The financial planning magazine from Fairstone

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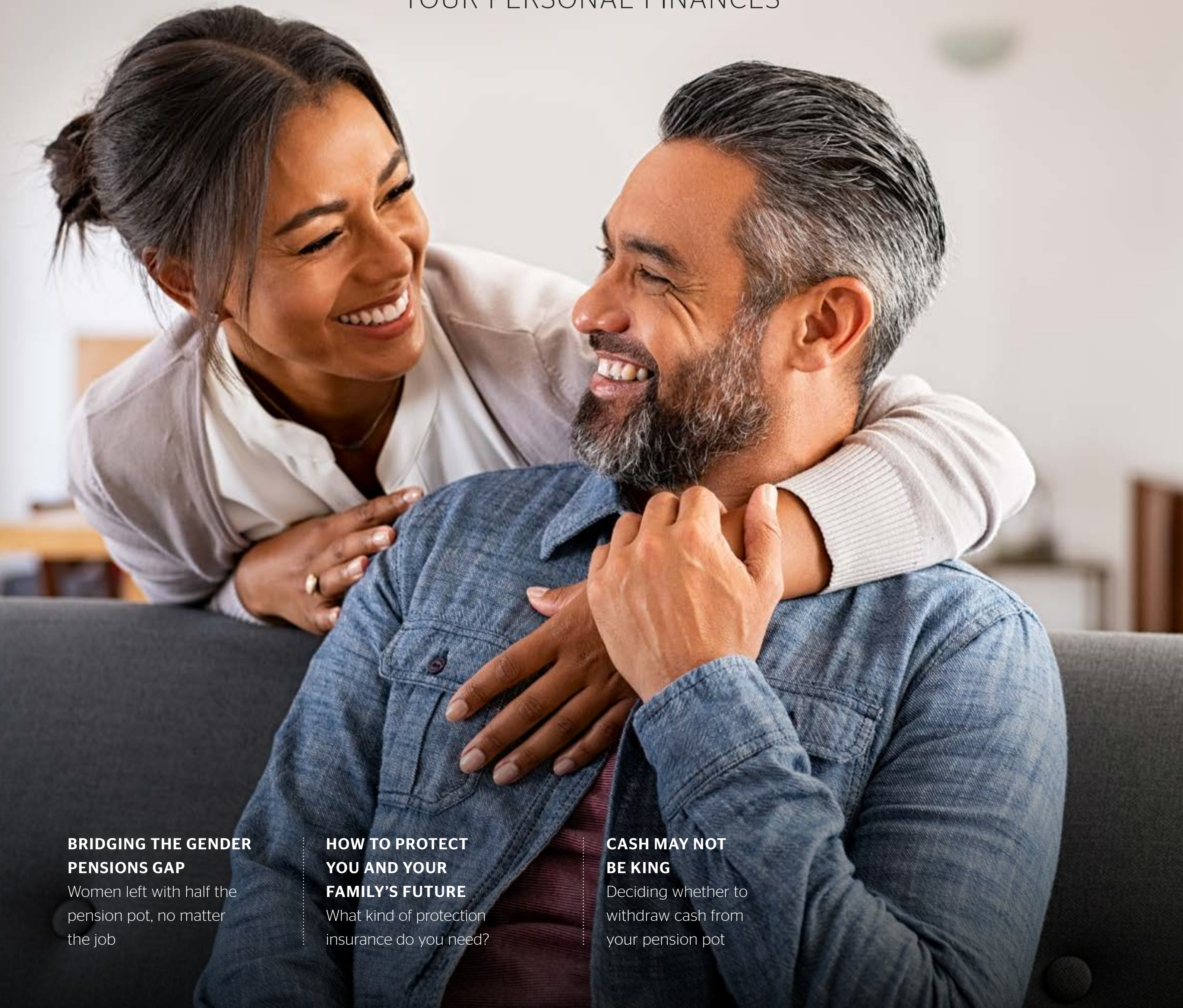
IntelligentWealth Magazine

NAVIGATING THE HIGHER RATE TAX FREEZE

MINIMISING THE IMPACT ON YOUR PERSONAL FINANCES



BRIDGING THE GENDER PENSIONS GAP
Women left with half the pension pot, no matter the job

HOW TO PROTECT YOU AND YOUR FAMILY'S FUTURE
What kind of protection insurance do you need?

CASH MAY NOT BE KING
Deciding whether to withdraw cash from your pension pot

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Incorporating one of the UK's largest Chartered financial planning firms, our team of financial advisers offer independent financial advice, investment management and estate planning services.

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Portfolio construction

Helping you to plan for your future with a tailored investment plan

Retirement planning

Helping you plan your finances to achieve the lifestyle you deserve

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INSIDE THIS ISSUE

Welcome to our latest edition of *Intelligent Wealth*. If you're a higher rate taxpayer, the freeze on the Income Tax threshold will have meant an increase in your tax bill. The reason for the increase stems from the Chancellor's decision in April 2021 to freeze the higher rate tax threshold rather than increase it in line with inflation. With inflation running at a 40-year high, pay increases will mean more people are being pushed into the higher rate tax bracket. On **page 07** we explain some options you may wish to discuss with us.

