need to look at your own National Insurance record on gov.uk. For example if you are a high earner, you may not have to earn for 52 weeks of the year, to not have a gap. You can find out more here: <https://www.gov.uk/check-national-insurance-record>

Q: How do we keep NMPA of age 55?

- › You will need to contact any other pension providers/schemes to see if you have a protected right to access your pension from 55 after 6 April 2028. At Nest the minimum retirement age will increase to age 57 in April 2028 for all members.

Q: I am above NPA and currently working on a 'Fractional' contract - similar to a guaranteed hours contract - so my monthly hours are variable. I have set my retirement age on Nest as 2 years from now, but I don't know if that is when I will stop working. Should I make my retirement age on Nest much further in the future and change it when I make the decision to stop working? Or leave it as it is and then add a year, each year, if I decide not to finish working that year?

- › Your retirement age will affect the timing of Nest's communications. You can check your Nest account to see which fund you are invested in. If you're not planning to retire at your intended Nest retirement date, you can change the date to keep your money invested effectively. You can also call the MoneyHelper helpline to discuss.

Q: Can I decide to leave half my pension in the default pension fund, and put half in a different fund within Nest?

- › At the moment, no, you have to have your Nest pension pot value in the same fund.

Q: Could you please explain what happens with the Nest pension if a tax payer moves abroad from the UK to work to a different country with no plans to come back? When/how can they claim it?

- › You can leave your pension in the UK or transfer it to a Qualifying Recognised Overseas Pension Scheme (QROPS), see these guides for more information:

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/moving-your-uk-pension-overseas>

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/moving-living-and-retiring-abroad>

Q: My Tax Relief contributions are currently showing as £0 - is this correct or am I to do something to get tax relief?

- › Please check your online account in the account section which is top left of the screen. Then select Membership details to make sure you have a National insurance number added and 'eligible for tax relief' is set to yes. If either of these are incorrect or blank please edit so that you get tax relief on future contributions.

Q: What if the beneficiary is in a different country? Would that have legal implications and would I need to speak to a financial adviser for this?

- › We can pay to a beneficiary, it doesn't matter where they live. The money would be paid in pound sterling in the UK. When they transfer the money to the country where they live they may have to contact the equivalent of our tax office to see if they have any tax to pay.

Q: Is there a cap to the amount UofG contributes to pensions as an employer or will they match the percentage the employee contributes to their pension pot?

- › The employer is required to pay a minimum of 3% of qualifying earnings in the pay period to your pension if you qualify for auto enrolment. Qualifying earnings are earnings between £6,240 per annum and £50,270 per annum. Your employer will use the weekly, monthly or other pay frequency equivalent to calculate what they need to pay for you. Some employers do offer to match additional contributions paid into pensions by their workers but this is voluntary and your employer does not need to do this.

Q: What if I die young before retirement age - will my beneficiary still get my pension?

- › Whatever is in your pension pot will be paid out if you die at any age. If you have named a beneficiary we will pay it to them and if you haven't we will pay it to your estate or next of kin.

Q: Can you also explain the rationale to the recent changes to the Sharia fund and if there has been a marked change to value of fund as opposed to this time last year, will the fund investments be looked at again?

- › It has always been our ambition to diversify the Nest Sharia Fund as our investment ethos is based around diversification and the benefits that come with it. When we launched the fund in 2011, we weren't able to invest in Sharia-compliant diversifiers because they were too expensive. Research in recent years has helped us to identify sukuk as a cost-effective alternative Islamic investment, meaning we are able to diversify the fund. You can find more information here:

https://www.nestpensions.org.uk/schemeweb/nest/sharia-diversification-faqs.html?utm_source=Sharia_reminder&utm_medium=email&utm_campaign=Nov24

Q: I have moved to the UK from Australia, and have dual citizenship. What happens if my beneficiaries are located in Australia.

We will pay the money to your beneficiaries but they will need to arrange for the money to be converted into Australian dollars if they want to move it to Australia. If they have accounts in the UK they can leave the money here but may need to report it in Australia. This link provides more information: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-problems/pensions-after-death>

Q: Can I transfer funds from a previous pension pot into Nest?

- › You can transfer defined contribution pension pots into Nest. There is no charge to do so. More information can be found here: <https://www.nestpensions.org.uk/schemeweb/nest/my-nest-pension/transfer-your-pension-pots/transferring-into-nest.html>

Q: If I contribute directly not through my employer will I get tax relief or to get tax relief does the contribution have to be done through my employer?

