
How to start a pension

For many of us, retirement seems a long way off. Starting a pension to provide us with an income in retirement seems very much like tomorrow's concern. It is an inescapable fact, however, that proper pension provision should start as soon as possible, even if our initial pension contributions are small.

For every eight years we defer starting our pension, we could be reducing our future pension benefits by around a half, compared with starting that pension today. And with many people now living for several decades in retirement, it really is common sense to make sure your pension pot is as big as possible, so that you enjoy a long, comfortable and worry-free retirement.

There are attractive tax concessions available too for contributions made to an approved pension plan, so it does makes sense to start sooner, rather than later.

Types of pension

There are several different types of pensions and it is useful to understand the relevance and importance of each to our individual circumstances. The main types of pension are: