



SELF EMPLOYED? REMEMBER YOUR PENSION

The number of self-employed individuals in the UK has grown significantly over the past decade, with over 4.3 million people now working for themselves.¹ While self-employment brings freedom and flexibility, it also comes with unique financial challenges—especially when it comes to retirement planning. Recent research shows that self-employed workers are at risk of pension shortfalls, making it critical to take proactive steps to secure a comfortable retirement.

The growing self-employed sector

Self-employment has become an increasingly popular career choice, with many opting for the freedom to set their own hours and choose their projects. However, the trade-off for this independence is often a lack of access to traditional workplace benefits, such as employer pension contributions.

Data from the Department for Work and Pensions highlights the stark contrast: while 88% of employees contribute to a workplace pension, only 16% of self-employed individuals have a pension plan in place.²

This alarming gap suggests that many self-employed workers could face financial difficulties in retirement unless they take action now.

Pensions gaps and challenges

For the self-employed, saving for retirement can feel like a low priority compared to managing day-to-day expenses and running a business. Income volatility also makes it challenging to commit to regular contributions. However, delaying pension savings can significantly impact your ability to build a sufficient retirement fund, especially when you

miss out on the power of compounding returns over time.

The lack of automatic enrolment—a key driver of pension savings among employees—means that self-employed individuals must take full responsibility for their retirement planning. This gap highlights the importance of seeking advice and establishing a sustainable pension savings strategy early on.

Smart pensions strategies for the self-employed

Despite these challenges, there are several effective strategies to ensure you're saving enough for retirement.



1 Make flexible contributions

Take advantage of the ability to contribute to your pension as and when your income allows. For example, during months of higher income, consider making larger contributions to offset periods when income may be lower.

2 Claim tax relief

Pension contributions are one of the most tax-efficient ways to save. As a self-employed individual, you can benefit from tax relief on your pension contributions, effectively reducing the cost of saving for retirement. For every £100 contributed, basic-rate taxpayers only need to pay £80, with higher-rate taxpayers benefiting even further. Pension withdrawals are then taxed at the marginal rate of income tax after tax free cash.

3 Set achievable goals

Start with small, regular contributions and increase them over time as your income grows. Even modest contributions can add up significantly over the years.

4 Diversify your savings

While pensions should be a key part of your retirement plan, consider other savings vehicles, such as ISAs, to provide additional flexibility.

Why now is the time to act

Whether you're in your 30s, 40s, or beyond, it's never too early—or too late—to start planning for retirement. By reviewing your financial position and making a plan today, you can take control of your financial future and avoid the pitfalls of inadequate savings

We're here to help

Whether you're considering phased retirement or exploring ways to adapt your financial strategy, our advisers can provide the guidance you need. Get in touch today to create a retirement plan that fits your unique circumstances.



¹ [Statista](#)

² [Department for Work and Pensions](#)

Important information:

The value of investments can go down as well as up, and you may not get back the full amount you invested. Past performance is not a guide to future performance, and past performance may not necessarily be repeated. Tax benefits depend on personal circumstances and current tax rules, which could change in the future. Information provided is for guidance only and does not constitute financial advice. Tavistock Investments Plc is authorised and regulated by the Financial Conduct Authority.