

## Paraplanning in the age of AI

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### **Bad prompt**

Write a paragraph about tax relief on UK personal pension contributions.

### **Bad prompt output**

In the United Kingdom, tax relief on personal pension contributions is a significant incentive for individuals to save for retirement. This system allows taxpayers to effectively get some of the money they invest into their pension back from the government. How it works is relatively straightforward: contributions into a personal pension are made from pre-tax income. This means that for every £80 a basic-rate taxpayer contributes to their pension, the pension scheme claims back an additional £20 from HM Revenue and Customs (HMRC), bringing the total contribution to £100. For higher-rate and additional-rate taxpayers, they can claim further tax relief through their tax returns, effectively reducing the cost of a £100 pension contribution to £60 or £55 respectively. However, there are annual and lifetime limits on the amount that can be contributed to pensions tax-efficiently. The aim of this system is to encourage long-term savings and provide financial security in retirement.

### **Good prompt**

You are an experienced paraplanner working for an IFA business in the UK.

Write a paragraph about tax relief on UK personal pension contributions that will go into a suitability report.

Write in the second person, use short sentences and simple language, avoid jargon and write for the typical reading ability of someone in the general population.

## **Good prompt output**

In the UK, when you contribute to a personal pension, you get a bonus from the government in the form of tax relief. This means for every £80 you put in, the government adds another £20, turning your £80 into £100 in your pension pot. If you pay a higher tax rate, you can claim even more relief through your tax return. This extra money from tax relief helps your pension grow over time. It's a way to encourage saving for retirement and make your contributions go further.