We've all heard about the gender pay gap, but very few discuss the gender pensions gap, despite the fact so many women experience it. Women's pensions at retirement are half the size of men's, regardless of the sector they work in, new research has highlighted. On **page 08** we look at the findings from new research which found that every single industry in the UK has a gender pensions gap, even those dominated by female workers.

There are various complex risks in life that we all face, such as serious illness, an accident or death. What would happen if something were to happen to you? Would your family be able to cope financially with the impact an unexpected event might have? These are not easy questions to ask but it is important to consider what would happen if an unexpected event or accident took place, and how you could protect your family from the financial effects of serious illness or death. Read the full article on **page 06**.

Choosing what to do with your pension is a big decision. If you've been saving into a defined contribution pension during your working life, from age 55 (age 57 in 2028) you need to decide what to do with the money you've saved towards your pension. On **page 04**, before you do anything, we look at the things you should consider. Making the wrong decision could cost you heavily in the form of an unwanted tax bill, eventually running out of money in retirement and even a tax credits and benefits overpayment.

A full list of the articles featured in this issue appears opposite.

READY TO TALK TO FAIRSTONE ABOUT YOUR FUTURE PLANS?

Only by recognising and meeting your distinct requirements can we have a positive impact on your life and business. This is why we provide an extensive range of services, plus the ability to tailor solutions based on your specific needs. If you would like to discuss your concerns or requirements, please contact Fairstone. We hope you enjoy reading this issue.

Lee Hartley
CEO Fairstone

CASH MAY NOT BE KING

DECIDING WHETHER TO WITHDRAW CASH FROM YOUR PENSION POT

Choosing what to do with your pension is a big decision. If you've been saving into a defined contribution pension (sometimes called 'money purchase') during your working life, from age 55 (age 57 in 2028) you need to decide what to do with the money you've saved towards your pension when you eventually decide to retire.

However, making the wrong decision could cost you heavily in the form of an unwanted tax bill, eventually running out of money in retirement and even a tax credits and benefits overpayment.

So before you do anything, there are things you should consider. Note: this article doesn't cover pension schemes where the pension you'll be getting is worked out as a proportion of your pay.

HOW MUCH MONEY DO YOU NEED TO RETIRE?

Before you take any cash out of your pension, you need to calculate how much money you actually need. Do you need a lump sum of cash all at once? If so, what are the tax implications? Or would you be better off with a regular income stream?

Remember that retirement could be 30 to 40 years, or more. As well as what you'll need to cover everyday living expenses, do you have any specific plans for your retirement, such as regular holidays or enjoying a hobby? Or are you thinking of any big one-off purchases or expenditure, like a new car or home improvements? Once you know how much money you need, you can start to look at your options.

WHAT ARE THE TAX IMPLICATIONS?

Taking cash out of your pension can have tax implications if you withdraw more than your tax-free element (typically 25% of your pension). You can leave the rest invested until you decide to make more withdrawals or set up a regular income.

However, you need to make sure you understand those implications before you make any decisions. Otherwise, you could end up with a significant tax bill that you weren't expecting.

WHAT ARE THE FEES?

When you retire and start taking money out of your pension, you may be charged fees by your pension provider. Some pension providers will charge a fee for each withdrawal you make, while others may charge a flat rate or percentage of your pension pot.

There may also be other charges, such as an administration fee. Taking money out of your pension will also reduce the amount of income you have in retirement, so it's important to think carefully before you decide to take any money out of your pension pot.

HOW LONG WILL THE MONEY LAST?

Consider how long you'll need the money to last. If you take a lump sum of cash, it's likely that it won't last as long as if you take an income. This is something to keep in mind when you're making your decision.

WHAT IF YOU NEED MORE MONEY LATER?

If you take cash out of your pension now, it may not be there if you need it later on in life. This is something to consider if you think you may need more money down the line. Even if you've seen the value of your pensions fall that doesn't necessarily mean that you'll have to delay your retirement altogether.

Could you take less from your pension savings until their value recovers, and use other savings instead to bridge the gap? And could you put off any big purchases you'd planned?

WHAT ARE THE RISKS?

Taking cash out of your pension comes with risks. There's the risk that you could outlive your money, or that the value of your pension could go down. You need to make sure that you understand all of these risks before you make a decision.

