

welby.  
we work for you

Your guide to

# Retirement Planning





At Welby we provide flexible solutions to meet your changing financial needs.

**FREE initial consultation**

Throughout life, many things can have a significant impact on your financial needs and plans for the future. At Welby we can follow your circumstances as your life journey progresses, from marriage and property purchases, to starting a family, business commitments, retirement and inheritance planning, even moving abroad; the list is endless. We are here to support all your plans. Our aim is to ensure that your financial plans remain relevant and on track for the future.

Our team of independent financial advisers are here to simplify the financial planning process. Our conversations with you are expertly focused on all aspects of your goals, alongside our knowledge to help you stay on the best financial path for you.

This guide focuses on **Retirement Planning**. Nowadays there are more choices open to you than ever before. However, this means there are more things you need to consider and have a plan for, like how to manage your finances to provide the income you'll need to live on, how you'll transition into full retirement and what lifestyle you want to enjoy in your later years.

This is where Welby can help, by building a suitable plan to grow your pension pot in a way that's affordable for you and ensures it's eligible for the tax reliefs available.



### The reassurance of Chartered status

Welby are proud to carry the prestigious title of Corporate Chartered status, awarded by the Chartered Insurance Institute. Welby demonstrate commitment to professional standards through ethical practice and an ongoing investment in expertise through continuous professional development.

For our clients, it shows dedicated customer service from our team and the capability to deliver the highest level of financial advice.

***Our highly skilled team is always at your service***



## Your vision for retirement

### Preparing for the lifestyle you want in retirement

Retirement planning involves visualising your key goals for your retirement years and setting up a plan to help you achieve those goals through financial planning.

When visualising your retirement, you need to ask yourself:

- Do you have a bucket list which may mean spending more in retirement?
- How much money will you realistically need to live on during retirement?
- What pension savings do you have and what income will these provide?
- What age do you want to retire at?
- Do you want to retire fully or consider a phased retirement?
- What State Pension are you entitled to and at what age will this be paid?

- Are other considerations such as passing money down the generations important to you?
- Any additional capital needs in retirement that impact your retirement savings?
- How long can you expect to live?

This last question is an unknown, but with increased longevity and better medical care, you could realistically expect to look forward to 20 years plus of life in retirement.

### **Life expectancy**

**18.8** - *the number of years men are expected to live after 65\**

**21.1** - *the number of years women are expected to live after 65<sup>1</sup>*

<sup>1</sup>ONS Sept 2020

***Visualising your retirement is important - we can help you develop a robust plan, to reflect your wishes***



# Your retirement options

## Understand your pension freedoms

In 2015, the government introduced 'pension freedoms' which are measures designed to give you greater choice over how you pay into and withdraw money from your pension pot. This has made it easier to access your pension fund earlier and in a more flexible way.

You can, for instance, choose to keep your pension pot invested and draw cash from it (drawdown), take a tax-free cash lump sum out of it, purchase an income for life in the form of an annuity, or even withdraw and spend the whole lot.

However, each option comes with its own benefits and drawbacks, and there's certainly no such thing as a one-size-fits-all solution at retirement. There are also other important considerations like taxation, investment strategy, and the need for cash-flow planning to work out how much to take from a pension to ensure it lasts comfortably throughout retirement. We can help you consider all your options.

## Should I consolidate my pensions?

Most people will acquire different pensions throughout their working life. It may be possible to consolidate them, but it's important to take advice first, as you may lose out on valuable benefits or guarantees or incur exit fees.

## Is it a good idea to take a tax-free lump sum?

Whether you choose drawdown or an annuity, you can normally take 25% of your pension pot as a tax-free lump sum. However, if you don't have immediate plans for the money, it makes little sense to withdraw it from your tax-efficient pension and leave it in a taxable savings account, earning little interest.

***We can help you understand all the options available to you at retirement, so you can relax and fully enjoy your retirement years, without worrying about your finances***



### Can't I just take all the money out?

Pensions are designed to provide you with an income throughout your retirement. Taking out more money than you need to, or starting withdrawals sooner, will mean you have less to live off in the future or you could even run the risk of running out of money completely. You could also end up paying more to the taxman than you need to.

