# Podcast – Pension Attention Campaign

## Phil from the USS communications team finds out more about Harriet, aged 55, and Jon, aged 62, and their pensions

### Monday 29 September 2025

**Phil:** Hello. I'm, Phil Rostance, and I work in the communications team to update USS members about their pensions. We have many members who are getting closer to retirement and will be talking to them, to find out how the future is panning out or what plans they've got in store.

So, we've got a national campaign called Pay Your Pension Some Attention, which launched this autumn, and it focusses on getting “financially fit” for your future.

Linking up with this we’ll be speaking to members today, Harriet and Jon, to see how their financial planning is shaping up.

According to Pension Attention campaign, they highlight, it’s on the Pensions UK website, that the retirement standards, that a single person would need £31,700 a year, in today's money, to have a moderate lifestyle in retirement, or £43,900 for a couple.

If you're extremely frugal, they say that a single person should be able to get by on £13,400 and a couple £21,600.

Which university is it you’re from, Jon?

**Jon:** Retired from Manchester University.

**Phil:** When? How long ago did you retire?

**Jon:** I'm just into my second month now. About seven or eight weeks I've been retired.

I mean, just in terms of my journey, I've been thinking about this for, I'd say about five years, you know, thinking about my retirement age and State Pension at 67.

So, I've got a bridging period between going early and then you know, hopefully working towards getting a state pension on top. So, you've got a bridging calculation to do and then financially trying to figure out your figures, you know, what would it mean?

What do you think you're going to get? How can you manage? What other decisions in your life are you going to make around your accommodation, your family? You might have children, you might have grandchildren, that kind of thing.

**Phil:** So, coming from an estates background, you've probably got attention to detail, and you've probably worked it all out in intricate detail. Those figures that I gave before, do they give a relatively accurate description of what you'd need. I know you're very early on in your retirement, but they're talking about £31,700 a year, which seems quite high to me. I mean, would you say that's about right for what you need and how would you approach that?

**Jon:** I think there's a lot of individual circumstances you've got to consider there. So, for me, you know, it was making early decisions about saving some cash. So, when you think about it, if you want to go early you know you're going to have to bridge, what liquidity do you need. So, I'm going to, you know, from my pension, I'm going to top up from savings between now and being 67 just to maintain, you know, like you want to go on holiday or you need to replace a car or something like that. You need to be thinking about what kind of things might be needed.

For me, that's relatively short. So, I've got four years to bridge, which isn't too long, but if you went a lot earlier then you're thinking, it needs to be a little bit different. It also depends on, you know, what kind of property you've got, do you want to downsize? If you want to stay in a property, that's more expensive to run, you know, what does that mean in terms of your outgoings?

I think, if you're looking at the lower end. I would say you're going to need some money behind you just to bridge up, certainly until you get your State Pension.

If you're at the higher end, if you live in a massive house with big bills, you might be struggling, but if you've planned it out so that, you know, you make sure of your outgoings, you know what that figure might be. But I mean, my best advice is USS is really good in terms of having, I wouldn't say absolutely accurate, but reasonably accurate modelling tools so you can get a good forward position in terms of your ongoing contributions and then a number of different retirement dates.

So, I don't think my background in estates was the reason. I think it's just me, you know, I got the Excel spreadsheet out and actually ran the modeller for probably about six or seven different scenarios based on age. And then also you have the other options between sliding between your lump sum and your annual pension your about to draw.

So, you can fiddle around with that a little bit if you're not in need of capital or a lot of cash and you want to roll that into, you know, into your monthly pension, then you can do that. Or if you want to take a lump sum, you know, so you've got a number of balancing, bits of information there.

I'd say at the lower end; you're probably going to find that tight unless you've got cash reserves. But I think, if you're getting anywhere between 15k and 20k, depending on how, you know, obviously your service and your salary is going to have an impact. And obviously the conditions of the pension scheme have changed over the last ten to 15 years.

So, you know, the output from the scheme is a little bit different depending on who you are. So, my advice is you just need to get into it a little bit deeper and think about your own finances, what USS will offer, when you're thinking of going, so the planning for me, the plan is really, really critical and I hope that helps.

**Phil:** If we can bring in Harriet. I think she's a bit behind you in age terms. She's only 55, so she's got a bit of time to go before she retires, but have you sort of looked ahead and have you used the Benefit Calculator and thought, oh, I need to be earning X amount. Or perhaps I need to put some extra money into the Investment Builder, the defined contribution part of the scheme, for example. What's been going through your mind? Harriet you're from Cranfield University.

**Harriet:** Yes - that's right.

**Phil:** Tell me what's been going on in your mind with pensions.

**Harriet:** Yes. So, I've been, myself, and my husband have been kind of looking to the future and thinking about, what age can we retire and how to manage the finances in the future and one of the first things we did was to look at how much we're spending at the moment. So, we're in the fortunate position of having paid off our mortgage. We've got only one financially dependent child at the moment who's at university.

