



# My Retirement Savings Plan: The RSA Pension

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One of the biggest financial questions you can ask yourself is, “What is going to do with all that money when I retire? While countless articles and blogs are available on what you should invest your money in and how much risk you’re willing to take, there aren’t as many resources on what type of retirement savings plan you should have. Every single one of us will need emergency cash when we retire. And also, there are some different ways to set aside money for retirement. Here is everything you need to know about Retirement Savings Accounts (RSA).

## What is an RSA?

RSAs are financial products that allow people to save for retirement. Although they are not mandatory for anyone to use, many people choose to set up an [RSA Pension](#) because it offers tax advantages and flexibility in how the funds can be used. With the introduction of the Retirement Savings Account (RSA), the government of Nigeria hoped to encourage more people to start saving for their future and reduce the gap between what is needed to fund a comfortable retirement and the funds available to most Nigerians. To make a change, the federal government instituted tax advantages to encourage people to contribute to an RRSP. This allowed Nigerians to reduce their income taxes when they contributed to a Registered Retirement Savings Plan (RRSP). To make even more people start saving for retirement, the federal government created the Retirement Savings Account (RSA).

## Why is an RSA important?

People don't have enough money in their savings to cover the costs of a comfortable retirement. It can lead to a future of lower quality of life and reduced standard of living. Saving for your retirement is an essential step toward ensuring that you can enjoy a well-rounded and meaningful retirement. Retirees who are not saving money for their future may end up relying on government assistance programs like the Old Age Security and Guaranteed Income Supplement.

## How does an RSA work?

With a Retirement Savings Account (RSA), you contribute pre-tax money from your paycheque to an RRSP. Once you receive your pension money, you withdraw it from the RRSP and put it into the RSA. Then, you make additional contributions to the [RSA Pension](#), which is again pre-tax. It means you get your money in a tax-free savings account (TSA) and tax-free investments. One of the main reasons people choose to save in an RSA is that it offers flexibility in how they can withdraw in retirement. This ranges from making a withdrawal from a savings account balance to making a withdrawal from an investment.

# The Three main types of RSA

The three main types of RSAs are: — Fixed income: This is a fixed rate of return, not linked to any equity market. These are good options for those with a fixed income in the form of a pension or social security. — Fixed-rate annuity: This is a fixed payout for the contract's whole term but is subject to market risk. There is a greater chance of this amount decreasing than increasing. — Variable rate annuity: With this option, there is a chance of market risk and a higher return on investment if the market goes up.

## Conclusion

The Retirement Savings Account (RSA) is a new account that allows Nigerian to save for their future. With the introduction of the Retirement Savings Account (RSA), the federal government hoped to encourage more people to start saving for their future and reduce the gap between what is needed to fund a comfortable retirement and the funds available to most Nigerian. The Retirement Savings Account (RSA) is a new account that allows Nigerians to save for their future. With the introduction of the Retirement Savings Account (RSA), the federal government hoped to encourage more people to start saving for their future and reduce the gap between what is needed to fund a comfortable retirement and the funds available to most Nigerians.