- › You will receive the tax relief on contributions you make directly to Nest. We will claim this at the basic rate of tax even if you do not pay income tax. If you are a higher rate tax payer you will need to claim the extra tax relief above 20% directly from HMRC.

Q: I am due a large bonus, 2 questions; Can you add significant lump sum say 50k, wait a month or so then take out 25% of the total pot and 2. Would my employer contribute usual % on any one off payment particularly relating to this large bonus"

- › Yes, if you are over 55 you will be able to access your pension pot. There are rules regarding tax relief on pension contributions - you can find out more information here:

<https://www.nestpensions.org.uk/schemeweb/memberhelpcentre/contributions/annual-allowance.html> . You can call the MoneyHelper pensions helpline on 0800 011 3797 to discuss. You would need to ask your employer, if they will increase their contribution, if you increase yours.

Q: Does Nest have an app? Can you add a child to expressions of wish? Thank you.

- › Yes we do have a mobile app - you can find out more information here about how to download it: <https://www.nestpensions.org.uk/schemeweb/nest/app.html> and yes, you can add a child to an expression of wish."

Q: For couple in the slide for how much money will I need at retirement, is that per person or combined between the couple?

- › The couple figures are combined between the two of you, it tends to cost less than double that of a single person due to sharing e.g. heating costs etc. The Retirement Living Standards are annual figures. You can view them in more detail here: <https://www.retirementlivingstandards.org.uk/>
- › **Q: I will soon be in receipt of a final salary pension, but I want to carry on working and continue to contribute to my Nest pension. Can I increase my contributions to Nest direct from my salary, and continue to benefit from tax relief on all the contributions from my salary. I would not expect my employer to increase their contribution. If this is possible, is there an annual limit"**
- › You can continue to contribute to your Nest pension. You will need to speak to your employer about increasing your contribution directly from your salary. If you put money into your pension before turning 75, you usually get tax relief - you can find out more information here:
- › <https://www.nestpensions.org.uk/schemeweb/memberhelpcentre/contributions/annual-allowance.html>
- › Here is a link to the Money Helper website giving further information on the annual allowance: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions/the-annual-allowance>

Q: Is there an online calculator/tool to work out take home pay after increasing pension contributions from salary? Including after tax/student loan deductions

- › Yes: <https://www.tax.service.gov.uk/estimate-pay-take-home-pay/your-pay>

Q: I am from France, I don't know what the future will be, but if I come back to France before my retirement, what will happen to the money I saved in my pensions in Scotland?

- › You could access your UK pensions from overseas. You wouldn't need to decide until you are near retirement how you claim your pension. More information can be found on this link: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/moving-living-and-retiring-abroad>

Q: Where can we find what sort of investments Nest is involved in?

- › You can find out more about how Nest invests your money here: <https://www.nestpensions.org.uk/schemeweb/nest/investing-your-pension/how-nest-invests.html> There is also information on your online account.

Q: How easy is it to combine all my pensions to one provider

- › If they are defined contribution pensions (like Nest), we have a guide here: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/transferring-your-defined-contribution-pension>"

Q: I believe Nest has the standard investment and a more 'eco' option you can choose. Is that correct?

- › That's correct. It's worth noting that Nest invests responsibly across our fund portfolio and we do have an Ethical Fund option too. You can find out more about our fund choices and how we invest here: <https://www.nestpensions.org.uk/schemeweb/nest/investing-your-pension/how-nest-invests.html>

Q: Will you be talking about what happens when you retire - how you access the pension fund and set up a monthly income?

- › Not in detail in today's presentation, however, if you are over 50, you could have a free Pension Wise appointment: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise>

Q: If there is no beneficiary listed - who gets the money then?

- › Nest will try to find out more about your circumstances and arrange to pay the money to your family. If we cannot find out enough information to be certain then we may pay the money into your estate and let you executor (the person dealing with your estate) sort this out

Q: Can I contribute to both a pension and a life time ISA? Will they both receive tax relief?

