

#### **Consilium Asset Management**

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## Retirement means something different to everyone. Whatever you're looking to do, expert advice could help you?

There is far more flexibility for people considering retirement today. Our comprehensive Retirement Planning Service can help you. Whether you near, far or at retirement, speak to one of our advisers.

#### Why not book in an appointment to speak to us today?

To find out how we could help you - please contact Consilium Asset Management - please telephone 01454 321511; email info@consilium-ifa.co.uk, or visit our website www.consilium-ifa.co.uk.

A PENSION IS A LONG-TERM INVESTMENT.

THE FUND VALUE MAY FLUCTUATE AND CAN GO DOWN, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

ONCE MONEY IS PAID INTO A PENSION, IT CANNOT BE WITHDRAWN UNTIL YOU ARE AGED AT LEAST 55 (INCREASING TO 57 FROM 2028).

YOUR PENSION INCOME COULD ALSO BE AFFECTED BY 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.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

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#### A Guide to Retirement Options

#### For a clearer financial future

Welcome to our *A Guide to Retirement Options* from Consilium Asset Management.

The changes in the retirement landscape mean that many people today are having to adjust their outlook towards retirement. With more people living longer, expectations of retirement are being reshaped and there is no longer a one-size-fits-all approach to retirement planning.

To different people, retirement means different things. Retirement offers the gift of time to do the things that matter most, whether that's looking to continue to work in one capacity or another, embark on a new project or business venture, or stop work entirely.

Retirement is a very personal stage in all of our lives and it may also affect others, so it's important to consider loved ones. Over the course of someone's retirement, there may be a change to their family situation, including changes due to death or divorce, or perhaps welcoming new partners and possibly grandchildren.

If you are approaching retirement age, it's important to know your pension is going to finance your plans. But what questions should you be asking about your retirement? Will I be able to retire when I want to? Will I run out of money? How can I guarantee the kind of retirement I want? Should I invest my retirement savings?

These are just some of the questions you'll want to know the answers to. But there are many other things to consider as you approach retirement. It's good to start by reviewing your finances to ensure your future income will allow you to enjoy the lifestyle you want. Making the right choices now could make a big difference to how much money you have in the future.

We all have our own idea of the life we'd like to lead after we've left the nine-to-five behind. Whatever retirement looks like for you, it's important to make the right plans now, so that you have the freedom to enjoy the time when it comes, however you choose to fill it.



**Graham Bond**Consilium Asset Management

#### DEDICATED TO DELIVERING THE BEST OUTCOMES FOR YOUR UNIQUE SITUATION

Our specialists can come up with a pension plan now that helps set you up for the future.

To find out more or arrange an appointment with one of our advisers, please contact us - we look forward to hearing from you. Telephone **01454 321511**; or email **info@consilium-ifa.co.uk**.

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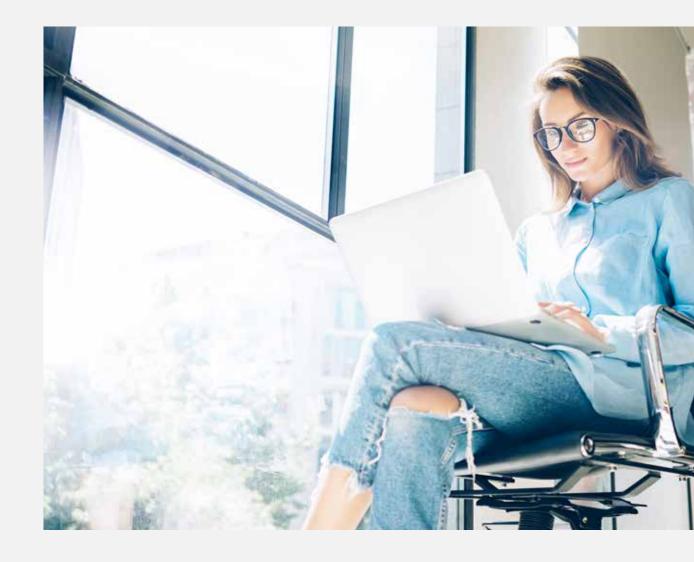
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## Why should I set retirement goals?





etirement might seem a long way off but the later you leave planning for it, the less chance you have of achieving the retirement you want. We all dream of how we'll spend our retirement but that dream looks different for everyone.

