

YOUR RETIREMENT OPTIONS

Dominic Carroll

Workplace Savings Specialist

AGENDA

What I'll cover today

1. What will you need in retirement?
2. How a pension works
3. Your retirement options
4. More information

WE'RE ALL LIVING LONGER

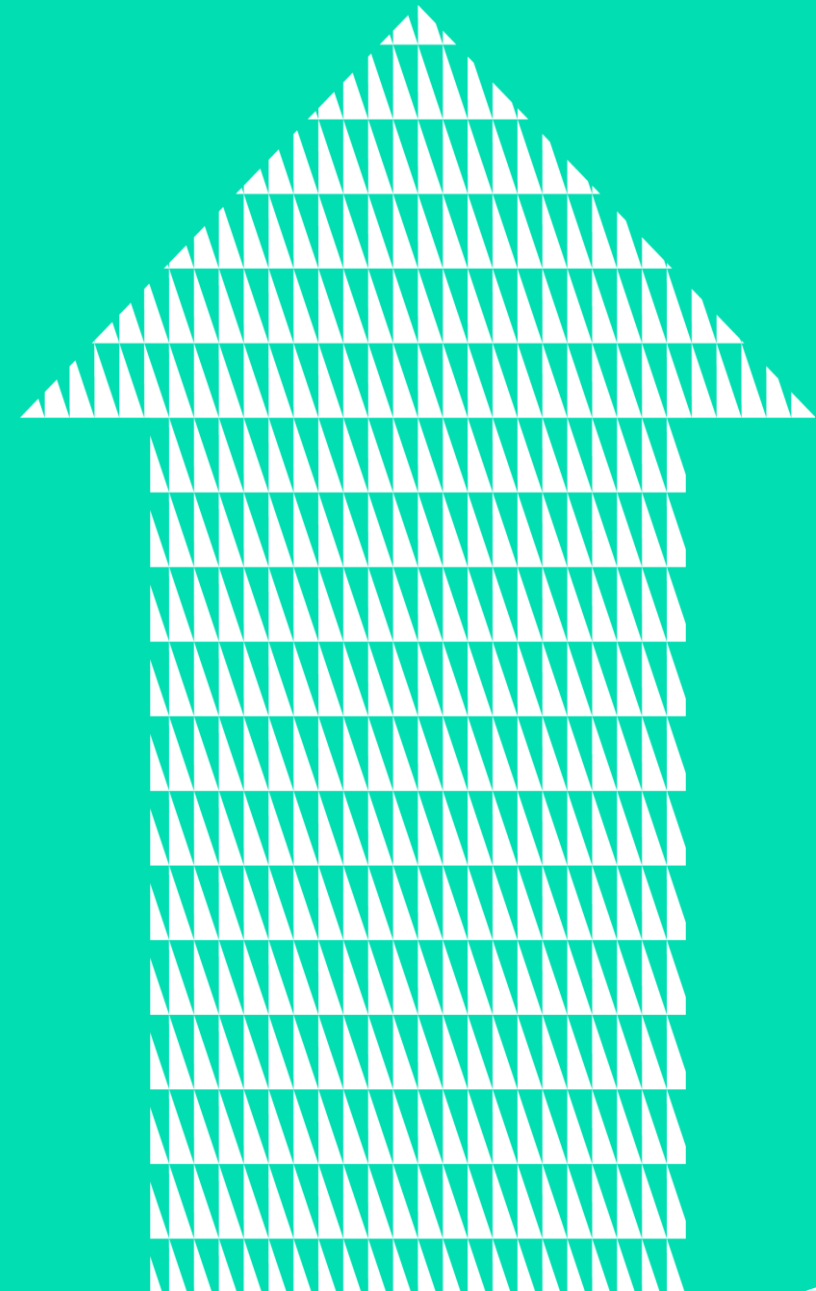
1980 - 1982

- Men – 5% reaching 90th birthday
- Women – 14% reaching 90th birthday

2015 - 2017

- Men – 21% reaching 90th birthday
- Women – 32% reaching 90th birthday

Source: Office for National Statistics



STATE SUPPORT

The Government will look after us (to some extent)

- Currently £168.60 per week; roughly £8,750 per annum
- Based on 35 years national insurance contributions
- Consider whether 'contracted out'
- Check www.gov.uk/check-state-pension for forecast
- Rules can change and amount depends on your circumstances

HOW MUCH WILL I NEED

A half to two-thirds of salary



Working

Save / Invest	
Mortgage	
Children	
Commuting	
Hobbies / Leisure	Hobbies / Leisure
Holidays	Holidays
Groceries	Groceries
Utilities	Utilities



