Planning your retirement and how to get there

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TRULY INDEPENDENT
Financial Advice for Everyone

Why wait for tomorrow? Start planning today.

Welcome to our Guide to planning your retirement, and how to get there.

Retirement planning shouldn't be something you only consider when you're older. Starting to plan your retirement early gives you a greater chance to build the funds you need for a comfortable lifestyle when the time comes. Acting now will ensure that your long-term goals become a reality.

At every stage of our life it can be difficult to take time to think about our future when there are so many other things competing for our attention, but it's important to be prepared and make sure that you're planning ahead for the retirement you deserve.

By taking a personalised approach, you can develop a retirement plan that will work for you throughout your life.

Planning for retirement in your 20s
It's never too early to start planning for retirement. Though retirement may seem a long way off, the earlier you start saving and investing, the more time the compounding effect on your money has to work. Putting money away now can make a huge difference to your retirement funds when the time comes.

Here's why you should start planning for retirement in your 20s:

• **It enables you to benefit from the power of compounding:** Regularly investing amounts of money can grow into a large sum over time thanks to compounding.

• **You can afford higher-risk investments:** As retirement may be years away, making higher-risk investments such as stocks and shares in your 20s can help boost returns without putting too much at risk.

• **It encourages good financial habits:** Taking steps to plan for retirement now will highlight how to manage your finances better and make smart decisions about investments and pensions.

• **You could get help from employers:** Many workplace pension schemes offer employer contributions, which is free money that goes straight into your pension pot.

Planning for retirement in your 30s
It can be more difficult to save for retirement in your 30s, when you may have greater financial commitments such as a family or a mortgage. But it's important to stay focused on your retirement goals, because the decisions you make now could have an impact on your later years.

Here are some tips for saving for retirement in your 30s:

• **Minimise debt:** Pay down any outstanding debts as soon as possible. This will free up more money for retirement savings.

• **Optimise asset allocation:** As you still have plenty of time until retirement, consider investing in growth assets such as equities.

• **Save regularly and often:** Try to make regular contributions into a pension account or tax-efficient investment vehicle such as a Stocks & Shares ISA.

• **Take advantage of employer contribution schemes:** Many employers offer generous contribution schemes which can boost your savings pot significantly over time.

Planning for retirement in your 40s
Your 40s are an ideal time to reassess your retirement plans and make sure that you're on track.

Here are some tips to help get your retirement plan on track:

• **Calculate how much you need to retire comfortably:** Seek professional financial advice to determine how much money you need for retirement.

• **Consolidate pension accounts:** If you have multiple pension accounts across different employers, if appropriate, consolidating them could make it easier to manage them and provide more clarity about your pension savings.

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• **Increase contributions:** Consider increasing your contributions where possible as the higher salary typically seen in the 40s may afford this opportunity.

• **Explore other options:** Consider other tax-efficient methods of saving, such as transferring part of your salary into an ISA or investing in property, depending on what is available to you.

Planning for retirement in your 50s

Your 50s are a time to increase your pension contributions, review your retirement plans and make sure that you're on track.

Here are some tips on how to do this:

• **Make additional contributions:** Consider making additional lump sum pension contributions, remembering to stay within the annual or lifetime allowance limits, with any excess liable for further tax charges.

• **Review asset allocation:** The closer you get to retirement, the more risk-averse your investment approach should be, so consider reducing exposure to higher risk assets such as equities and seek professional financial advice for tailored advice.

• **Take advantage of tax allowances:** Familiarise yourself with current pension allowances and explore any carry forward rules available if applicable.

• **Speak to a financial professional:** Consult a financial professional who can provide you with personalised advice tailored to your individual needs and requirements.

Planning for retirement in your 60s
In your 60s it's time to prepare for the decumulation phase, an important time when it comes to your retirement planning.

Here are some tips to help get your retirement plan on track:

• **Prepare a budget:** Calculate your expenditure levels to help plan for the long term.

• **Consider pension decumulation options:** Explore the various ways you can convert your pension savings into retirement income and seek professional financial advice.

• **Review asset allocation:** As retirement is approaching, reduce exposure to higher risk assets such as equities.

• **Review your plan regularly:** Regularly reviewing your progress will help you prepare for retirement and make the necessary adjustments if needed.

Ready to start planning for a better life in retirement?
There's a good chance you pay into a personal or workplace pension plan each month, but do you know how much money you'll need to fund your life after work? Let us help us you picture what kind of lifestyle you could have in retirement. To find out more, speak to us today.

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