

# Time to revisit your retirement plan?

Helping you feel more prepared for this stage of your life

If you are in your 40s or 50s, you have likely contributed to a pension for quite some time. Over the years, you may have accumulated multiple employer workplace pensions. However, when did you last thoroughly examine your pension and retirement strategy?

Having a documented retirement plan can help you feel more prepared for this stage of your life, ensuring you have a sufficient income when you stop working. Here, we explore several factors to consider when reviewing your savings. If you don't yet have a plan, in this article, we consider a helpful starting point.

## REVISIT YOUR RETIREMENT PLAN

It's always a good idea to reassess your plan to ensure you're on track to achieve the retirement income and lifestyle you desire. Priorities and circumstances can change, necessitating adjustments to your plan.

## BEGIN BY ASKING YOURSELF THESE THREE KEY QUESTIONS:

### HOW WOULD YOU LIKE TO SPEND YOUR RETIREMENT?

Consider what you'd like to do during your retirement to help determine how much money you'll need. Whether it's holidaying, investing more time in hobbies or starting a new business venture, it's crucial to account for everyday expenses such as rent or mortgage payments, household bills and food shopping. Additionally, it's wise to set aside savings for potential medical needs or home care as you age.

When planning your expenses, don't forget to factor in inflation. Prices tend to increase over time, so having an extra financial cushion can be beneficial.

### WHEN WOULD YOU LIKE TO RETIRE, AND FOR HOW LONG?

Is the age you'd like to retire still the same, or has it changed? With life expectancy increasing, you'll need to consider how much money you'll need throughout your retirement. Dividing the total figure into an annual salary, followed by a monthly income, will help you determine if your savings are sufficient.

Consider how you'll access your retirement income. Different options have various terms and conditions that affect your take-home pay.

## DEBT REPAYMENTS BEFORE RETIREMENT

If possible, set goals to pay off any debts before you retire. Clearing debts can provide peace of mind, as it's one less expense to worry about.

## CHECK YOUR PENSION CONTRIBUTIONS

Your retirement fund could include workplace pensions, personal pensions, Individual Savings Accounts (ISAs), investments and the State Pension. When reviewing your pension pot, check the amount and track performance, and take action if necessary.

### Consider the following when reviewing your pension pot:

- Review your workplace pension contributions. Can you afford to increase them, even slightly? Even small annual increases can make a significant difference over time.
- Check your employer's contributions. Many employers offer benefits such as matching increases in your contributions to your workplace pension.
- Keep track of all your pension pots to avoid forgetting about them. Consider whether you want to keep working part-time or flexible hours, which will give you more time to improve your savings.
- Remember, the value of investments can fall as well as rise, and there are no guarantees. When you start drawing benefits, the value of your pension pot might be less than the total contributions made.

## THE STATE PENSION AS AN INCOME SOURCE

The State Pension alone is unlikely to support your retirement. If you're eligible, the amount you receive will depend on your National Insurance contribution record. You can check your State

Pension forecast on the government's website to see how much you could receive when you can claim it and if you can improve it.

## UNDERSTAND YOUR RETIREMENT INCOME OPTIONS

From age 55 (57 from April 2028), you can access some or all of your pension benefits. Personal circumstances, lifestyle and health will influence your right income option. Some contracts restrict your options, and there are tax implications to consider.

## CONTROL OVER YOUR RELATIONSHIP WITH MONEY

Planning for retirement is a step towards improving your financial wellbeing. It's about how you feel regarding control over your financial future and your relationship with money. Focus on what makes your life enjoyable and meaningful now and in retirement. ■

## WANT TO IMPROVE YOUR FINANCIAL WELLBEING?

Please get in touch with us if you require further information or assistance in planning your retirement. We're here to help you navigate your financial future with confidence.

THIS ARTICLE DOES NOT CONSTITUTE TAX, LEGAL OR FINANCIAL ADVICE AND SHOULD NOT BE RELIED UPON AS SUCH. TAX TREATMENT DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH CLIENT AND MAY BE SUBJECT TO CHANGE IN THE FUTURE. FOR GUIDANCE, SEEK PROFESSIONAL ADVICE.