Some people want to spend more time with their family, while others want to enjoy long holidays and see the world, or simply wish to be financially independent. No matter what your dreams are, they rely on having sufficient pension savings to achieve them and live comfortably.

People who associate confidence with retirement are most likely to have specific retirement goals and know what steps they need to take to reach them. But sadly, some people don't feel confident that they will have enough savings to live comfortably after they retire.

Many people have a fear of outliving their money, but most don't have a clear idea of how much money they need during retirement. It's important to remember that retirement doesn't happen at a certain age, it happens when you have enough money to live on. And having this clear direction and understanding will give you peace of mind that you're on the right track.

# How can I feel confident about my retirement?





positive retirement experience begins with a tailored plan designed to help you live life on your terms. At Consilium Asset

Management we'll ask questions about your finances, personal circumstances and retirement goals, and create a plan that's unique to you and will help you reach the retirement you're aiming for.

Pensions can seem complex and overwhelming, and there are many reasons you might lack confidence in your retirement plans.

- You might be worried that you're not saving enough, but don't feel you can afford to save more
- You might feel ready to retire now, but you're not sure if you can rely on your current pension savings to provide enough money for the rest of your life
- You might have experienced a change to your financial situation, including life events such as divorce, and have new concerns about whether you can save enough
- You might have previously felt confident about your retirement plan, but the COVID-19 pandemic has derailed your savings

## What are my retirement options?



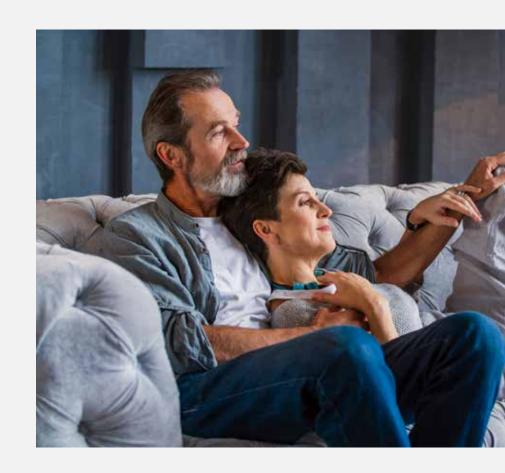


he pension freedoms have given retirees a whole host of new options. There is no longer a compulsory requirement to purchase an annuity (a guaranteed income for life) when you retire. The introduction of pension freedoms brought about fundamental changes to the way we can access our pension savings.

Once you reach age 55, you can access your pension pot. You can take some or all of it to use as you need, or leave it so that it has the potential to continue to grow. When you take your pension, some will be tax-free but the rest will be taxed.

The amount taxable will depend on your circumstances, which can change. Tax rules can also change in the future. It's up to you how you take benefits from your pension pot. You can take your benefits in a number of different ways.

# What method should I choose to provide me with a retirement income?





here are a number of different options to consider, including: buying an annuity (a guaranteed income for life), taking income through flexi-access drawdown, withdrawing lump sums or a combination of all of them. There are advantages and disadvantages to each method, and in some cases your decision is permanent.

It enables you to release a tax-free cash lump sum from the value of your home. You will still own your home and can continue to live there for as long as you like.

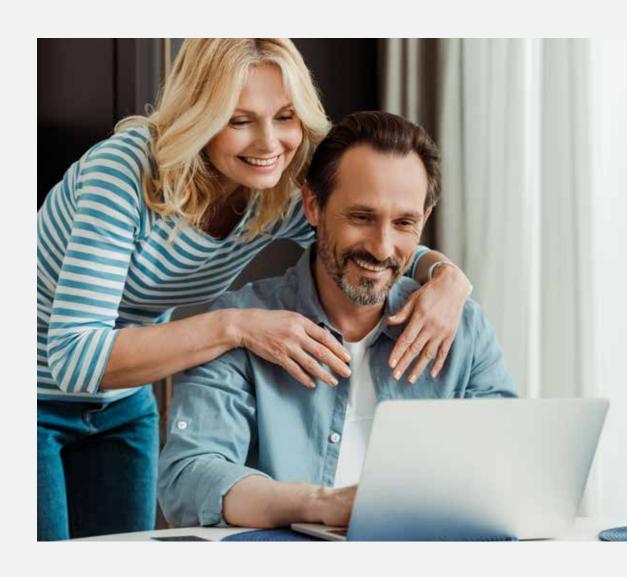
#### Which option or combination is right for you will depend on:

- Your age and health
- When you stop or reduce your work
- Whether you have financial dependents
- Your income objectives and attitude to risk
- The size of your pension pot and other savings
- Whether your circumstances are likely to change in the future
- Any pension or other savings your spouse or partner has, if relevant

Everybody's situation is different, which is why Consilium Asset

Management provide tailored advice for your specific requirements.