### Is it best to clear my mortgage and debts as a priority?

Ideally you would want to have a debt-free retirement, but you need to consider the wider picture. For example, if your mortgage interest rate is low, it may be preferable to leave money invested in your pension where it can continue to grow. Also, if you pay off your mortgage, will your pension income reduce considerably and leave you property-rich, but cash-poor?

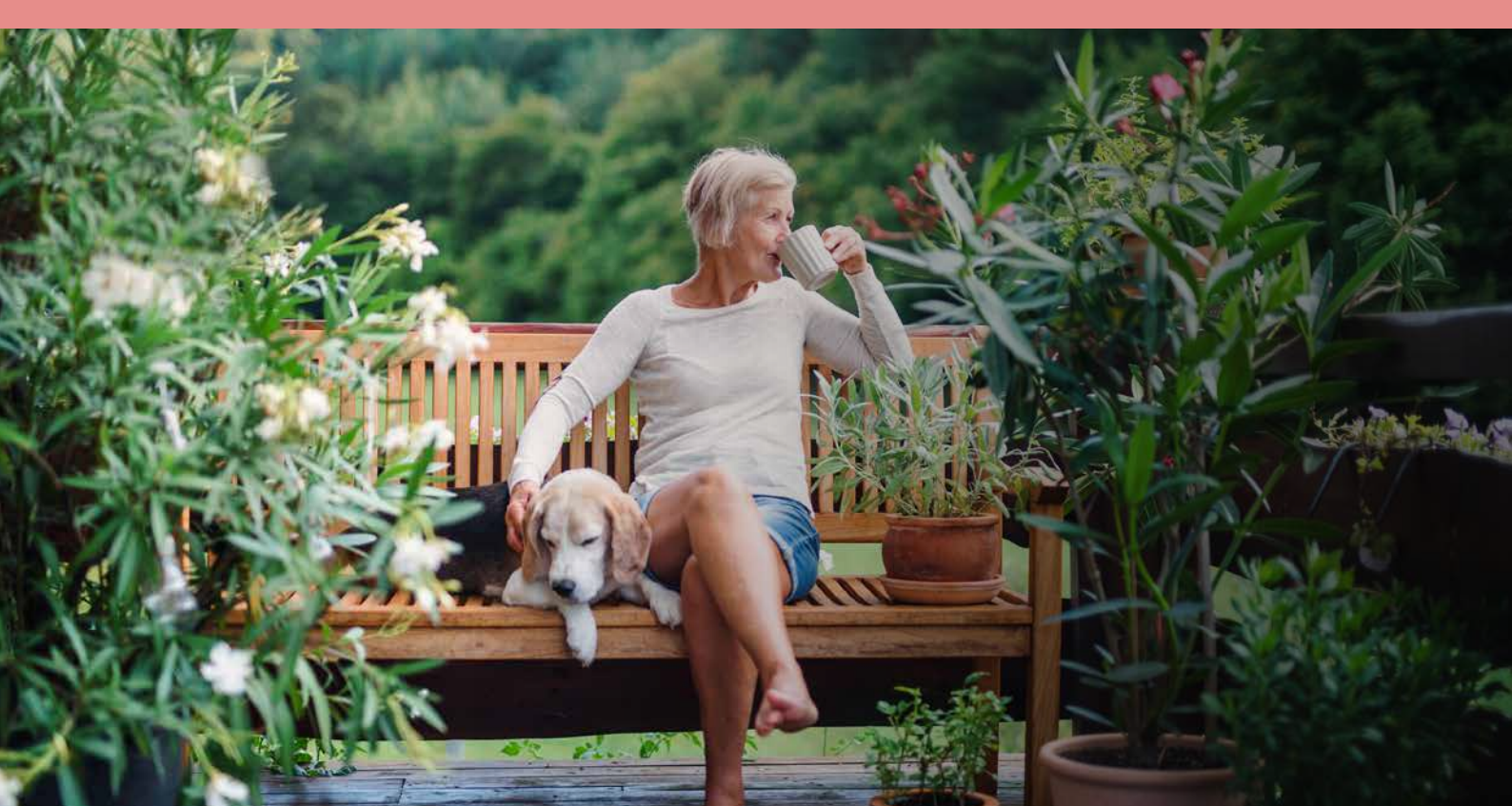
### Which is better – an annuity or drawdown?