OPTIONS FOR USING YOUR DEFINED CONTRIBUTION PENSION IN RETIREMENT

- Keep your pension savings where they are – and take them later.
- Use your pension pot to buy a guaranteed income for life or for a fixed term – also known as a 'lifetime' or 'fixed term annuity'. The income is taxable, but you can choose to take up to 25% (sometimes more with certain plans) of your pot as a one-off tax-free lump sum at the start.
- Use your pension pot to provide a flexible retirement income – also known as 'pension drawdown'. You can take the amount you're allowed to take as a tax-free lump sum (normally up to 25% of the pot), then use the rest to provide a regular taxable income.
- Take a number of lump sums – usually the first 25% of each lump sum withdrawal from your pot will be tax-free. The rest will be taxed as income.
- Take your pension pot in one go – usually the first 25% will be tax-free and the rest is taxable.
- Mix your options – choose any combination of the above, using different parts of your pot or separate pots.

UNDERSTANDING THE DIFFERENT OPTIONS

This is a very complicated topic and choosing what to do with your pension is one of the most important decisions you'll ever make and will impact on your future standard of living in retirement.

Worryingly, over a third (35%) of pension holders do not know about the different options available to them for when the time comes to retire, according to research[1]. ■

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THINKING ABOUT ACCESSING YOUR PENSION POT?

These are just a few things to consider before taking cash from your pension pot. As you approach retirement, it's essential to understand what your options are and obtain professional advice, otherwise you could end up making a decision that you regret later on. For more information or to review your options, please contact us.

Source data:

[1] Online omnibus conducted by Opinium in June 2021 for LV – 4,000 representative UK adults surveyed nationally.

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YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.

BRINGING PENSIONS TOGETHER

WHAT TO CONSIDER IF YOU HAVE MULTIPLE PENSION POTS

The employment landscape has evolved significantly over the last few decades and changing jobs multiple times before retirement is now very much the norm. But did you know, there is an estimated £9.7 billion of unclaimed UK defined contribution pension funds?[1].

Over time, it is easy to lose touch with pension savings providers as we change jobs, move home and the companies we have worked for change ownership or close down.

All these events over time may make it very difficult to find your valuable pension savings. So that means potentially ending up with a number of different pension pots. If you're one of the millions of people with multiple pensions, it may be appropriate to consider consolidating your defined contribution pension pots and bring them together.

NUMBER OF DIFFERENT PENSIONS

Even if you have not had many jobs, you could still have a number of different pensions to keep track of. If appropriate, pension consolidation can simplify your finances and make it easier to keep track of your retirement savings.

Having said this, not all pension types can or should be transferred. It's important to obtain professional advice so you know and can compare the features and benefits of the plan(s) you are thinking of transferring.

WHAT IS PENSION CONSOLIDATION?

Pension consolidation is the process of combining multiple pension pots into one single pot. This can be done with a pension transfer or by opening a new pension and transferring your other pensions into it. You may want to do this to make it easier to keep track of your retirement savings, or to try and get a better rate of return on your investment.

But there are a few things to consider before consolidating your pensions, such as any exit fees that may be charged, and whether or not you will lose any valuable benefits such as guaranteed annuity rates.

CONSOLIDATING YOUR PENSIONS

Reasons why you might want to consolidate your pensions:

Simplify your finances: If you have multiple pension pots, it may be difficult to keep track of them all. Consolidating your pensions into one pot could make it easier to manage your retirement savings.

Save on fees: If you have multiple pensions with different providers, you may be paying multiple annual fees. Consolidating your pensions may help you save money on fees.

Get better investment options: Some pension providers offer a limited number of investment options. By consolidating your pensions it could give you access to a wider range of investments.

REASONS WHY YOU MAY NOT WANT TO CONSOLIDATE YOUR PENSIONS

Loss of valuable benefits: One key disadvantage is that you may lose out on valuable benefits that are specific to certain pension schemes. For example, some schemes may offer better death benefits than others, so consolidating your pensions into one pot could mean giving up this valuable protection.

Paying higher fees: Another potential downside is that some schemes may have higher charges than you are actually currently paying, which means you would end up paying higher fees. This is something that needs to be carefully considered before making any decisions.

More difficult to access: It's important to remember that once you consolidate your pensions, it may be more difficult to access them early if you need the money for an emergency. This is something that should be taken into account when making any decisions about pension consolidation.

LOCATE YOUR PENSION FUNDS

If you think you might have lost a pension pot from a previous job, you can use the government's Pension Tracing Service at www.gov.uk/find-pension-contact-details.This enables people to locate money previously saved for retirement, that is unclaimed. So, it is worth checking if you could have pension funds that have not been claimed.

Finally, you also need to bear in mind that pension savings are big targets for fraudsters. If someone contacts you unexpectedly offering to help you transfer your pot, it's likely to be a scam. If you're concerned, contact the Financial Conduct Authority (FCA) to check they're legitimate. ■

NEED PROFESSIONAL ADVICE TO HELP MAKE YOUR DECISION?

You only have one retirement so you don't want to make a costly mistake with your pensions that you could one day regret. Before you look to bring your pensions together, it's essential to obtain professional advice. For more information about how we can assist you through this complex process, please contact us to discuss your situation.

