Mulberry Wealth Management Ltd
366-370 Cyncoed Road,
Cyncoed, Cardiff CF23 6SA

T: 02920 023 333
E: info@mulberrywealth.co.uk
W: www.mulberrywealth.co.uk

Five questions to ask yourself before retirement

Are you doing enough today to give yourself the freedom and choices you want tomorrow?

Retirement should be something to look forward to, not a source of financial anxiety. For many people, retirement can seem comfortably distant until, suddenly, it is not. Years of working, saving and paying into pensions can create the sense that everything will somehow fall into place.

The reality is that, without a clear plan, you could reach retirement and realise that the lifestyle you imagined is more expensive than your savings can support.

The good news is that spotting a potential shortfall early gives you time to address it. Whether retirement is decades away or approaching quickly, asking yourself these five questions could help you take greater control of your financial future.

1. WHAT DOES MY DREAM RETIREMENT LOOK LIKE?

Start with the life you want to lead, not a pension figure. Do you dream of travelling more, spending time with family, taking up new hobbies or simply enjoying your days without financial worries?

Think about the costs involved, from essential household bills to holidays, leisure and support for loved ones. Your spending may also change over time, with higher expenditure in the early years before your priorities evolve.

2. WHERE WILL MY INCOME COME FROM?

Your retirement income may need to come from several sources, including workplace and personal pensions, the State Pension, savings, investments or property. Knowing when each source becomes available is essential to building a sustainable income plan.

Check your State Pension forecast and National Insurance record, as gaps could affect your eventual entitlement. Understanding which income you can rely on can also help determine how much you need to generate from your private pension and other assets.

3. AM I SAVING ENOUGH?

Seeing a pension balance on a statement can be reassuring, but the figure alone does not tell you whether you are on track. What matters is how much income your savings could ultimately provide and whether it matches the life you want.

Consider your contributions, investment strategy, charges and the impact of inflation. If you discover a potential shortfall while you still have years before retirement, you have more time to increase contributions, review your investments or adjust your plans.

4. HOW WILL I TURN SAVINGS INTO INCOME?

Pension freedoms give you choices. You could use drawdown to take a flexible income while keeping your pension invested, buy an annuity to secure a guaranteed income, or combine approaches.

The decisions you make can have significant tax and investment implications. For example, taking large withdrawals in a single tax year could push you into a higher Income Tax band, while taking too much from drawdown could leave you with less money later in retirement.

5. WHAT IF LIFE DOESN'T GO TO PLAN?

A retirement plan based solely on everything going right can unravel quickly. Investment markets can fall, inflation can erode spending power and unexpected costs can arise. You may also live considerably longer than expected.

Professional financial advice will help you stress-test your plans against different scenarios and consider investment risk, tax, longevity and the most appropriate way to use your assets. Most importantly, it can help turn a collection of pensions and investments into a coherent plan for the life you want. ■

HAVE YOU GIVEN YOUR FUTURE SELF MORE CHOICES?

Retirement is one of the biggest financial transitions you are likely to face. The decisions you make today could determine whether your later years feel financially secure and liberating, or constrained by money worries.

If you would like to know whether you are on track for the retirement you want, please contact us. We can review your pensions, investments and wider finances, identify any gaps and help you build a plan tailored to the future you want to enjoy.