



# ROBERTS MACKIE WINSTANLEY

## INDEPENDENT FINANCIAL ADVISERS

## Pension freedoms

You work, you save and then you retire

A full and happy retirement is a priority for many. But no two people are alike. A 'one-size-fits-all' system cannot accurately account for everyone's individual lifestyle choices, so it makes sense that the way you prepare for your future is likely to be different from others.

On the surface, retirement planning hasn't changed all that much over the years. You work, you save and then you retire. But while the mechanics may be the same, today's savers are facing some challenges that previous generations didn't have to worry about.

### GOLDEN YEARS

First of all, life expectancy is longer, which means you'll need your money to last longer. This is compounded by the fact that more companies are moving away from defined benefit pensions – which guaranteed you a certain amount of money in your golden years – to defined contribution plans, which are more subject to market ups and downs.

So, how can you have the retirement you've always wanted? Retirement is inevitable, but that doesn't mean you have to stop living. Your retirement should be a time for enjoying your life and the things you most enjoy doing.

### WORKING LIVES

However, some people are unprepared for retirement due to high debt levels at the end of their working lives or because they were not saving enough during their careers. Sometimes, people are forced into retirement through circumstances outside of their control.

Some people might choose to live off their savings entirely, while others may choose to supplement their income with rental properties. Still others might prefer to have a mix of sources for retirement incomes.

### PENSION MONEY

Whatever the case, being aware of the options available today can help you prepare for your future in an effective way. With the introduction of pension freedoms, there is no onus on us to cash

in our pensions at set ages, and instead we can take our pension money any way we choose. But, with this freedom also comes responsibility, and for some, uncertainty.

Some people find they don't have a clear plan for what they want from their retirement, and many underestimate how much money they will actually need when they do eventually retire. The reality is our goals are all very individual, but whatever it is you want from your retirement, it pays to plan ahead.

**If you have a defined contribution pension, here are six simple tips to consider:**

1. Use pay rises as an excuse to save more
2. Pay in more when a regular spend ends
3. Maximise any employer contributions
4. Invest lump sums you receive
5. Put off breaking into your pension pot
6. Be choosy about your investment choices

### TIME TO TAKE CONTROL OF YOUR RETIREMENT PLANNING?

Planning for your financial future can help ensure that your lifestyle is what you want it to be after you retire. There's a whole lot to think about when you're planning for retirement. But where do you begin? To ensure your plans stay on track or for more information, please contact us.

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS PLAN HAS A PROTECTED PENSION AGE). 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.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.



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