Source data:

[1] https://www.pensionspolicyinstitute.org.uk/media/2855/201810-bn110-lost-pensions-final.pdf

HOW TO PROTECT YOU AND YOUR FAMILY'S FUTURE

WHAT KIND OF PROTECTION INSURANCE DO YOU NEED?

There are various complex risks in life that we all face, such as serious illness, an accident or death. What would happen if something were to happen to you? Would your family be able to cope financially with the impact an unexpected event might have?

These are not easy questions to ask but it is important to consider what would happen if an unexpected event or accident took place, and how you could protect your family from the financial effects of serious illness or death.

BIG PART IN OUR LIVES

Deciding what your priorities are and understanding what options you have are key parts of the protection planning process. This helps you ensure that you have the financial protection most suitable for your circumstances.

Every family is different, but they often play a big part in our lives. It's important to think about how we can protect them against the unexpected as best we can.

PROTECTION FOR THE UNEXPECTED

LIFE INSURANCE

Death is an unpredictable event, so it's important to make sure you have the right level of cover in place. The amount of life insurance you need will depend on your individual circumstances. There are many good reasons to take out a policy. For example, if you have dependents who rely on your income, then life insurance can provide financial security for them if you die.

There are different types of life insurance available, so choosing the right policy for your needs is key. Term life insurance provides cover for a set period of time, while whole of life insurance covers you for your entire life. You can also choose between level term insurance, which pays out a fixed amount if you die during the term of the policy, and decreasing term insurance, which pays out less as the policy progresses.

There is also a variation on the basic term assurance theme that is often worth considering as it can reduce the cost of cover. Family Income Benefit is a policy with a sum assured that reduces uniformly over time but provides regular payments of capital on the death of the breadwinner (the life assured).

If you have any debt, such as a mortgage, then it's also important to take out life insurance to make sure that this is paid off if you die. This will give your loved ones peace of mind and prevent them from being burdened with debt.

INCOME PROTECTION INSURANCE

There are a number of reasons why income protection insurance should be a part of your protection planning. Firstly, it can help to protect your income if you are unable to work. This could be due to illness, injury or any other reason that means you are unable to work. It can help to cover the costs of your everyday living, such as your mortgage or rent, bills and food.

If you do not have sufficient protection in place this may mean you have to rely on your savings, or on the help of family and friends. Income protection insurance is especially important if you are self-employed or have a family to support. If you are unable to work, your income protection policy will provide you with a replacement income so that you can continue to meet your financial obligations.

There are different types of income protection insurance policies available, so you should obtain professional financial advice to ensure you can compare the different options and fully understand the terms and conditions of the policy.

CRITICAL ILLNESS COVER

If you become seriously ill and are diagnosed with a specified critical illness, even if you are still able to work, critical illness cover could provide you with a financial safety net. It can help to pay for treatment, to make adaptations to your home or lifestyle, provide an income for your family if you are unable to work or other costs associated with your illness. In some cases, it may even pay out a lump sum if you die as a result of your condition.

There is no guarantee that you will not experience a critical illness during your lifetime, so it is important to have this type of cover in place. It will give you the peace of mind of knowing that you and your family are financially protected if the worst were to happen. Critical illness cover is not a substitute for health insurance. ■

NEED A HELPING HAND FOR YOU AND YOUR LOVED ONES?

Do your children, partner or other relatives depend on your income? Many families would have to cut their living costs in order to survive financially in the event of the main breadwinner falling ill or dying prematurely. If you are unclear on your protection requirements, we are here to explain your options. Please contact us for more information.

NAVIGATING THE HIGHER RATE TAX FREEZE

MINIMISING THE IMPACT ON YOUR PERSONAL FINANCES

If you're a higher rate taxpayer, the freeze on the Income Tax threshold will have meant an increase in your tax bill. The reason for the increase stems from the Chancellor's decision in April 2021 to freeze the higher rate tax threshold rather than increase it in line with inflation.

With inflation running at a 40-year high, pay increases will mean more people are being pushed into the higher rate tax bracket. You pay higher rate tax on the portion of income that falls between £50,271 and £150,000 (or between £43,663 and £150,000 in Scotland). Higher rate tax is charged at 40% (or 41% in Scotland).

IS THERE ANYTHING I CAN DO ABOUT IT?

Review your salary sacrifice arrangements. If you're currently sacrificing part of your salary into a pension or other benefits, you may want to consider increasing this amount. This will reduce your taxable income and could help offset any increase in tax due to the freeze.

Check your tax code. If your tax code is incorrect, you could end up paying more tax than you should. Make sure you check your code and update it if necessary.

Use tax-efficient investments. There are a number of investments that can be held in a tax-efficient way, such as Individual Savings Accounts (ISAs). These can help to reduce your overall tax bill. You can allocate your entire allowance of £20,000 (for 2022/23) into a Stocks & Shares ISA, or into a Cash ISA or any combination of these.You pay no Income Tax on the interest or dividends you receive from an ISA and any profits from investments are free of Capital Gains Tax.

