



INVESTMENT QUORUM

UNIQUE, BOUTIQUE WEALTH MANAGEMENT

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Plan the perfect retirement

Creating a comfortable, secure retirement takes care and forethought

If you're 10 to 15 years from retirement, you're probably starting to think more about how you'll spend your life after work. You might be contemplating travelling more, dedicating more time to your passions or enjoying more free time with your family.

However, are you concerned that the idea of a financially comfortable retirement is increasingly unattainable? You might have some concerns about your pension savings and whether they'll provide the income you need. If you haven't already done so, now is the ideal time to take stock of your current situation and make any necessary alterations to ensure you're on track.

Here are five tips to help you get started.

1. CALCULATE YOUR EXPECTED RETIREMENT SPENDING

Everyone has a different idea of the ideal retirement and so will have different spending needs. Looking at your current outgoings is a good place to start. Calculate how much you spend each month on paying down debts, paying bills, essential spending and non-essential spending.

Then, consider what might increase or decrease over your retirement. For example, you may be reaching the end of your mortgage, which will mean

your debt payments go down. But you might plan to take up a new hobby, which will mean your non-essential spending goes up.

Remember to factor in any large lump sums you plan to spend, such as helping your children with property deposits or taking a dream holiday.

2. REVIEW YOUR CURRENT WEALTH

You might have accumulated several different workplace pensions with different employers over your lifetime, so you'll need to total the savings you have in all of them. Start by contacting previous employers to find out the name of the pension provider. If you don't have the details of each pension, we can help you trace them.

Remember, it's not only pension savings that can dictate your retirement spending, but also other sources of income, such as buy-to-let properties or investment portfolios, so be sure to include these too.

3. MAXIMISE YOUR PENSION SAVINGS

If your current pension savings won't cover your expected retirement spending, you can adjust your current financial arrangements to help you reach your goal.

You may also want to make lump sum payments into your pension. If a lump sum would take you over the £40,000 pension annual allowance, you can use unused annual allowance from up to three previous years.

Your pension annual allowance is the most you can potentially save in your pension pots in a tax year (6 April to 5 April) before you have to pay tax, unless there is carry forward available.

4. ADJUST YOUR INVESTMENT STRATEGY

Your pension savings might currently be invested based on a higher-risk strategy to maximise the potential returns on your investments. But as you approach retirement, you may want to choose a





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lower-risk strategy with an emphasis on preserving the wealth that you have rather than growing it.

Lower-risk strategies tend to result in fewer losses and slower, but more predictable, growth. That can be preferable when you're trying to ensure your savings last a lifetime. We can help you establish the right strategy for your risk appetite and goals.

5. CONSIDER A PHASED RETIREMENT

Some people want to stop working as soon as possible, but that's not the right choice for everyone. They may dream of an early retirement in their mid-50s, but once they leave behind their workplace at such a young age they might not find retirement fulfilling. Also, the amount in their savings or portfolio may not reflect what they'll need to enjoy the coming years and lifestyle they want.

These days, there is a trend for people increasingly deciding to slowly reduce the hours they work over a few years or to take on a part-time job in the early years of their retirement to keep busy and continue to contribute to a pension. Others may use a lump sum at the start of their retirement to establish a small business. There are many different retirement journeys that might suit your lifestyle and financial goals. ■

FEELING UNCERTAIN ABOUT YOUR RETIREMENT?

Making all these decisions alone can be stressful, and no one should enter retirement feeling uncertain that their savings are sufficient to last a lifetime. Seeking professional financial advice can give you peace of mind so that you can relax and enjoy this next life stage. Speak to us for more information or to discuss your requirements.

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028). THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP

WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE. YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.

THE TAX IMPLICATIONS OF PENSION WITHDRAWALS WILL BE BASED ON YOUR INDIVIDUAL CIRCUMSTANCES, TAX LEGISLATION AND REGULATION WHICH ARE SUBJECT TO CHANGE IN THE FUTURE. YOU SHOULD SEEK ADVICE TO UNDERSTAND YOUR OPTIONS AT RETIREMENT.

ACCESSING PENSION BENEFITS EARLY MAY IMPACT ON LEVELS OF RETIREMENT INCOME AND YOUR ENTITLEMENT TO CERTAIN MEANS-TESTED BENEFITS AND IS NOT SUITABLE FOR EVERYONE. YOU SHOULD SEEK ADVICE TO UNDERSTAND YOUR OPTIONS AT RETIREMENT.