We don't know how long she's going to be financially dependent for but there's some defined things that we're paying at the moment, like her university top up, which we know will stop at certain points. We've looked at all of our outgoings so we know how much we're spending; and then we've looked at what point we can access the USS pension, at what point you access the state pension, because I can get the USS pension at 63 and a half. But, if I take it, then the sum of the money I've paid him will be reduced until I'm 67, but we've done the calculations to work out that it's worth taking that reduction, I think it's 4% per year. Because just because financially it works out, like that. I've also been putting some money into the defined contribution, additional contributions, bit of USS.

And in my previous job, which was the one just before this, I was also doing the same thing, different pension scheme, NHS pension. So, I've got those as well to take into account and sort of factor in. At what point do I want to start drawing down from those? Because I can access them from, from 55 if I choose to do so.

I think the best place to start though, is with how much money you are actually spending, currently. And then looking forwards are any of those expenses going to change, in the future, like children leaving home?

At what point are those going to change? You might be going to pay off your mortgage at a certain point, and then also think looking at those models that they've got, how much you might need for a moderate or comfortable retirement but taking those into account. But you've got to start with you. As you say Phil, you know, if you are frugal person, then starting with your spending first, I think is the right place to start.

That £31,000, that's for a single person, isn't it? So, if you are in a partnership and living in the same house as someone, that's a big benefit because you don't need two times £31,000 to fund that household.

Phil: So, Jon with the way you've taken your pension, did you just take your Retirement Income Builder pension and then you've got maybe your Investment Builder, the defined contribution separate, and taking that at a later date. How have you worked it out?

Jon: Yes - So that was a point that Harriet touched on and I think that's probably a critical one when you've got multiple pensions as well, in different schemes. That's where you need some really strong advice. So, for me like I said before, because it was all in one pot, it was a really easy transaction and a really easy decision. There was no, there were no complications, really.

What I decided to do was just to take the whole, you know, I've taken, an annual sum, as my pension. I've taken all of my lump sum out of the scheme, because that's going to suit some of the plans I have in terms of house and that sort of thing. For me, once you go into a different approach, you need some really strong taxation advice.

Because once you start dipping into taking stuff out, it has implications in terms of future drawdown from that, either if you take lump sums out or whether you then take an annual payment from those pensions. Now luckily, I didn't have to explore that any further, but it'll look quite complicated and you will definitely need some advice around that.

Phil: Did you see any of those webinars that we've got on the website yet? Were they any good?

Jon: Yes, they were good I mean obviously you're entering brand new territory as a person because these, you know, these are one off life events in terms of taking your pension, kind of thing, once you into that.

But yes, I did, I went to I went say about at least three, maybe four. And then I re-watched some of the recordings, then I went to the live sessions when they were held, and then I re-watched the stuff on the online library and they're quite useful. They are quite technical and it does touch on some of the taxation issues around that and how the Investment Builder and the defined side of it all work, but it just gets you into that territory of thinking about the language and, and what the pension is.

Phil: You just touched on an interesting point about watching it a couple of times or several times because you do, you pick up on different things each time you watch it, don't you?

**Jon:** Yes. There's a lot of uncertainty, you know? What is the tax-free element? And then you'll watch parts of the webinar, but thinking, I'm still not clear on this, I'm going to make an horrendous mistake and end up having a big tax bill. So, you do need to sort of get into it and it won't give you all the answers, but it'll lead you to seeking tax advice, I think. If you're unsure, you've got to get the advice, definitely. If you're unsure about any elements of it, you need to get some professional advice.

**Phil:** So, Jon, if you went back, say a decade, I know you know your Harriet's age now what would you say or tell yourself?

**Jon:** Oh, I think to be honest, what Harriet said making additional contributions – I think that's definitely something to consider.

So, what I did in the latter years, I put some extra money in because I was working out what was the maximum; using the planner, you can work out the maximum lump sum that you can take out based on your contributions.

**Phil:** Roughly what extra amount would you put in? Because this is something I'm trying to work out myself. Well, they say small and often, but what does that mean?

**Jon:** Well, over time you could obviously do it in small, you know, you can make smaller additional contributions for longer periods but if you're in your last five years, then maybe you want to dump a bit more into it.

But what you need to do is to look at the planner and work it out. The planner will tell you what the maximum lump sum cash figure you could take from your scheme, tax-free and then you can slide that around, and you can probably work out how much you could put in extra and still be able to take that out tax free or how much would boost your annual pension figure; and you can actually put in additional contribution lump sums or rates in the modeller, it will help you model what the impact will be on your final pension and that pension can be modelled by retirement year. So, it doesn't have to be 67 or 68, you know, if I put this in extra now and I want to go at 63 or 64, what impact would that have been as a quotation, well not a quotation just as an estimate. So, you can do that. There isn't a specific figure, but I would say you could make, however, you would make a life decisions there, so, if you've got a mortgage, you might be better off paying your mortgage. Now, none of this is financial advice, by the way.

