

Ahead of Retirement *(Tips to get organised)*

1. Find Out What You Have

Over the course of your career you may have accumulated a number of pension funds. It is easy to lose track of these over a number of years, especially if you have changed address. You can track down this money by contacting previous employers directly or through the Pension Tracing Service at www.direct.gov.uk (under the Pensions and Planning for Retirement section). Some people prefer to consolidate their funds into a single pension, but it doesn't necessarily leave you better off.

Find out what State pension provisions you will be eligible for. You can obtain a forecast at www.direct.gov.uk (under the same section above).

2. Plan Ahead

Start considering how you would like to live in retirement and how much it might cost. What expenses will end when you retire? What new ones might you bring in?

If you are intending to live abroad when you retire, find out about the differences in the cost of living. Consider how you might manage differences in currency and taxation.

Review your plans at least annually because many factors can affect what income you get when you retire. (e.g. investment returns, inflation, interest rates, life expectancy and new laws).

3. Manage Investment Risk

If your pension fund is invested in shares you should consider moving towards safer investments in the years approaching your retirement.

The business of retirement can be complicated. What kind of income would you like when you retire – guaranteed or variable? This choice can also have an impact on your investment strategy as you prepare for retirement.

4. Life, Death and Illness

We all die eventually, and some of us will suffer illness beforehand. Pension income is partly based on average life expectancy. For this reason your state of health can be an important consideration – it could even pay to have health problems using enhanced annuities.

Consider the effects of needing care in later life: - you might need some flexibility in your plans. Also, what financial situation would you like to leave your partner in after you die?

5. Take a wide perspective

Pensions have considerable benefits, but they are not the only way to provide an income; other investments, savings and even a second property can be valuable resources. How much income might they provide? How long will it last?

6. Contact us: We are here to help you.

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When I was young I thought that money was the most important thing in life; now that I am old I know that it is.

[Oscar Wilde, Quoted in *The Psychology of Money* by Adrian Furnham and Michael Argyle, Routledge 1998]