

GENERAL TRAINING READING EXAMPLE

Read the free sample text below from **IELTS General Training Practice Test 17 (High Scorer's Choice series)** and then answer the questions on page 2. The correct answers are on page 3.

Workplace Pensions

A workplace pension is a way of saving for your retirement that's arranged by the business that provides you with work. A percentage of your pay is put into the pension scheme automatically every payday. In most cases, your employer and the government also add money into the pension scheme for you. The money is used to pay you a taxable income for the rest of your life when you start getting the pension. You can usually take some of your workplace pension as a tax-free lump sum when you retire. If the amount of money you've saved is quite small, you may be able to take it all as a lump sum. 25% is tax free, but you'll have to pay Income Tax on the rest. You can't usually take the money out before you're 55 at the earliest, unless you're seriously ill and you'll need documentation for this to happen.

There are two main types of workplace pension. Your employer decides which type of scheme you are offered.

Defined Contribution Pension Schemes

These are also known as 'money purchase' schemes. The money is invested by a pension provider chosen by your employer. The amount you get when you retire usually depends on how much has been paid in, how long you've been paying in and how well the investment has done. The fund balance can go up or down in the short-term, but pensions usually grow more than savings accounts over the long-term. Some schemes gradually move your money into lower-risk investments as you get nearer to retirement age. You may be able to ask for this if it doesn't happen automatically - ask your pension provider for more details. The pension provider usually takes a small percentage of your pension pot as a management fee. Check the documents your employer gives you or ask them if you want to know how much this will be.

Defined Benefit Pension Schemes

These are also known as 'final salary' or 'salary-related' pensions. They promise to give you a certain amount each year when you retire. How much you get doesn't rely on how much you contribute over the duration of the policy. The amount you'll get depends on your salary and on how long you've worked for your employer. The pension scheme administrator can give you more details in writing or face-to-face.

The government has put in place a number of controls to minimise the risks to pensions. How your pension is protected depends on the type of pension. Defined contribution schemes are usually run by pension providers, not employers. You won't lose your pension pot if your employer goes out of business. For defined benefit pension schemes, your employer is responsible for making sure there's enough money in the pension fund to pay each member the promised amount. Your employer can't touch the money in your pension if they're in financial trouble. You're usually protected by insurance if they go out of business and can't pay your pension.

If you change jobs, your workplace pension still belongs to you. If you don't carry on paying into the scheme, the money will still be invested and you'll get a pension when you reach the scheme's pension age. You can join another workplace scheme if you get a new job. If you do, you may be able to carry on making contributions to your old pension or combine the old and new pension schemes. Ask your pension providers for some advice about your various options.

Questions 15 – 21

Do the following statements agree with the views of the writer of the text?

In boxes **15 – 21** on your answer sheet write:

YES	<i>if the statement agrees with the writer's views</i>
NO	<i>if the statement doesn't agree the writer's views</i>
NOT GIVEN	<i>if it is impossible to say what the writer thinks about this</i>

- 15** Workplace pensions are organised by people's employers.
- 16** Incomes taken from pensions at retirement are tax free.
- 17** Defined contribution pension schemes are protected from losing value.
- 18** Pension funds on retirement in final salary pensions depend on the success of investments made over the period of the pension's life.
- 19** Defined benefit pension schemes run by companies that go bankrupt are usually safeguarded by insurance.
- 20** The government is not allowed to make changes to tax law that affect existing workplace pensions.
- 21** If you get a new workplace pension in a new job, you will have to keep both going simultaneously until retirement.

ANSWERS

- 15. YES
- 16. NO
- 17. NO
- 18. NO
- 19. YES
- 20. NOT GIVEN
- 21. NO

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