

PENSION SAVINGS IN YOUR 50S

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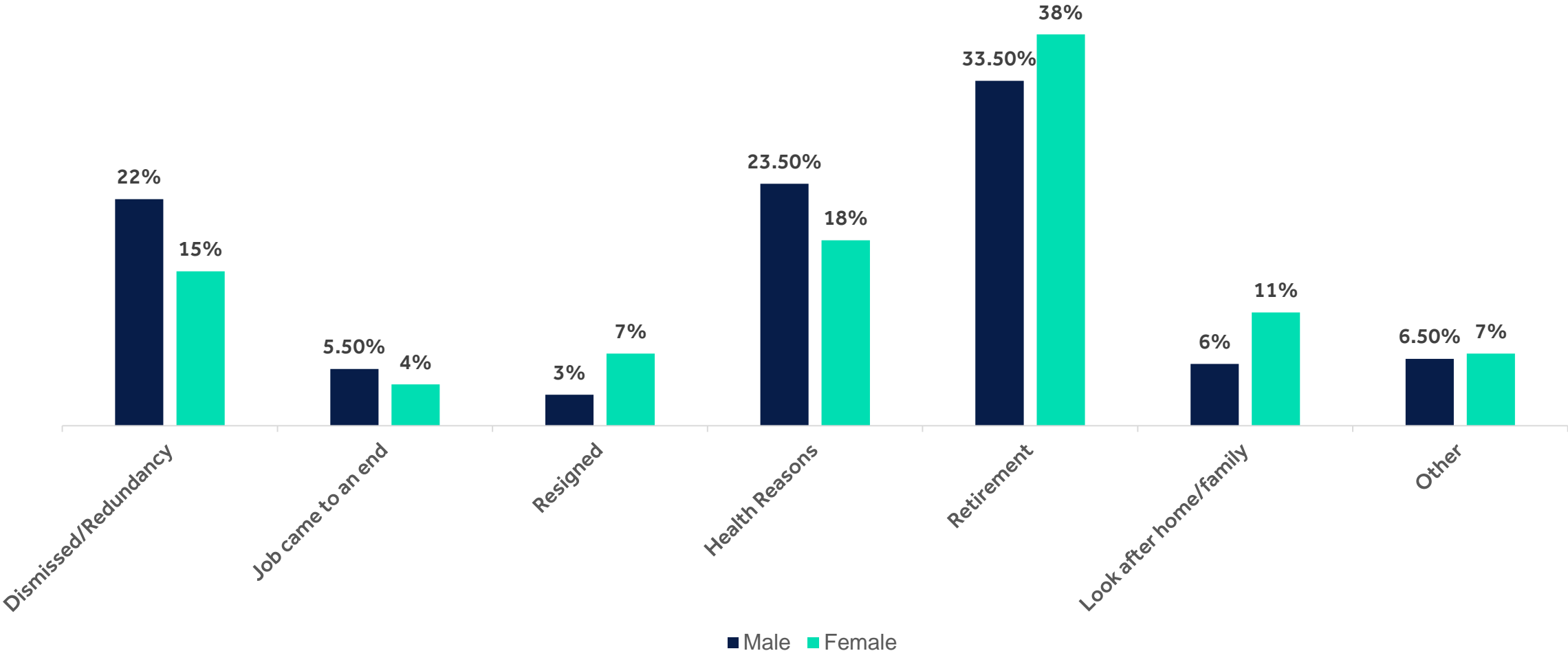
AGENDA