Having a lifetime ISA would not stop you paying into a pension and receiving tax relief on your pension contributions. For pension contributions you usually get tax relief on contributions up to 100% of your earnings or £60,000 (whichever is lower) per tax year. If you're a basic-rate taxpayer, the government adds 20% to your contributions (higher earners can claim more through self-assessment). Your pension grows tax-free, but withdrawals after age 55 (rising to 57 in 2028) are partially taxable—25% tax-free, the rest taxed as income. See our guide on tax relief

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions/tax-relief-and-your-pension>.

Lifetime ISA (LISA) Contributions you do not get tax relief like a pension, but the government gives a 25% bonus on your contributions. You can save up to £4,000 per tax year, and the government adds up to £1,000 per year. LISAs are for first-home purchases or retirement (from age 60)—early withdrawals (for non-home purchases) come with a 25% penalty, which effectively takes back the bonus. See our guide on LISAs <https://www.moneyhelper.org.uk/en/savings/types-of-savings/a-guide-to-lifetime-isas>

Q: What to do if I can't access the email address I set my pension pot up with?

- › We suggest contacting Nest directly to help with this. You can call the contact centre or use live chat - details here: <https://www.nestpensions.org.uk/schemeweb/nest/members-contact-us/all-contact.html>

Q: How would I increase the monthly amount I contribute to my Nest pension?

- › You can do this via your online account. You can set up one off or regular contributions directly. You can also talk to you employer and ask if you can increase your contributions via them, too.

Q: Which is better - salary sacrifice work pension or private SIPP

- › Both would receive tax relief, however with salary sacrifice there is a National Insurance saving: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions/tax-relief-and-your-pension>. Not everyone can use salary sacrifice and if your employer doesn't offer this then you cannot use it.

Q: is it easy enough to increase pension % by myself and the employer? can i send an email to ask for an increased amount or do I ask Nest?

- › Ask your employer in the first instance, but you can also increase your contributions or add additional contributions on a regular or one off basis from your Nest online dashboard.

Q: If I am relocating to a different country can my pension be release to me even though I am not yet 55 years old

The earliest you can access your UK based private pensions, including Nest, is age 55 (this is increasing to age 57 in 2028) unless you are in ill health as confirmed by your doctor, or you have a lower protected retirement age on a pension policy outside of Nest.

See our guide on taking your pension <https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/when-can-i-take-money-from-my-pension>

- › Even though you cannot take your pension before age 55 you can leave your pension in the UK or transfer it to a Qualifying Recognised Overseas Pension Scheme (QROPS), see these guides for more information:

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/moving-your-uk-pension-overseas>

- › <https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/moving-living-and-retiring-abroad>

Q: Reach my retirement date in July but I expect to retire between July 25 and July 26 do I have to do anything to the retirement fund.

- › Nest will contact you when you reach your retirement date in July and let you know your options at this point. Your pension will only be paid to you once you decide to take it. You don't have to retire to take your pension.
- › You can check your Nest account to see which fund you are invested in. If you're not planning to retire at your intended retirement date, if you want you can change the date to keep your money invested effectively.

Q: I believe Nest have 6 different pension funds, will you move our pensions around these to maximise? Or do we need to discuss this with you and there will be a fee involved ?

You are automatically enrolled into our Nest Retirement Date Funds where we manage your money to have it ready for you when you retire (e.g. if you plan to retire in 2050 you will be in the 2050 fund). We have a range of other funds you can choose to invest in for ethical or religious reasons - you can find out more here. Nest won't charge a fee to change your fund.

www.nestpensions.org.uk/schemeweb/nest/investing-your-pension/fund-choices.html We manage your money in the Nest fund in which you invest and that is the same for all of our funds

Q: The Nest dashboard shows a total pot, but does it show how much that would be annually?

- › The Nest dashboard will show your total pot value. To get an idea of what this could look like as an annual income, have a look at the Money Helper or Nest pension calculator. An estimate is also provided in your annual benefit statement which you will find in the messages section of your online account.

Q: If you have taken 25% at 55yrs old, can you take a further 25% upon retirement?

- › No, normally you can only take the 25% lump sum tax free once from a pot. If you have paid contributions since taking the initial 25% lump sum, you may be able to take a further 25% lump sum from those extra contributions if you have paid any. Please contact Nest to check.
- › **Q: Is there a specific percentage of your salary that should be contributed to a pension based on a 50 year old to achieve a decent pension?**
- › Everyone's circumstances are different, we cannot provide advice and so you might want to use the pension calculator to see what you are currently on track to get at retirement and then work out if you need to top this up. The calculator will allow you to model additional payment to see how they improve your estimated pension.

