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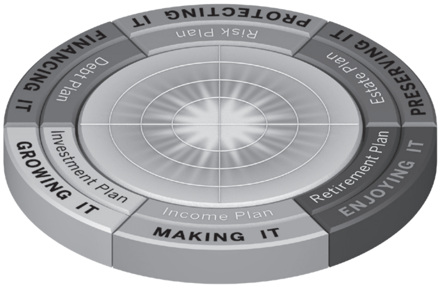

"You make pensions understandable, best meeting on the subject I've ever had"

Mike, client

To consider

Do I need to continue contributing to my pension fund?

Do I need to combine my pension savings into one pension plan?

Do I know how to trace pension savings I may have lost track of?

Do I need to be drawing income from my pension savings yet?

Do I want to stop working straight away or phase my way into retirement?

Do I know the best way to take pension income now?

Do I understand how my other investments can help me achieve a higher pension income?

Do I need to provide for an income to my spouse, civil partner or dependants when I die and understand how to plan for it?

Do I know how I can protect my pension income against future inflation?

Do I need to keep my pension income options open?

Do I need to think about inheritance tax?

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Your retirement options

How you can take your pension benefits

The aim for most, is to reach retirement in good financial shape. When you reach retirement, a whole new layer of challenges emerges when the strategy changes from accumulating capital to delivering income efficiently. We try to anticipate your spending patterns, which for most, will reduce as they move into their later years. There are many options to consider. We are independent Financial Advisers; we can assist you with these potentially confusing choices and help you with these important decisions.

Tax Free Lump Sum: From the age of 55 you can normally take up to 25% of your pension fund value as a tax-free cash lump sum. You will need to consider how best to use this: pay off debts such as your mortgage, invest to provide tax-efficient income or you could take the tax-free lump sum in instalments, as part of a drawdown pension, to reduce any income tax payable on your income.

Lump Sum: It is possible to take all or part of your pension savings as a lump sum. Normally 25% of the payment will be tax free and the remainder will be subject to income tax in the year it is paid.

Lifetime Annuity: Buying an annuity means exchanging all or part of your pension fund for a guaranteed regular taxable income, which will be paid for the rest of your life by the annuity provider of your choice. No-one is obliged to buy an annuity but if you do decide to buy one, it is an irrevocable decision. There are options to consider:

- Single Life Annuities (SLA) or Joint Life Annuities: (JLA); A JLA pays out a lower income than a SLA over your lifetime but will continue to pay out to a dependent on your death unlike a SLA.
- Level or escalating annuities: you can choose whether you want your income to stay at the same level or to increase each year (known as 'escalating'). A level annuity will initially give you more money but due to inflation it will buy you less in the future. For an escalating annuity, there are two main choices; an annuity that escalates by a fixed rate each year (e.g.3%) or one that increases each year in line with inflation.

Flexi-access Drawdown: Allows you to take taxable income from your pension fund while leaving it invested in a favourable tax environment. A drawdown allows you to retain control of your pension fund and to choose whether to take income or not. If you die the rest of your pension fund can be used to provide pension benefits to your dependants or be paid out as a lump sum. You need to consider there are no guarantees of future income and your funds remain invested, so their value may go down as well as up, affecting how much you can withdraw and how sustainable your income might be.

Phased retirement: Ease back from work gradually and start to replace your earnings with pension income.

Defer taking pension benefits to a later date: Pension funds can remain invested and you can continue to contribute with tax relief up to the age of 75 but you do not have to take the benefits by a certain age.

IHT Planning: One of the major benefits of pension arrangements (excluding annuities) is that the death benefits fall outside your estate for IHT purposes. This can provide some valuable opportunities to individuals who do not need to exhaust their funds to deliver income in retirement. There are also some simple ways to arrange pension so that children might inherit a part or all of a pension fund, assuming a surviving spouse or partner is financially secure.