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EVERYBODY BENEFITS: EMPLOYEE GUIDE

Money talks

Take control of your financial future

Coaching your way to financial confidence

Rising living costs, higher mortgage rates and ongoing economic uncertainty have left many people feeling less secure about their finances. Even those with steady incomes may find themselves worrying about bills, savings or long-term retirement goals.

It's a reminder that financial wellbeing is deeply connected to overall wellbeing. When money feels uncertain, it can affect everything from sleep and concentration to relationships and mental health.

But while the cost-of-living crisis has created real challenges, it has also encouraged more open, honest conversations about money - and highlighted the importance of planning ahead, something professional financial coaching can help with.

Forward planning pays dividends

Many people feel unsure where to start when it comes to managing their money and any debt, saving for the future or making the most of workplace benefits. It isn't something we're often taught at school.

This guide offers practical steps to help you regain financial confidence, make informed decisions and take control of your financial future - one step at a time. And if you still feel overwhelmed by the myriad of information out there, professional financial coaching could be a good place to get further support.

Whether you're aiming to reduce debt, grow your savings, retire to the south of France or finance further education for grandchildren, every small step can make a big difference.

Managing debt without shame

Debt can affect anyone, at any stage of life. From credit cards and overdrafts to personal loans or unexpected bills, it's easy for balances to build - and hard to know where to begin to reduce them. When people feel overwhelmed by debt, it can lead to a 'freeze' response, where they end up doing nothing rather than taking action.

The first step is to remove the stigma. Debt doesn't define you; it's a situation that can be changed with the right plan and support.

Structured debt management programmes, such as consolidation loans, repayment plans or professional credit counselling can help you take back control.

Many employers also provide access to Employee Assistance Programmes (EAPs) that offer free, confidential financial guidance.

Speaking to your bank, a financial wellbeing partner or a free advice service such as StepChange, National Debtline or Citizens Advice can help you create a realistic plan to clear debts and rebuild your financial confidence.

If you're struggling, don't go it alone.

5 ways to manage money more efficiently

1 Smart salary sacrifice

If your income falls into certain thresholds, you could be losing valuable benefits or allowances. For example, those earning between £60,000 and £75,000 may have to repay some or all of their Child Benefit under the High Income Child Benefit Charge.

Likewise, if your income sits between £100,000 and £125,140, you'll begin to lose your personal allowance (this tapers off once you hit the £100,000 earnings threshold), effectively increasing your marginal tax rate.

One way to manage this is through salary sacrifice. This allows you to exchange part of your salary for a non-cash benefit, such as pension contributions. Because this portion is deducted before tax, it reduces your overall taxable income and may help you retain benefits or allowances that would otherwise be withdrawn.

By increasing pension contributions through salary sacrifice, you could preserve your full personal allowance, grow your retirement pot, and pay less tax overall.

2 Pension planning for the future

It's never too early or too late to start thinking about your financial future. Whether you're just beginning your career or approaching retirement, taking time to understand how your pension and savings work can give you greater control and peace of mind.

Employer contributions

If you're part of a workplace pension scheme, your employer will usually pay into your pension pot alongside your own contributions. This is effectively free money added to your future savings. The amount varies by employer, but it's typically a percentage of your salary. Some employers even match additional contributions you make, meaning the more you save, the more they do too.

Employer contributions are one of the most powerful ways to grow your pension, and they are currently free from income tax and national insurance contributions, so it's worth checking what your company offers and ensuring you're taking full advantage.

Automatic enrolment

Since 2012, most UK employers have been legally required to automatically enrol eligible employees into a workplace pension scheme. If you're over 22 and earn more than £10,000 a year, you'll automatically be enrolled unless you choose to opt out.

Under automatic enrolment:

- You contribute a minimum of 5% of your qualifying earnings.
- Your employer contributes at least 3%.
- These contributions go directly into your pension pot each payday.

Automatic enrolment is designed to make saving for retirement simple and consistent, helping you build a secure income for later life without needing to take active steps each month.

Tax relief

Another advantage of pension saving is tax relief - a government incentive that boosts your contributions.

When you pay into your pension, some of the money that would have gone to the government in tax goes into your pension instead. It's one of the most efficient ways to grow your savings over time.

Additional voluntary contributions

If you want to top up your pension, you can make Additional Voluntary Contributions (AVCs). These are extra payments into your pension, above the standard amount deducted from your salary.

AVCs benefit from the same tax advantages as your regular pension contributions, meaning your savings can grow faster. They're flexible too - you can pay in lump sums or regular amounts, depending on what you can afford.

If your employer offers a workplace AVC scheme, it's worth exploring how it works and whether they provide matching contributions or other incentives.

Tips for better pension planning

1

Check your pension contributions annually - if you can afford it, even a small increase can make a big impact over time.

2

Log in to your pension portal to view contributions, investment funds and projected outcomes annually.

3

Consider diversifying your savings between pensions, ISAs and emergency funds to maximise tax efficiencies and for flexibility over the short, medium, and long term.

4

Use pension calculators such as MoneyHelper.org.uk to estimate your future retirement income.

3 Individual Savings Accounts (ISAs)

ISAs let you save or invest money without paying tax on the interest or returns.

You can currently save up to £20,000 per tax year across all your ISAs.

There are four main types:

Cash ISAs

Ideal for short- to medium-term savings, earning tax-free interest.

Stocks and Shares ISAs

Investments that may grow faster but carry more risk.

Innovative Finance ISAs

Peer-to-peer lending with higher risk and return potential.

Lifetime ISAs

Designed for long-term goals such as buying your first home or retirement.

ISAs can sit alongside your pension as part of a broader savings strategy, giving you flexibility and easy access to funds when needed.

Innovative Finance ISAs and Lifetime ISAs come with additional rules and risks, so please ensure you understand those before investing.

4 Childcare benefits

Balancing work and family life can be challenging, especially as childcare costs rise. Fortunately, there are several government and workplace schemes designed to ease the pressure depending on your situation:

- **Tax-Free Childcare,** which provides a 20% government top-up on eligible childcare costs - worth up to £2,000 per child per year (or £4,000 if the child is disabled), on up to £10,000 of childcare spending.
- **Workplace nursery partnerships or childcare vouchers:** voucher schemes closed to new applicants in October 2018 and so only people already enrolled will be able to access this option as long as they remain with the same employer and don't take an unpaid career break of more than a year.

5 Building financial confidence through coaching

Money isn't just about numbers - it's about mindset. Confidence, habits and emotions all influence how we manage our finances.

A financial coach can help you understand your relationship with money, overcome fears or unhelpful habits, and build confidence in making informed decisions.

Unlike advisers, coaches focus on personal empowerment, helping you to set clear goals, improve budgeting and build resilience.

Financial coaching can help you:

- Create a realistic spending plan
- Improve communication about money at home
- Develop positive habits for saving and investing
- Reduce anxiety and feel in control of your future

Start the conversation about spending and managing your money

Ask your HR or wellbeing team whether your organisation provides access to financial coaching or educational sessions.

Financial wellbeing isn't about perfection - it's about progress. Small, consistent steps can make a big difference to your confidence and long-term security.

By understanding your options, using available tools, and seeking support when you need it, you can take control of your financial future - and build a healthier, happier relationship with money.

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