Pension Tax Relief

Money

Why pension contributions are usually the most tax-efficient saving available.

Most countries allow pension contributions from pre-tax income, or add relief at your marginal rate — so contributing costs less than the amount that lands in the pension.

BASIC RATE	HIGHER RATE	MATCH
£80 → £100	**£60 → £100**	**free money**

- At a 20% rate, £80 of take-home can become £100 in the pension.
- At 40%, £60 can become £100.
- Employer matching is additional and is effectively unpaid salary if declined.
- Annual and lifetime limits usually apply.
- Money is normally locked until a minimum age.
- It is taxed on the way out, often at a lower rate.

LOOK FOR IT

Not taking a full employer match is declining part of your salary.

General education, not financial advice. Rules, limits and ages differ by country and change frequently.