

## Life events

What will influence your retirement income needs?

Retirement is a time for you to do the things you've always wanted. When considering your retirement income needs, you need to consider the types of events you would like to happen after you retire that may impact your budget. Thinking about these early could help you when you're deciding the best way to take your pension savings.

Perhaps you're looking forward to having more time to explore faraway places. Or maybe you dream of simply waking up each day and doing whatever takes your fancy. However you see your future, retirement is a time for you to do the things you've always wanted to do.

### CONCEPT OF RETIREMENT

The very concept of retirement has changed. 'Phased retirement' is becoming more common; the way we access our pension is now a lot more flexible, and in the UK we're living longer than ever before. A longer retirement and more choice over how you take your pension require planning ahead to help ensure you're on track to a financially secure future.

### WORKING HABITS

Although you may have retired from full-time employment, perhaps you may wish to earn money from part-time work. Besides the State Pension, consider any other income sources you'll have when you finish working full-time and find out when they commence.

### SUPPORTING YOUR FAMILY

Perhaps you have children or grandchildren that you plan to help through further education. How will you provide this financial support once you've retired? Some people intend to help their children onto the property ladder. Have you made a plan for how you'll afford this?

### HEALTH

Leading a healthy lifestyle can help ensure you'll be fighting fit during your retirement. However, ill health can strike at any time. And although

you may not like to think about it, it's important to factor things like medical costs into your financial planning.

In the longer term, you may also need to pay for residential care for yourself, your partner or your parents.

### SAVINGS AND PROPERTY

The amount you have in savings may influence what you'll need from your pension. Is this enough to live on?

If you own a home, you may have decided that you'll sell your home and move somewhere that better suits your lifestyle needs. You'll also need to think about how you would pay for a new property, and factor in any repair costs to a new or existing home.

### HOW YOU CHOOSE TO TAKE YOUR PENSION

The way you choose to take your pension can impact things like your tax position or pension allowances. If you choose to move provider, you may lose any guarantees that you may have with your existing pension provider. You should also think about the impact of taking any tax-free cash, income or lump sums may have on any means-tested benefits you currently receive.

### THE EFFECTS OF INFLATION

The effects of inflation may reduce the buying power of your savings and investments in the future, so think about how you'll maintain your lifestyle if your money doesn't stretch as far. ■

## WHAT TO DO WITH YOUR PENSION IS A BIG DECISION

The ways that you can take your pension savings changed in April 2015, giving you greater choice over how you can access and use the money you've saved up. Deciding what to do with your pension is a big decision. If you're looking for further information or want to review your options, we can help. Please contact us.

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