Case Study

# Retirement Planning

**'Retirement planning' might be a phrase that you have heard before, but what does it mean in practice for you, your family and, of course, your retirement?**

As you approach your later years, retirement planning frequently means more to you than just deciding how you are going to spend your well deserved 'long holiday from work'.

In the case of Mr M, for example, retirement planning meant that we worked closely with him to give him certainty, where before he had little idea of what exactly he was going to be able to do in his later years.

Mr M knew that he had saved into several pensions during the course of his life, but he was uncertain how much these pensions had amounted to. Mr M had had several jobs during his lifetime and had paid into workplace pension schemes in each of them. But, again, he was uncertain as to the details of these schemes and how much money they would provide for him in retirement.

To begin with, we worked with Mr M to discover and define the following information;

- Mr M's total pension fund
- Defining and assessing his current income and expenditure, whilst he was still working, to establish a benchmark
- Making a forecast for Mr M's expected state pension income
- Using cashflow forecasting to define Mr M's expected and actual retirement income and the effect this would have on his lifestyle.

During the course of completing this work, and planning for Mr M's retirement, we were able to take some of the financial information available and work with Mr M on his aspirations for his later years.

For example, it was good to hear that Mr M planned to travel more with his wife, especially during the earlier years of his retirement, but he was concerned about the impact this would have on his savings. Using advanced cashflow forecasting, we were able to show Mr M a way to ensure that his mortgage would end at around the same time as his retirement began. This meant that his retirement income did not need to cover any regular outgoings on his property, freeing up income for the time he wanted to spend travelling.

As well as this, we were able to show Mr M that our forecast allowed for a higher spend towards the start of his retirement, when he and his wife planned to be more active, than the end of his retirement, when it was likely Mr M and his wife would spend more time at home with their family.

With those factors considered, we helped Mr M to plan for his retirement in the following ways;

- We discussed with Mr M his plan for leaving an inheritance for his children and planned to organise his finances so that his children could access his pension fund, should anything happen to him.
- As Mr M was preparing for his retirement, we showed him what impact retiring earlyor late would have on his finances, so that he could make an informed decision on the final date.
- We suggested to Mr M that, towards the end of his life, he may need some available capital to fund full or part-time care. Mr M agreed and so we structured some of his finances to be set aside for this eventuality.

With all of the above elements operating in harmony, Mr M was able to look forward to his retirement safe in the knowledge that every eventuality was planned for.

This is exactly how good retirement planning should work!

Mr M's finances were now all structured in exactly the right way for what he wanted to do in his retirement. This meant that, not only could Mr M do everything that he wanted to, he did not need to waste time wondering if he could afford to, or if he was structuring his finance in the best way possible.

We are pleased to report that Mr M is now enjoying a fantastic, active retirement, travelling the world with his wife.

We would be delighted to help you to plan your retirement in a similar fashion.