Retired

£39,000

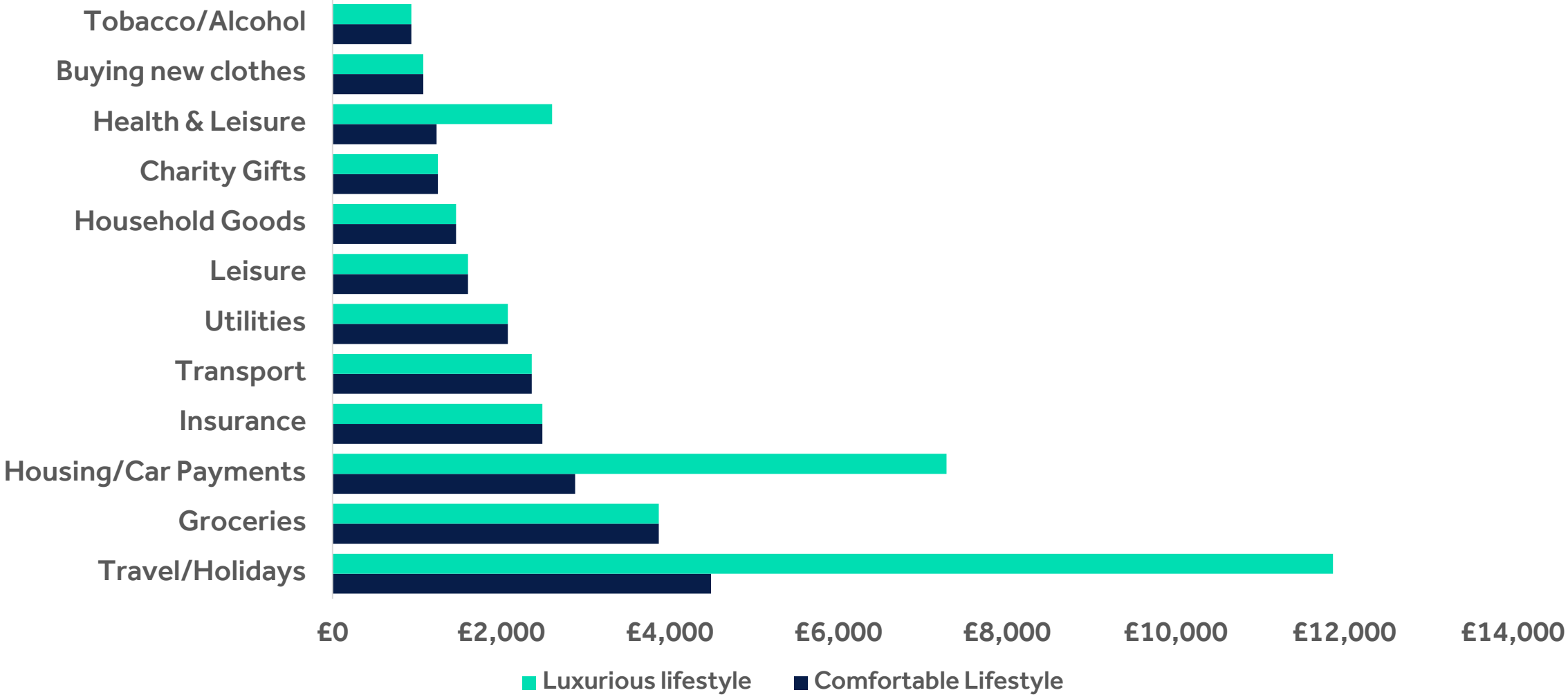
HOW MUCH COUPLES ENJOYING A **LUXURIOUS** RETIREMENT SPEND EACH YEAR

£26,000

HOW MUCH COUPLES ENJOYING A **COMFORTABLE** RETIREMENT SPEND EACH YEAR

Source: Which? Survey February 2018

ANNUAL SPENDING FOR RETIRED COUPLES



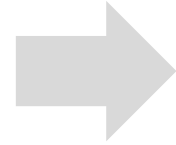
Source: Which? Survey February 2018

HOW A PENSION WORKS

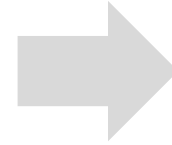
A flexible, tax efficient way to save for your retirement



Contributions



Investments



Up to 25% tax free from age 55
(rising to 57 in 2028)

Tax rules can change and benefits depend on personal circumstances

QUESTIONS TO CONSIDER

When thinking about how to access your pension, ask yourself...

How much tax will I pay?

What happens when I die?

Do I want secure income?

Am I getting the best rate?

Will my income needs change?

How much do I want to manage this?

YOUR RETIREMENT OPTIONS

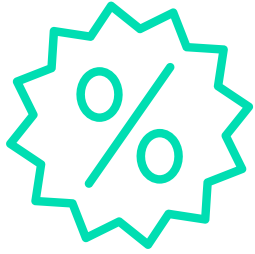
A simple breakdown of the three main options for income in retirement

- Annuity – secure income for life & tax free cash at the start
- Drawdown – flexible income & tax free cash at the start
- Lump Sum Withdrawal – flexible income with part of each withdrawal tax-free

If unsure, seek advice. Tax rules can change, and the benefits depend on personal circumstances.

