The Hampton Dean Guide to Preparing for Retirement

As life expectancy continues to rise, preparing yourself for retirement becomes evermore important – after all, you could spend a similar amount of time retired as you did in work.

This has a dual effect that you need to be ready for; firstly it tends to decrease the level of income that you receive from a given size of fund because the fund needs to last longer and secondly if we are living longer, you need things to fill your days and these tend to cost money. These dynamics combine to mean that it is vital that you plan carefully for your retirement.

Before you get to your retirement date, you need to think carefully about 3 main things:-

❖ How much money do you need?

You need to include all of your normal monthly, quarterly and annual expenses and allow for things like holidays, replacement of cars and any other personal needs.

❖ How much money are you going to have?

Include ALL occupational pensions, additional voluntary contributions, retirement annuity contracts, personal and stakeholder pensions as well as state benefits, on-going earnings and investment income.

One of your fundamental rights is that of the Open Market Option. If you decide to buy an annuity with some or all of your pension funds, you are entitled to take your fund to any provider in the market.

There is often a substantial and significant difference between the best and the worst annuity provider and part of Hampton Dean's job is to identify the best potential provider for you.

❖ What are you going to do with your time?

This is very important when planning your retirement – it doesn't matter what it is that you do, it only matters that you don't have any regrets. After all, you worked hard enough to get to this point. It would be a shame to waste it.

The first and the last of these 3 areas are very much personal matters for you and those involved. You need to discuss them thoroughly so that you know what you need and what you want.

But, the area of establishing what level of income you are likely to have, the possibility of improving or enhancing that income by using the right products set up correctly and how you might use your savings and investments to supplement your income, takes an understanding of the options available.

This is the second area that Hampton Dean's resources and expertise can help you with. We can gather the information from all your pension and investment sources to:

- Evaluate the resources available to you.
- Advise you how to arrange them to give you the income that you require
- Ensure that this income is achieved at the lowest possible risk
- Arrange your income and lump sums in the most tax efficient way possible.
- Discuss with you the best way to reduce Inheritance Tax when your investments eventually pass to your beneficiaries.

With all these areas sorted, monitored and regularly updated, you can relax and have the retirement that you hoped for.