









How does a career-average pension work?

- 1** You build up pension a year at a time
- 2** Pension you build up goes into your pension account
- 3** Every March, pension worth 1/59.7 of your pay for the previous year (roughly £16.75 for every £1000 you earn) is added to your account
- 4** Every April, the money you've built up in your pension account is increased in line with the Average Weekly Earnings (AWE) measure
- 5** All the years you pay in add up to a retirement pension you can count on

How does my pension build up?

Here's an example based on £30,000 pay and AWE of 2.5%.

You can see how pension builds up when the increases are compounded. And this example doesn't even take into account likely pay increases over the years.

Years paying in	 	Yearly pension built up including AWE increases
1 year		£ 515.08
2 years		£ 1,043.03
3 years		£ 1,584.18
...		
10 years		£ 5,770.59
20 years		£ 13,157.42
30 years		£ 22,613.20