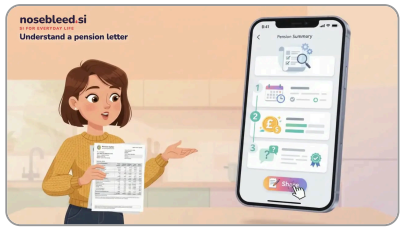
Understand a pension statement



Use AI to explain the words and numbers in a pension statement, and know where to get free guidance.

By the end, you'll be able to:

- find the key facts in a pension statement
- use AI to explain pension words in plain English
- know that big pension decisions need free, impartial guidance

Warm-up Pension words

Which of these have you heard? Tick them, then talk about what they might mean.

☐ Pension pot ☐ Contributions ☐ Projection ☐ Lump sum ☐ Retirement age

1 Read the statement

Here's part of a made-up yearly statement from a workplace pension.

MADE-UP SAMPLE STATEMENT

Evergreen Pensions · Your annual statement (made-up sample)
Plan number: EVG-0045-7781 · Mr David Jones
Your pot value on 5 April 2027: £24,350
Paid in this year: you £1,200; your employer £1,800
Your selected retirement age: 67
Projected income from age 67: £1,320 a year, in today's money. This is an estimate, not a promise.
Up to 25% of your pot can usually be taken as a tax-free lump sum.

Part 1, continued.

How much is in the pot? _____

How much was paid in this year, in total? _____

What income might it give from age 67? _____

Which details would you cover before using AI? _____

2 Ask AI to explain it

If you have a device, try this prompt, then type in the statement **without the name and plan number**.

TRY THIS PROMPT

Please explain this pension statement in plain English. What does each figure mean, and what does 'in today's money' mean? Please explain, but don't advise me what to do. Here it is:

3 Spot the mistake

EXAMPLE AI ANSWER

You have £24,350 saved. You'll get £24,350 a year when you retire at 67, and you can take a quarter of it tax-free.

The mistake is: _____

4 Explain or advise?

Tick whether AI is fine for each, or you need free, impartial guidance or advice.

	AI is fine	Get guidance
What does 'pot value' mean?		
Should I take my lump sum now?		
What does 'in today's money' mean?		
Should I move my pension to a new company?		
Can you make me a list of questions to ask?		

5 Your questions

Write two questions David could ask his pension company.

> **Remember:** decisions about pensions can't always be undone. Get free, impartial guidance before you decide.

Find out more: read the free step-by-step guide, with a 10-second video, at **nosebleed.si/ideas/understand-a-pension-letter**

Teacher notes: Understand a pension statement

Time: 45 to 60 minutes

Level: beginners; no AI experience needed

Group: any size; works well in pairs

You'll need: a copy per learner; phones or tablets with an AI chat app (optional)

Before the session

Try the prompt with the sample. Evergreen Pensions and David Jones are made up. Don't let learners share real pension details in class.

Running order

5 min	**Warm-up.** Pension words.
15 min	**Part 1.** Read the statement and answer the questions.
15 min	**Parts 2 and 3.** Try the prompt, then spot the mistake.
10 min	**Parts 4 and 5.** Explain or advise, then questions.
5 min	**Wrap-up.** Where to get free guidance.

Answers: Part 1

Pot: £24,350.
Paid in: £3,000 (£1,200 + £1,800).
Income from 67: about £1,320 a year, in today's money, and only an estimate.
Cover: the name and plan number.

Answer: Part 3

The £24,350 is the whole pot, not a yearly income. The projected income is about £1,320 a year.

Answers: Part 4

AI is fine: explaining words; listing questions.
Get guidance: taking a lump sum; moving a pension.

Words

In today's money: adjusted so you can compare it with today's prices.
Contributions: money paid in.

Discussion points

- In the UK, MoneyHelper gives free, impartial pensions guidance, backed by the government. Pension Wise appointments are for people aged 50 or over with this kind of pension.
- Pension scams are common: be wary of cold calls about your pension.

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