

A short guide to:

# PLANNING MY RETIREMENT

## WHAT IS IT?

Retirement planning is the process of setting your goals and timeline for retirement, and what you need to do to get there.

A good retirement plan will include an assessment of what income you'll have from pensions and any other savings and investments you may have and what your likely expenses will be.

We're all having to wait longer to draw our state pensions, so it's down to each of us to take responsibility for our finances in retirement.

**43%**

of people don't know how much money they'll need to retire

**55%**

think £100,000 will be enough

The recommended amount is

**£260,000  
– £445,000<sup>1</sup>**

## TOP TEN ACTION POINTS

### 1. HAVE YOU GOT A PENSION?

It's never too late to start saving into a pension.

### 2. HAVE YOU GOT A RETIREMENT PLAN?

Is it time you sat down and worked out what you want from your retirement?

### 3. DECIDE ON YOUR TIMELINE

Work out when you would ideally like to retire. This will determine whether you can afford to.

### 4. CHECK YOUR STATE PENSION

Understand when you'll be able to draw your state pension and how much that will be. See [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension)

### 5. CALCULATE YOUR RETIREMENT INCOME

How much income can you expect from your personal or workplace pension, state pension and any investments or savings? See [www.yourpension.gov.uk/pension-calculator/](http://www.yourpension.gov.uk/pension-calculator/)

### 6. WORK OUT YOUR EXPENSES

This will help you to understand how much you'll need for essentials and how much for luxuries. See [www.moneyadvice.service.org.uk/en/tools/budget-planner](http://www.moneyadvice.service.org.uk/en/tools/budget-planner)

### 7. DECIDE WHAT TO DO WITH YOUR PENSION POT

You can now access your personal pension pot at 55 but you need to ensure it'll last for the whole of your retirement.

### 8. BOOST IT WHILE YOU CAN

As you approach retirement consider paying more into your pension while still working.

### 9. CONSIDER DEFERRING

If you can defer the date you draw your pension it will have longer to potentially grow.

### 10. TALK TO A PENSION EXPERT

An independent financial adviser will help you to make the right decisions and avoid costly mistakes. See [www.thepfs.org/yourmoney/find-an-adviser/](http://www.thepfs.org/yourmoney/find-an-adviser/)

<sup>1</sup> Source, April 2020: <https://www.finder.com/uk/pension-statistics>

## WEIGHING UP THE PROS AND CONS



### PROS

- Having a plan will make it clear what you need to do, and when.
- The sooner you start, the more time your savings have to grow.
- Relax, knowing you've put plans in place for your future.



### CONS

- Making big financial decisions can be stressful.
- Retirement planning can feel complex.
- If you leave it too late, your options could be limited.

## OTHER THINGS TO CONSIDER



### ANNUITIES

An annuity is an insurance product that you can buy with some or all of your pension pot to provide you with a regular income for the rest of your life.



### DOWNSIZING

Selling your home and moving into a smaller home could release some of the cash that's tied up in your property to provide you with an income.



### TRACE OLD PENSIONS

Contact past employers or the pension providers. Alternatively, use the pension tracing service on the [www.gov.uk](http://www.gov.uk) website.



### TAX IMPLICATIONS

Some of these options will affect the amount of tax you'll pay. Get advice from an independent financial adviser first.

## WHERE TO LEARN MORE: [YBS.CO.UK/MONEYMOVEMENT](http://YBS.CO.UK/MONEYMOVEMENT)



### WHEN CAN I RETIRE?



### PLANNING MY RETIREMENT INCOME AND EXPENSES



### CAN I AFFORD TO RETIRE EARLY?



### HOW CAN I BOOST MY PENSION INCOME?



Government advice [www.gov.uk/plan-retirement-income](http://www.gov.uk/plan-retirement-income)

An impartial service [Moneyadvice.service.org.uk](http://Moneyadvice.service.org.uk)