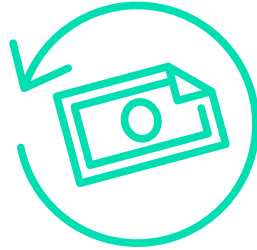
WHAT IS AN ANNUITY?

A secure, regular income for life



Up to 25% Tax Free

Lump sum payment



Taxable Income

Either fixed or escalating



Secure Income

For the rest of your life



Consider

What happens after you have passed away

How can HL help?

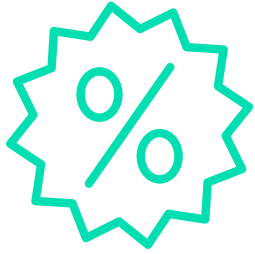
- Access to whole market
- Easy to see if you qualify for more income by adding health and lifestyle details
- Retirement Helpdesk always on hand
- Annuity Calculator

Cannot be changed or cancelled even if your circumstances change. If unsure, seek advice.

Tax rules can change, and the benefits depend on personal circumstances.

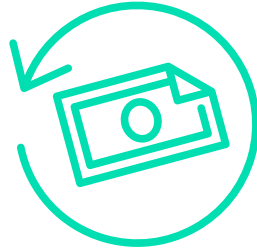
WHAT IS DRAWDOWN?

Flexible access to your pension



Up to 25% Tax Free

Lump sum payment



Taxable Income

You choose how much



Investment

Invest how you want



Consider

What happens after you have passed away

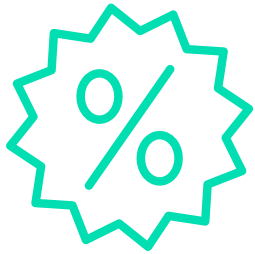
How can HL help?

- No charge to take tax-free cash and change withdrawals
- Help choosing investments
- Monitor your account online or with our app
- Drawdown calculator
- Retirement Helpdesk on hand

With drawdown your income is not guaranteed, and could run out. If unsure, seek advice. Tax rules can change, and the benefits depend on personal circumstances.

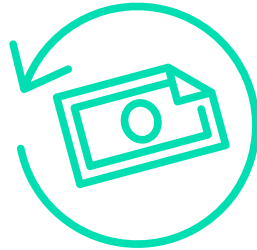
WHAT IS A LUMP SUM WITHDRAWAL?

Since April 2015, you can take lump sums directly from your pension



Up to 25% Tax Free

From each lump sum



75% Taxable Income

From each lump sum



Investment

Invest how you want



Consider

What happens after you have passed away

How can HL help?

- No additional charge for taking withdrawals (unless you take it all)
- Spread your withdrawals over multiple tax years
- Help choosing investments
- Monitor your account online or with our app
- Retirement Helpdesk always on hand

With a lump sum withdrawal your income is not guaranteed, and could run out. If unsure, seek advice. Tax rules can change, and the benefits depend on personal circumstances.

MIX OPTIONS TO MATCH YOUR NEEDS

Using a mix of secure and flexible income in retirement to match your needs

- Annuities can provide a secure income
- Use to cover your essential costs
- Drawdown can provide a flexible additional source of income when needed
- Use to cover your retirement nice-to-haves
- If unsure, seek advice

PENSION WISE

Free & impartial guidance

WHO?

- Aged 50 and over
- Workplace or personal pension
- Help understand your options

WHAT?

- Specialist pension guidance
- 45 to 60 minutes
- Over the phone or local to you

www.pensionwise.gov.uk

0800 138 3944

THE MONEY PURCHASE ANNUAL ALLOWANCE (MPAA)

How does it work?

- Applies once you have flexibly accessed your pension
- Annual allowance for pension contributions to money purchase schemes reduces
- Maximum £4,000 this tax year
- Applies to employee and employer contributions
- Not possible to 'Carry Forward' unused allowances to increase MPAA

REVIEWING RETIREMENT AGE

Average Retirement Age

- Men – 65
- Women – 64

Retirement Age affects:

