**What are the different types of pension?**

Along with the State Pension from the government, there are 2 main types of pension:

* defined contribution – based on how much money has been paid into your pension pot
* defined benefit (final salary or career average) – based on your salary and how long you’ve worked for your employer

**Defined contribution**

These are sometimes known as ‘money purchase’ pensions. They can be personal pensions arranged by you or workplace pensions arranged by your employer.

The money paid in by you or your employer is put into investments by your pension provider. The amount you get when you come to take your pot depends on how much was paid in and how well the investments have done.

The value of your pot can go up or down depending on your investments.

With defined contribution pensions you decide how to take your money out.

**Types of defined contribution pension**

These include:

* Executive pension plan
* Group personal pension
* Personal Pension
* Retirement Annuity Contract
* Master trust pension (e.g. NEST, NOW pension, the People’s Pension)
* SIPP (Self Invested Personal Pension)
* SSAS (Small Self Administered Schemes)
* Stakeholder pension

**Defined benefit (final salary or career average)**

These are sometimes known as ‘final salary’ or ‘career average’ pensions. Defined benefit pensions are nearly always workplace pensions arranged by your employer.

How much you get depends on your salary, how long you’ve worked for your employer and a calculation made under the rules of your pension scheme.

Your provider guarantees a certain amount each year when you retire.

**The State Pension**

The pension you get from the government is called the State Pension. You get it when you reach [State Pension age](https://www.gov.uk/calculate-state-pension/y/age).

You don’t normally get it automatically – you have to [claim the State Pension](https://www.gov.uk/state-pension/how-to-claim).

If you reached State Pension age on or after 6 April 2016 you’ll get the [new State Pension](https://www.gov.uk/new-state-pension) payment which is £175.20 a week. If you reached State Pension age before 6 April 2016 the most you can currently get from the basic State Pension is £134.25 a week.