What I'll cover today

1. Leaving work
2. How a pension works
3. Your retirement options
4. Action plan

REASONS FOR LEAVING WORK

Individuals aged 50 – 64 who are not in work



Based on February 2017 data. Source: DWP 2017

WE'RE ALL LIVING LONGER

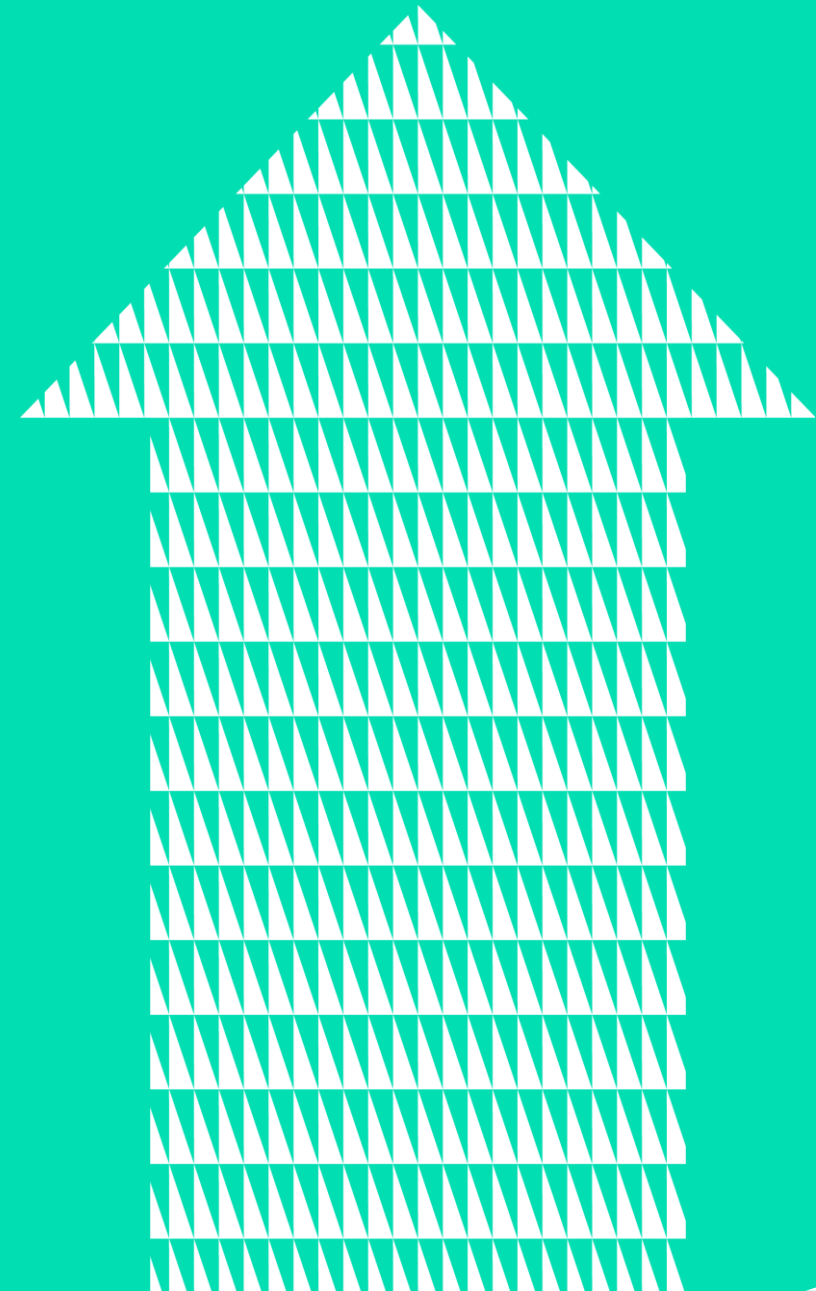
1980 - 1982

- Men – 5% reaching 90th birthday
- Women – 14% reaching 90th birthday

2015 - 2017

- Men – 21% reaching 90th birthday
- Women – 32% reaching 90th birthday

Source: Office for National Statistics



STATE SUPPORT

The Government will look after us (to some extent)

- Currently £168.60 per week; roughly £8,750 per annum
- Based on 35 years national insurance contributions
- Consider whether 'contracted out'
- Check www.gov.uk/check-state-pension for forecast
- Rules can change and amount depends on your circumstances

HOW MUCH WILL I NEED

A half to two-thirds of salary



Working

Save / Invest	
Mortgage	
Children	
Commuting	
Hobbies / Leisure	Hobbies / Leisure
Holidays	Holidays
Groceries	Groceries
Utilities	Utilities



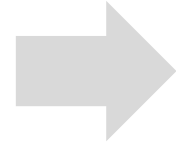
Retired

HOW A PENSION WORKS

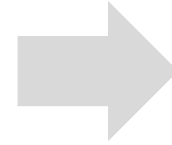
A flexible, tax efficient way to save for your retirement



Contributions



Investments

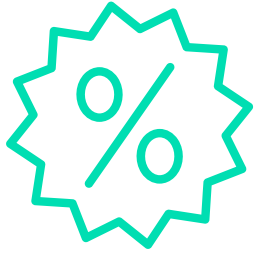


Up to 25% tax free from age 55
(rising to 57 in 2028)

Tax rules can change and benefits depend on personal circumstances

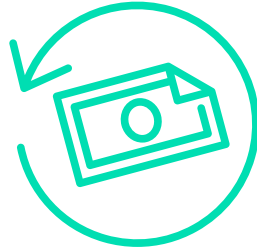
WHAT IS AN ANNUITY?