Use your annual allowance. If you have unused annual allowance from previous years, which applies to all of your private pensions, you could consider carrying it forward and use it to offset any increase in tax due to the freeze. Carry forward allows you to make use of any annual allowance that you might not have used during the three previous tax years, provided that you were a member of a registered pension scheme during the relevant time period. But to use carry forward, there are certain conditions that need to be met. ■

WANT TO SEE HOW WE COULD HELP TO MINIMISE THE IMPACT OF THE TAX FREEZE?
By taking some time to review your finances and make some key decisions, you can help to minimise the impact of the tax freeze and keep more of your hard-earned money. Whatever your financial goals are, we can help you put the necessary planning in place to make them become a reality. To find out more, please contact us.

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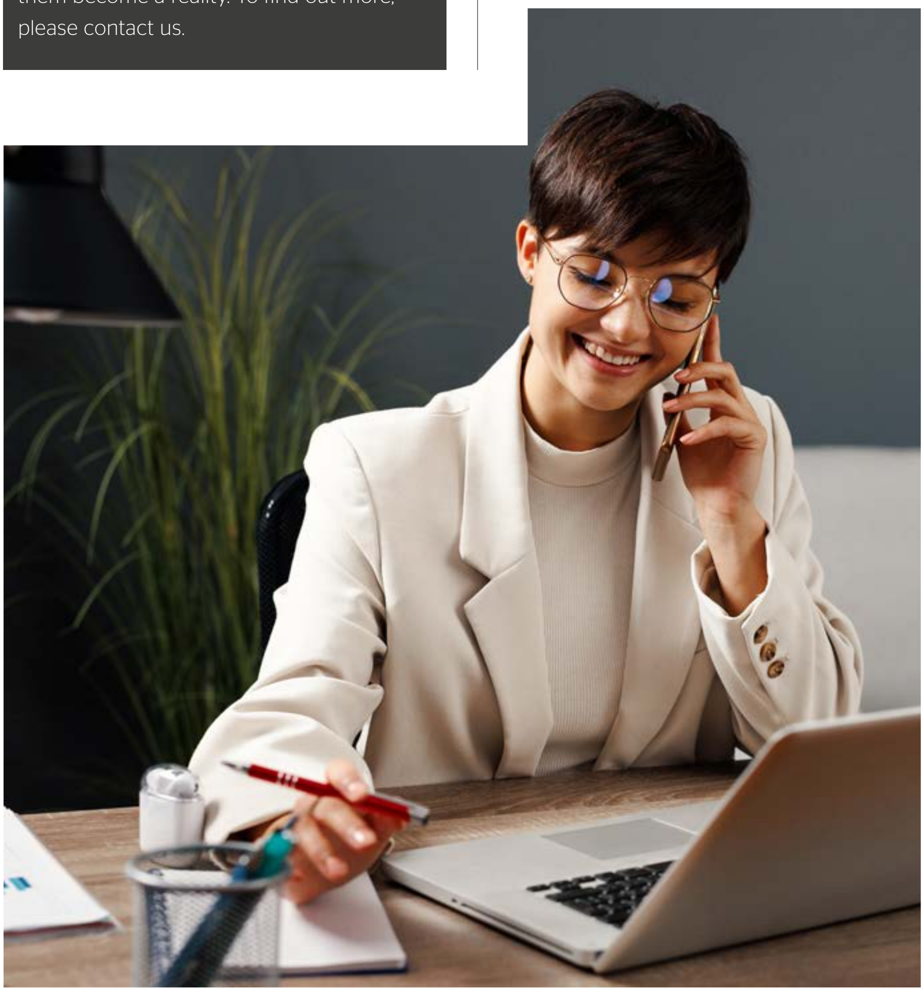
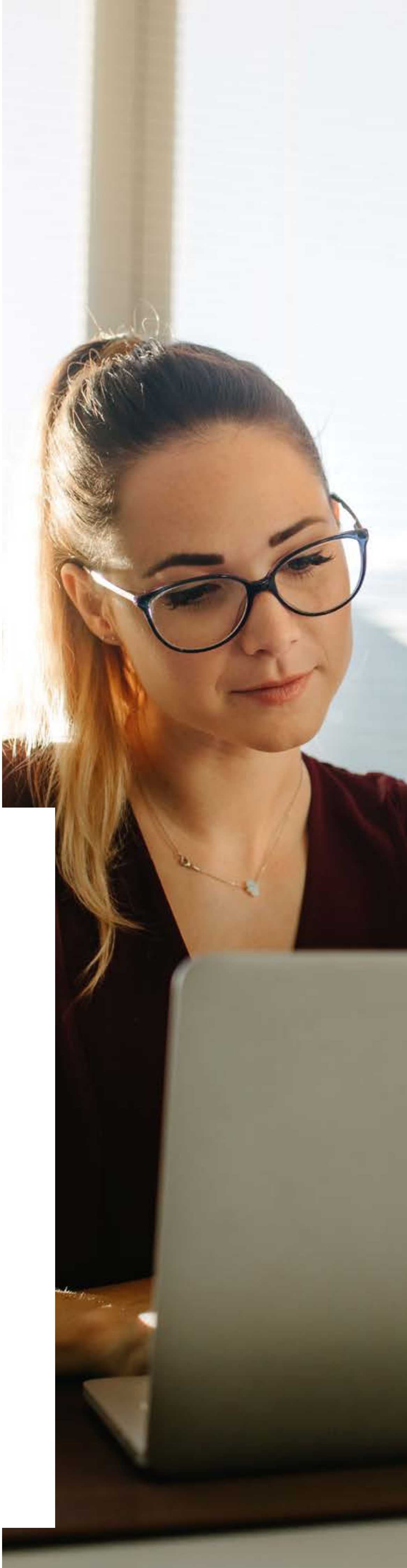