- Communication
- Income
- Investments

USEFUL CONTACT DETAILS

Retirement Helpdesk



0117 910 6341

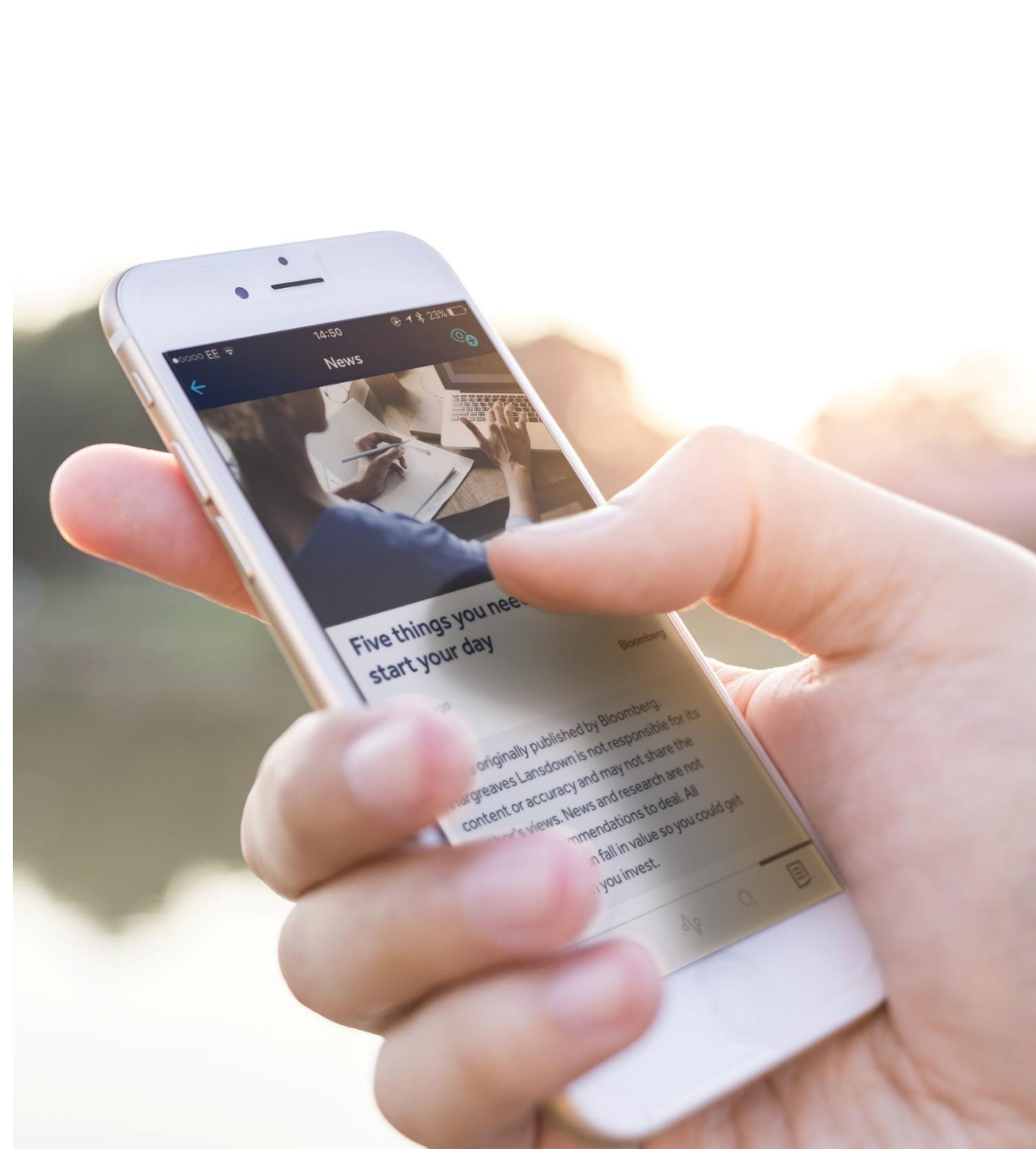


retire@hl.co.uk



www.hl.co.ukretirement

- Dedicated team of retirement specialists
- Can walk through your options in detail
- Can guide you through the retirement process
- Information not advice



IMPORTANT INVESTMENT NOTES

What you do with your pension is an important decision, you could run out of money. If you are at all unsure you should seek guidance or personal advice. The Government's free Pension Wise service could help. They provide a free impartial service to help you understand your options at retirement. You can access the service online at www.pensionwise.gov.uk, by calling 0800 138 3944 or face to face.

Hargreaves Lansdown Workplace Solutions provides information, not personal advice, about the pension and investment plan. If you are in doubt about whether these investments are suitable for you, you should seek personal financial advice.

Unlike cash, stock market based investments are not guaranteed and fall in value as well as rise, we therefore believe you should only invest for the long term (5+ years). Ultimately you could get back less than you invest.

Tax rules or state benefits referred to are those that currently apply, they can change over time and any benefit to you will depend on your circumstances. Once in a pension, your money is normally no longer accessible until age 55, rising to 57 from 2028. Before transferring please ensure you will not lose valuable benefits or incur excessive penalties. Pensions are usually transferred as cash, so you will be out of the market for a period.

THANK YOU FOR LISTENING

retire@hl.co.uk

0117 910 6341

HARGREAVES
LANSDOWN