## Annuities – guaranteed income for life



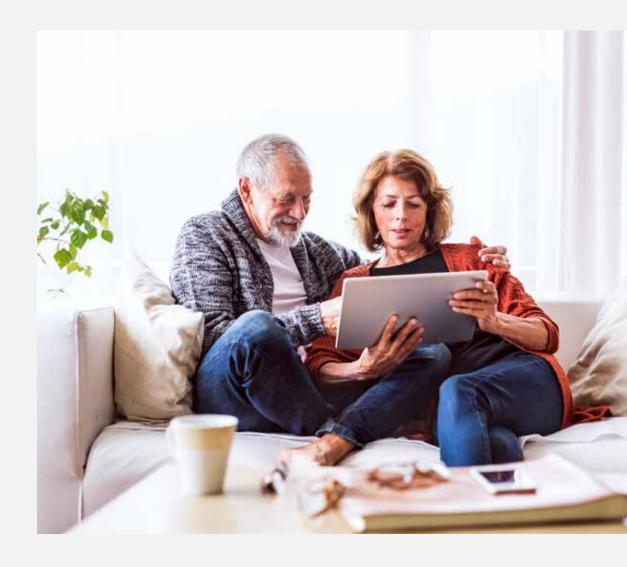


nnuities enable you to exchange your pension pot for a guaranteed income for life. They were once the most common pension option to fund retirement. But changes to the pension freedom rules have given savers increased flexibility.

You can normally withdraw up to a quarter (25%) of your pot as a one-off tax-free lump sum, then convert the rest into a taxable income for life – an annuity. There are different lifetime annuity options and features to choose from that affect how much income you may receive. You can also choose to provide an income for life for a dependent or other beneficiary after you die.

The amount you receive can vary. It depends on how long the provider expects you to live and how many years they'll have to pay you.

## Flexible retirement income – pension drawdown





hen it comes to assessing pension options, flexibility is the main attraction offered by income drawdown plans, which allow you to access your money while leaving it invested, meaning your funds can continue to grow.

This option normally means you take up to 25% of your pension pot, or of the amount you allocate for drawdown, as a tax-free lump sum, then re-invest the rest into funds designed to provide you with a regular taxable income.

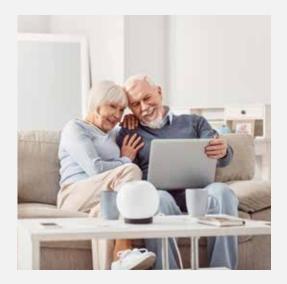
You set the income you want, though this might be adjusted periodically depending on the performance of your investments. You need to manage your investments carefully because, unlike a lifetime annuity, your income isn't guaranteed for life.

You may be able to ask your pension provider to invest your pension pot in a flexi-access drawdown fund. If you have a 'capped' drawdown fund, you can keep it or ask your pension provider to convert it to flexi-access drawdown.

You can use your existing pension pot to take cash as and when you need it and leave the rest untouched where it can continue to grow tax-free. For each cash withdrawal, normally the first 25% (quarter) is tax-free and the rest counts as taxable income. There might be charges each time you make a cash withdrawal and/or limits on how many withdrawals you can make each year.

With this option your pension pot isn't re-invested into new funds specifically chosen to pay you a regular income and it won't provide for a dependant after you die. There are also more tax implications to consider than with the previous two options.





### Combination – mix and match

Of all the pension options, if appropriate to your particular situation, it may suit you better to combine those mentioned above. You might want to use some of your savings to buy an annuity to cover the essentials (rent, mortgage or household bills), with the rest placed in an income drawdown scheme that allows you to decide how much you can afford to withdraw and when.