BRIDGING THE GENDER **PENSIONS GAP**

WOMEN LEFT WITH HALF THE PENSION POT, NO MATTER THE JOB



We've all heard about the gender pay gap, but very few discuss the gender pensions gap, despite the fact so many women experience it. Women's pensions at retirement are half the size of men's, regardless of the sector they work in, new research has highlighted[1].

The gender pension gap is the percentage difference in income between men's and women's pensions and it begins at the very start of a woman's career.

LONG-TERM FINANCIAL IMPACT

The research found that every single industry in the UK has a gender pensions gap, even those dominated by female workers. Considering women are likely to live four years[2] longer than men, this issue deepens as they need to have saved around 5% to 7% more at retirement age.

Worryingly, more than a third (38%) of women who have taken a career break were not aware of the long-term financial impact it would have on their pension.

THREE KEY INDUSTRIES

According to the research, the gender pensions gap exists regardless of average pay across different sectors, and ranges from a gap of 59% in the healthcare industry, to 13% in courier services.

The healthcare (59%), construction (51%), real estate/property development (48%), pharmaceutical (46%), aerospace, defence and government services (46%), and senior care (45%) sectors were found to have the largest gender pensions gaps. Of these six sectors, three are key industries for female employment – healthcare, pharmaceuticals and senior care[3].

LOWER PENSIONS CONTRIBUTIONS

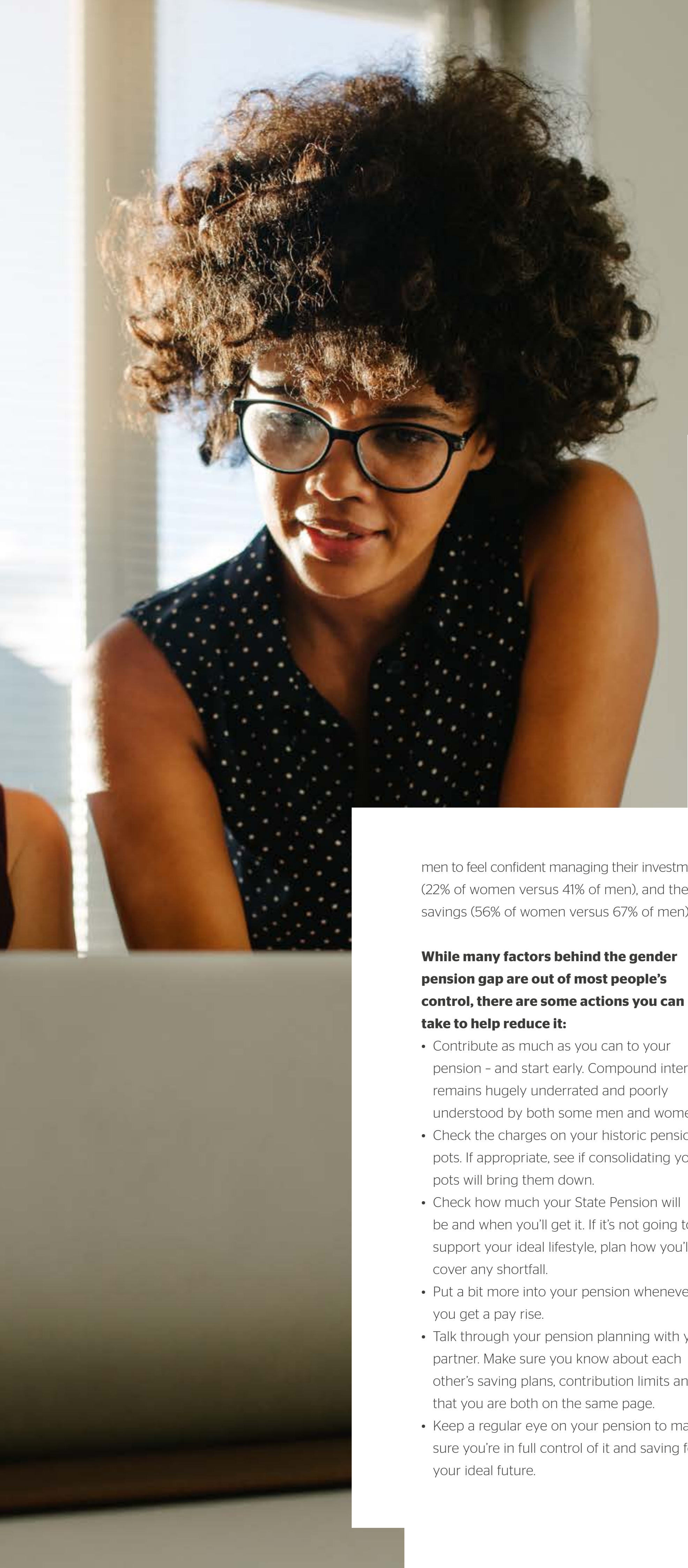
There are many reasons for the gender pensions gap, ranging from women holding fewer senior positions and being paid less, resulting in lower pensions contributions, to the fact they are more likely to take career breaks due to caring responsibilities.