**Phil:** No - but also the money that you're paying in. You're not earning. So, you're not paying tax on it. That's the other thing.

**Jon:** Yes. So, your benefit is no National insurance or tax on the contributions you make. So, you know, so if you're a higher rate tax earner that could be 50% that you're saving roughly.

If you're a lower tax earner that could be 30%, 35%, extra that's sort of going into your pension that is not being taxed.

**Phil:** So, you've taken yours a little bit early, so you've got a bit of a bridging gap, haven't you, to sort of work out. Are you 63 years old?

**Jon:** I will be 63 in January - so I've got four years. I know what my spending limit is going to be. So, you know, you can't just go out and buy whatever you want. You need to think about it a little bit more, you know, particularly with holidays, think about the outgoings, as Harriet suggested earlier. It depends what your plans are but if you're thinking things are a little bit tight, you know, just pay in a few thousand pounds extra per annum, then you can just top up or pay for those things that you might want to get.

**Phil:** What about you, Harriet? What do you think about that, have you sort of worked out I'm going to need X amount, to go on holiday I'll need X amount, have you sort of worked through some of the figures or is that sort of a bit way off now to go through, you know, you'd like to go to Cyprus twice a year or whatever it is the that you'd like to do.

**Harriet:** We've sort of made the assumption that our spending will be in the future, will be on those sorts of things like holidays and that sort of thing will be roughly similar to what we're spending now, and also factoring in some of those big things that we might need to spend money on, and also making sure, obviously you've got some kind of contingency for things going wrong, like needing a new roof or a new boiler, which you never know.

**Phil:** Tell me about it. I'm just trying to work it out. So, Harriet, you said that you may need about the same amount as you earned when you're younger, when you hit that sort of age of 60 something? Is that about right – do you think you'll need that?

**Harriet:** So, it's not that we need the same as we're younger when we're going to be at retirement age, it's more that the starting point for working out how much you're going to spend is how much you're actually spending at the moment, because you're unlikely to, if you're a generally frugal person, you're unlikely to be changing that when you move into retirement.

But you need to make some adjustments to that, to account for the fact that you'll be retired. So maybe we'll go on holiday a bit more, but then maybe you go away more at cheaper times. So, you know, does that cancel one another out? And then also factoring in some of those big purchases, thinking potentially are you going to move house.

Might you downsize? Moving house is expensive, but perhaps you might move to somewhere smaller. Or you might move to a more expensive part of the country. So, those kinds of things need to be factored into the financial planning, I think.

**Phil:** So just looking at it you said that you wish you'd done your Investment Builder, a little bit earlier. If you're going back and giving yourself a chat over a coffee, is that, is that what you'd be saying to yourself or are there any other things that you'd tag into that?

**Harriet:** Well, I think, well I've been in USS twice, I was in USS for 19 years, and then I came out for seven for another pension scheme and then went back in. The first time I was in USS, I didn't actually do any, I didn't do any Investment Builder, additional contributions or anything.

I didn't really think about it, but what I was doing was saving, and I was putting money into ISAs Stocks and Shares ISAs, which in some ways is not actually a bad thing to be doing when you're that age. It's only when you start getting closer to retirement that you, that you start, because it's such a long way away when you're in your 20s and 30s to access that money if you're putting it into your Investment Builder. Definitely as you get older, Investment Builder, as Jon was saying, has big tax advantages because you don't pay the tax. Definitely if you’re a higher rate taxpayer, shove it all in the pension and then you get huge advantages because you're not paying 50% tax on your, on your income.

**Phil:** Any other things, Jon?

**Jon:** Depending on the complexity of your situation, you may need to get some proper financial advice around that. I think there are people out there who will look at that and in a really simple session, probably for not a lot of money, give you some really good ideas about what to do and where to put your money, so that’s probably my advice.

**Harriet:** Just to pick up on what Jon was saying about advice, there is a free government (website). I haven’t used it. I don't know if you did, but there's a free advice service Pension Wise if you're over 55, I think.

**Jon:** Yes. So, I did the online, there's like an online assessment that you can go through with that, and what it does, it does exactly some of the things that we talked about today. So, it talks about your household budget, your outgoings, sort of using an online tool it directs you through to having better knowledge, thinking about the different options that you might have. I think what it doesn't do is probably give you the detailed, customised personal financial advice that you might need in some of the situations you might find yourself, but it gets you in the right mindset and thinking about it. The online resources are really good.

**Phil:** Well, I think, we’re pensioned enough today!

I would now like to say goodbye to Harriet and Jon and thank you both for taking part in this Pension Attention podcast.

Hopefully this will give you some ideas about planning your retirement. It’s worth looking into My USS to check how your pension is shaping up and to use the Benefit Calculator.

This is a useful tool, and you can estimate what your benefits will be worth when you retire to modelling the impact of making more contributions.

Thank you for listening.

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