Alternatively, you might want more flexibility in the early years of retirement, and more security in the later years. If that is the case, this may be a good reason to delay buying an annuity until later in life.

# What questions do I need answering before deciding how to use my pension savings?

There will be a number of questions you will need answers to before deciding how to use your pension savings to provide you with an income.

#### These include:

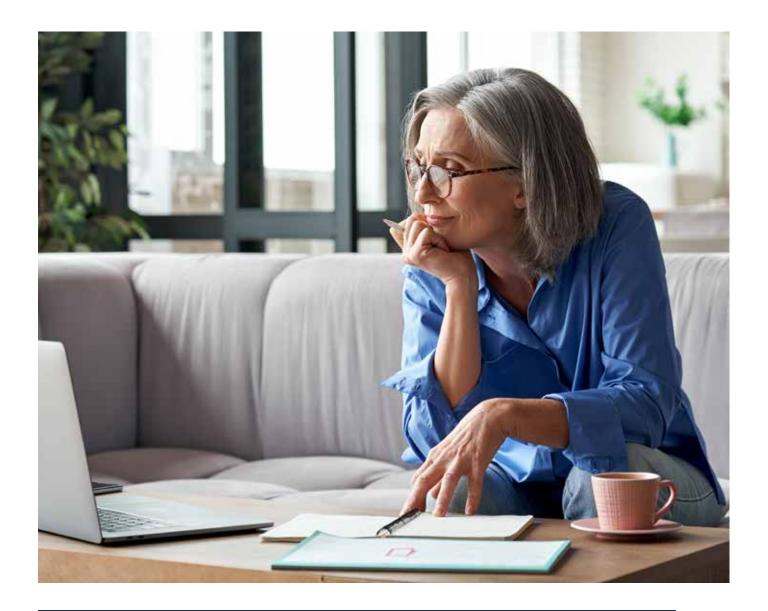
- How much income will each of my withdrawals provide me with over time?
- Which withdrawal option will best suit my specific needs?
- How much money can I safely withdraw if I choose flexi-access drawdown?
- How should my savings be invested to provide the income I need?
- How can I make sure I don't end up with a large tax bill?



## What top 5 things should I consider before withdrawing money from my pension?

- 1. Pensions freedoms: Familiarise yourself with the pensions freedoms so you are aware of your options. You can now do a lot more with your pension pot than previously. Everyone is different and it is important to find the right solution for your circumstances. What risks are you willing to take?
- 2. Saving requirements: Consider the amount of money you will need each month to maintain your lifestyle. Ask yourself: How much might I need? How much might I get? Do I still have a mortgage to pay off? What other sources of income do I have, and do I need my pension to keep up with inflation? Could I consider working for longer? Do I want to have annual holidays?
- 3. Costs later in retirement: Think about costs later in your retirement. What will your living costs be in the future? Care needs are not a subject we are comfortable thinking about but it is important to have conversations about it with your family, as well as Powers of Attorney, Wills and inheritance.

- 4. Health and life expectancy: We often vastly underestimate this, but evidence shows we are mostly living longer, with a growing variation in healthy life expectancy. If you have a partner, do you need to provide for them financially after you die, or are you relying on them?
- 5. Obtain professional financial advice from Consilium Asset Management: Few of us may expect to give up work altogether in our 50s. But a growing number of us are dipping into our pension before retirement age. Before we get into the different ways you could withdraw money, there are some more general things to think about first. Try asking yourself the following questions: How long will I need my money to last? How long do I want to keep working? How much tax might I pay? Could my health and lifestyle affect what I get? How much do I want to leave behind?



### Want to talk to somebody about your retirement options?

Retirement planning sets you up for the next stages of your life. There are important decisions to get right, and it is always good to plan early - speak to Consilium Asset Management today.

To find out more or to discuss your requirements – speak to one of our advisers – telephone **01454 321511**; or email **info@consilium-ifa.co.uk**.

Visit our website www.consilium-ifa.co.uk



## Looking for financial freedom that allows you to choose the path you want to pursue?

Whatever retirement looks like for you, it's important to review your situation and make plans now so that you have the freedom to enjoy the time when it comes, however, you choose to fill it.

The steps you take today will help you enjoy your retirement tomorrow - let us show you what we're talking about.

#### Ready to start a conversation?

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