Of those that have taken a career break, 38% did not know the financial impact it had on their pension contributions[4].

GENDER CONFIDENCE GAP

Another potential driver is a significant gender confidence gap when it comes to managing pension pots. More than a quarter (28%) of women said they had confidence in their ability to make decisions about their pension, compared to almost half (48%) of men[5].

This lack of confidence extends further to other financial decisions, with women less likely than



MORE THAN A QUARTER (28%) OF WOMEN SAID THEY HAD CONFIDENCE IN THEIR ABILITY TO MAKE DECISIONS ABOUT THEIR PENSION, COMPARED TO ALMOST HALF (48%) OF MEN[5].

men to feel confident managing their investments (22% of women versus 41% of men), and their savings (56% of women versus 67% of men).

While many factors behind the gender pension gap are out of most people's control, there are some actions you can take to help reduce it:

- Contribute as much as you can to your pension – and start early. Compound interest remains hugely underrated and poorly understood by both some men and women.
- Check the charges on your historic pension pots. If appropriate, see if consolidating your pots will bring them down.
- Check how much your State Pension will be and when you'll get it. If it's not going to support your ideal lifestyle, plan how you'll cover any shortfall.
- Put a bit more into your pension whenever you get a pay rise.
- Talk through your pension planning with your partner. Make sure you know about each other's saving plans, contribution limits and that you are both on the same page.
- Keep a regular eye on your pension to make sure you're in full control of it and saving for your ideal future.

NEED ADVICE TO CLOSE THE GENDER PAY GAP IN YOUR PENSION?
Women often have disrupted work patterns, career gaps and work part-time – this can impact their ability to save consistently for retirement without savings gaps. If you are concerned about your retirement plans and would like to review your pension options, please contact us . We look forward to hearing from you.

Source data:
[1] The analysis is based on LGIM's proprietary data on c.4.5 million defined contribution members as at 1 April 2022 but does not take into account any other pension provision the customers may have elsewhere.
[2] ONS: Life expectancy at birth in the UK: 82.9 years for women vs 79 years for men; Office for National Statistics, 2018 – 2020. Average four years.
[3] According to the ratio of female members across the Legal & General book of business.
[4] Legal & General Insight Lab survey of 2,135 workplace members was conducted between 4–26 July 2022.
[5] Opinium survey of 2,001 UK adults was conducted between 4–8 February 2022.

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WHEN SHOULD I STOP WORKING?

HOW TO TELL WHETHER YOU'RE READY TO RETIRE

Do you have enough income to retire? Are you prepared for the life changes retirement will bring? Is this the right time to sell your business? Is your timing right or will your savings and investments be at risk from volatile market conditions?

The best time to retire will depend on a variety of factors, including your health, your financial situation and your personal preferences. If you're in good health and you have a solid financial foundation, you may be able to enjoy a long and active retirement. On the other hand, if your health is declining or you're struggling to make ends meet, retiring sooner may be the best option.

SPENDING POWER EACH YEAR

Ultimately, the decision of when to retire is a personal one. It's important to do some soul-searching and research before making a final decision. Once you've decided when the right time for you is, be sure to plan carefully to make the most of your retirement years.

Some people may now need to think about the impact that inflation could have on their retirement income, and to consider whether they can afford to retire yet. Rising inflation can wipe years of retirement income off pension pots as savers must increase the amount they withdraw to maintain the same spending power each year.

IMPACT ON RETIREMENT PLANS

Inflation can have a significant impact on your retirement plans. If inflation is high, the purchasing power of your savings will decrease over time. This means that you will need to save more money in order to maintain your standard of living in retirement.