Q: Please can you talk about your fees. I don't think you have mentioned them at all.

- › A: This page gives you a breakdown of Nest's fees. Scroll down a bit and you'll find the info: <https://www.nestpensions.org.uk/schemeweb/nest/my-nest-pension/contributions-and-fees.html>

Q: Is salary sacrifice the same as AVCs?

- › No they are not the same. If you have a workplace pension, Additional Voluntary Contribution (AVC) and Free Standing Additional Voluntary Contribution (FSAVC) schemes allow you to increase the amount of benefits you receive at retirement by paying extra contributions. These are set up by an employer or the trustees of an employer's pension scheme. They are designed to sit alongside the main workplace pension scheme. See our guide on AVC's <https://www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/what-are-avcs-and-fsavcs>

Salary Sacrifice

You and your employer will agree to reduce your salary by the amount of your contribution, and your employer will then pay that difference into your pension, along with their contribution to the scheme. As you're effectively earning a lower salary, both you and your employer pay lower National Insurance contributions (NICs), which often means your take-home pay will be higher. Better still, your employer might pay part or all their NIC saving into your pension too (although they don't have to do this). See our guide on salary sacrifice

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/salary-sacrifice-and-your-pension>

- › **Q: Is paying more into my Nest pension than my employer pays a good idea? Or would it be better to save extra money in something like an ISA instead?**

- › This is a personal issue and it would depend upon your circumstances, we cannot provide advice.

Q: Is there a way to trace a pension from when I was working in Spain? Also can I transfer it to Nest?

We can only give a signpost for UK pension providers and this would be <https://www.gov.uk/find-pension-contact-details> or [gretal.co.uk](https://www.gretal.co.uk)

Q: Why do employers contributions paid into teachers' pension scheme not get repaid to the member if in the scheme under 2 years?

That's down to the rules of the teachers' pension scheme. See this link giving further information <https://www.teacherspensions.co.uk/members/working-life/paying-in/payments-refunds.aspx>

Q: I am planning to retire in my own country, can Nest transfer my pension overseas?

You can leave your pension in the UK or transfer it to a Qualifying Recognised Overseas Pension Scheme (QROPS), see these guides for more information:

- › <https://www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/moving-your-uk-pension-overseas>
- › <https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/moving-living-and-retiring-abroad>

Q: Is there a way we can find out which companies/investments our contributions are landing in? Specifically if we have chosen a stream (I have selected Sharia pension)

- › Yes, you can find out more here: <https://www.nestpensions.org.uk/schemeweb/nest/investing-your-pension/fund-choices/sharia-fund.html>

Q: Just curious how is Nest pension paid when you reach retirement? Do they contact you or do you have to call them at that age

- › Nest will automatically contact you via your secure mailbox as you reach your Nest retirement age so it's important that you keep your contact details up to date. You can also contact us if you prefer. Your pension will only be paid to you once you decide to take it. You don't have to retire to take your pension.

Q: How does tax relief work in Scotland where there are 6 different tax rates

Here are the tax bands for Scotland (2024/25):

Personal Allowance	Up to £12,570	0%
Starter rate	£12,571 to £14,876	19%
Basic rate	£14,877 to £26,561	20%
Intermediate rate	£26,562 to £43,662	21%
Higher rate	£43,663 to £75,000	42%
Advanced rate	£75,001 to £125,140	45%
Top rate	Over £125,140	48%

- › So if you earn less than £12,570, you don't pay income tax, but you may still get 20% tax relief on pension contributions if your provider uses "Relief at Source."
- › Some workplace pensions use "Net Pay," where you might not get tax relief if you don't earn enough—so it's worth checking with your provider.
- › If your rate of Income Tax in Scotland is 19% your pension provider will claim tax relief for you at a rate of 20%. You do not need to pay the difference.
- › If you pay more than 20% income tax, you can claim extra tax relief through self-assessment or by contacting HMRC.

Example:

21% taxpayer → You can claim back 1% extra

42% taxpayer → You can claim back 22% extra

47% taxpayer → You can claim back 27% extra

See this link which gives further information:

<https://www.gov.uk/tax-on-your-private-pension/pension-tax-relief>