An annuity provides certainty, in that it provides you with an income for life, it but lacks the flexibility that drawdown can provide and once you have opted for an annuity, you can't change your mind. Choosing how you will take your income in retirement will possibly be the biggest financial decision of your life, so it pays to get advice.

### What is the maximum income I can take without running out in later life?

There is a fine balancing act between taking the income you want to enjoy your first retirement years, but also leaving sufficient for your later years. This is where professional advice is invaluable in helping you to understand what income levels are sustainable. We can also advise you on the best investment strategy for your attitude to risk and advise you on the merits of taking 'natural income' or capital withdrawals.

***We can help you understand all the options available to you at retirement, so you can relax and fully enjoy your retirement years, without worrying about your finances***



## The value of financial advice

You may be asking yourself whether it is worth taking financial advice.

Over the years, research has produced some interesting findings that highlight the benefit of taking advice when making financial decisions.

When assessing financial value, one study<sup>2</sup> found that individuals who receive financial advice were likely, on average, to receive 4.4% more per annum in net returns. This was through a combination of financial planning, preventing behavioural mistakes, rebalancing portfolios and tax advice.

Elsewhere, another study<sup>3</sup> highlighted that receiving professional financial advice over a five-year period (between 2001 and 2006), resulted in a total boost to wealth (in pensions and financial assets) of nearly £48,000 a decade later.

<sup>2</sup>Russell Investments, 2019

<sup>3</sup>ILC, Revisiting the Value of Financial Advice, 2019

### Why Welby?

We understand that retirement planning can seem overwhelmingly complex. As well as helping you to understand the value of your pension pot, your plans for retirement and your attitude to investment risk, we believe that successful planning involves a regular review of your circumstances and adapting to changes. This is why we like to work with our clients on a long-term basis, allowing you to maintain a professional relationship of trust with your adviser.

***We understand that retirement planning is complex.  
We can set you on the right course and add value over the long-term.***

# Your retirement plan – how is it coming along?

You can use this section to keep a note of the sources of income you will have available in retirement to help you understand how your pension pot is progressing. This is a handy starting point, which we can then go through together.

Taking stock – Defined Contribution pensions			
Pension provider	Latest plan value	Valuation date	Current contribution

Taking stock – Defined Benefit pensions		
Company	Years of service	Projected pension

Taking stock – existing investments			
Other Investments	Latest value	Valuation date	Notes

## Notes – the retirement I want

You can use this section to make any notes about the retirement you want after thinking about the questions on page 3

---



---



---



---

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.

# Get in touch

If you have queries or would like to discuss any aspect of retirement planning, get in touch.

Call +44 (0) 2892 622 910

Email [info@welbyassociates.co.uk](mailto:info@welbyassociates.co.uk)

**FREE initial  
consultation**

**welby.**  
we work for you

---

#### Welby



---

The House of Vic-Ryn,  
Moira Road, Lisburn,  
Co. Antrim, BT28 2RF

---

T +44 (0) 2892 622 910  
E [info@welbyassociates.co.uk](mailto:info@welbyassociates.co.uk)  
W [www.welbyassociates.co.uk](http://www.welbyassociates.co.uk)

---

 [WelbyAssociates](#)  [@infoWelby](#)

#### Chartered Financial Planners

Director: Glenn Welby

Company registered number NI630504, Registered address: The House of Vic-Ryn, Moira Road, Lisburn, Co. Antrim, BT28 2RF.

Welby Associates Wealth Management Ltd is authorised and regulated by the Financial Conduct Authority. Firm Reference Number 697372.