To offset the impact of inflation, you may need to adjust your retirement plans. For example, you may need to save more money so that you can maintain your standard of living in retirement. Additionally, you may need to invest in assets that are less vulnerable to the effects of inflation. Bonds are one type of investment that can help protect your portfolio from inflation risk. In general, they can offer relative stability, but you need to take your age and risk tolerance into consideration.

POTENTIAL EFFECTS OF INFLATION

While inflation can have a significant impact on your retirement plans, there are steps you can take to offset its effects. By saving more money and investing in assets that are less vulnerable to inflation, you can help ensure that your retirement plans remain on track. Additionally, by being aware of the potential effects of inflation, you can make adjustments to your plans as needed to account for its impact.

As you get closer to retirement, it's important to start thinking about how inflation could impact your plans. While inflation can be a good thing if it leads to higher wages and increased economic activity, it can also be a problem if prices start rising faster than your income, as we've seen this year with inflation reaching a new 40-year high amid a cost-of-living squeeze.

There are some general principles that can help guide your thinking on this important topic:

The first principle is that it's never too early to start planning for retirement. The sooner you start saving and investing for retirement, the more time your money has to grow. This is due to the power of compounding – which essentially means that your money earns interest on itself over time.

The second principle is that retirement planning is not a one-time event. Your retirement timeline will likely change as life circumstances change. For example, you may need to adjust your timeline if you have children or other family members who depend on you financially.

The third principle is that retirement is not an all-or-nothing proposition. You don't have to retire completely in order to enjoy a comfortable lifestyle in retirement. Many people choose to work part-time or pursue other interests during retirement instead of (or in addition to) simply sitting around and doing nothing.

TIME TO UTILISE CASH FLOW MODELLING?

Planning for retirement is a complex task, made even more difficult by the fact that most of us don't have a crystal ball to predict the future. This is where retirement cash flow modelling can be incredibly useful. This can help you estimate your future income and expenses in retirement and give you a better idea of how much money you'll need to have saved in order to maintain your current lifestyle.

By creating a model of your expected income and expenses, you can better plan for your retirement and make sure that you have enough money to cover your costs. This type of modelling can also help you to identify any potential shortfall in your retirement savings, so that you can make adjustments to your plans accordingly.

If you are nearing retirement or are already retired, cash flow modelling can help you: understand how much income you will need in retirement; work out how long your retirement savings will last; determine the best way to use your retirement savings to generate an income in retirement; and find out how different life events (such as taking a career break or downsizing your home) could impact your retirement cash flow.

WOULD AN ANNUITY BE BENEFICIAL?

Annuities can be a good way to combat rising inflation, as they provide a guaranteed stream of income that is not affected by changes in the cost of living. However, it is important to choose an annuity that has a high enough rate of return to outpace inflation, as otherwise you may end up losing purchasing power over time.

Some annuities offer built-in protection against inflation. For example, some annuities offer cost-of-living adjustments that increase payments to keep pace with inflation. This can help retirees maintain their purchasing power and keep up with the rising costs of living. While annuities are not the only solution for combating rising inflation, they can be a helpful tool for retirees.

Ultimately, whether or not an annuity is a good way to combat inflation depends on your individual circumstances. If you are concerned about preserving your purchasing power in retirement, an annuity can be a helpful tool. However, you should obtain professional financial advice to weigh the costs and risks associated with an annuity before making a decision.

ARE YOU SITTING ON TOO MUCH CASH?

If you're sitting on too much cash right now, with inflation on the rise, that cash could be losing value, so you may want to rethink your strategy. Inflation is a natural occurrence that happens when the prices of goods and services start to increase. This can erode the purchasing power of your money, which means that you'll need more money to buy the same items.

There are a few ways to combat inflation and ensure that your money keeps its value. One option is to invest in assets that are known to appreciate in value, such as stocks and shares or property. No matter what strategy you choose, it's important to be aware of the impact that inflation can have on your finances. By being proactive, you can ensure that your money keeps its value over time.

WHAT IS YOUR ATTITUDE TO RISK?

When pension planning, your attitude to risk will play a big role in how your portfolio is structured. If you're willing to take on more risk, you may be rewarded with higher returns. But if you're not comfortable with risk, you may want to focus on preserving your capital.

Once you have a better idea of your risk tolerance, you can start to allocate your assets accordingly. For example, if you're okay with some volatility, you may want to put some of your money into stocks and shares. But if you're not comfortable with any volatility, you may want to keep your money in cash and bonds.

No matter how much risk you're willing to take on, it's important to remember that all investments come with some risk. There's no such thing as a completely risk-free investment. But by understanding your risk tolerance, you can make sure that your portfolio is structured in a way that meets your needs. ■

ARE YOU READY FOR RETIREMENT?

Retirement is inevitable, but knowing exactly when to do so is often unclear. No matter when you actually begin your retirement, you'll benefit from planning your post-work life as early as possible. If you would like to review your retirement plans, we're here to listen. We look forward to hearing from you.

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS PLAN HAS A PROTECTED PENSION AGE).

THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.


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