A secure, regular income for life



Up to 25% Tax Free

Lump sum payment



Taxable Income

Either fixed or escalating



Secure Income

For the rest of your life



Consider

What happens after you have passed away

How can HL help?

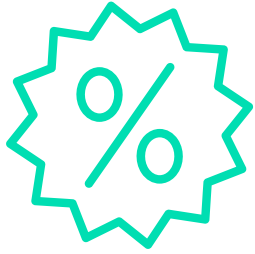
- Access to whole market
- Easy to see if you qualify for more income by adding health and lifestyle details
- Retirement Helpdesk always on hand
- Annuity Calculator

Cannot be changed or cancelled even if your circumstances change. If unsure, seek advice.

Tax rules can change, and the benefits depend on personal circumstances.

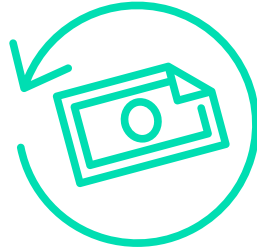
WHAT IS DRAWDOWN?

Flexible access to your pension



Up to 25% Tax Free

Lump sum payment



Taxable Income

You choose how much



Investment

Invest how you want



Consider

What happens after you have passed away

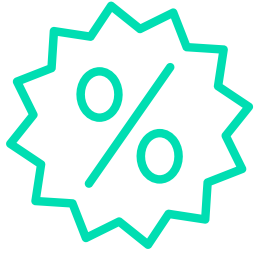
How can HL help?

- No charge to take tax-free cash and change withdrawals
- Help choosing investments
- Monitor your account online or with our app
- Drawdown calculator
- Retirement Helpdesk on hand

With drawdown your income is not guaranteed, and could run out. If unsure, seek advice. Tax rules can change, and the benefits depend on personal circumstances.

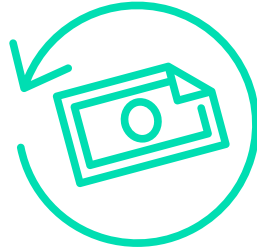
WHAT IS A LUMP SUM WITHDRAWAL?

Since April 2015, you can take lump sums directly from your pension



Up to 25% Tax Free

From each lump sum



75% Taxable Income

From each lump sum



Investment

Invest how you want



Consider

What happens after you have passed away

How can HL help?

- No additional charge for taking withdrawals (unless you take it all)
- Spread your withdrawals over multiple tax years
- Help choosing investments
- Monitor your account online or with our app
- Retirement Helpdesk always on hand

With a lump sum withdrawal your income is not guaranteed, and could run out. If unsure, seek advice. Tax rules can change, and the benefits depend on personal circumstances.

ACTION PLAN

1. REVIEW RETIREMENT AGE
2. ARE YOU ON TRACK?
3. REVIEW INVESTMENTS
4. KEEPING THINGS SIMPLE

REVIEWING RETIREMENT AGE

Average Retirement Age

- Men – 65
- Women – 64

Retirement Age affects:

- Communication
- Income
- Investments

ARE YOU ON TRACK?

Try our free pension calculator – www.hl.co.uk/pensions/pension-calculator

1 Your details and contributions

Gender Female Male Tax-free ca

Date of birth

My gross salary ? Personal co
(Gross cont
per month)

My existing pension fund ? Employer c
(Gross cont
per month)

Retirement age ? per month)

2 Your results

Estimated pension value:
£254,000

Tax-free cash:
£63,400

Estimated annual income:
£8,760

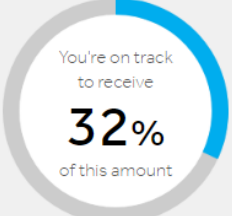
Include the full new State Pension in your estimated annual income

We can't include the State Pension, because you chose a retirement age that's before your State Pension age. From age 67, you could receive a State Pension of up to £10,700 (in today's money). Use [government's website](#) to find out more.

Calculations are based on [these assumptions](#).

Is this enough?
Most people need a retirement income that's about two thirds of their salary.

For you, this is:
£26,700 per year.



You're on track to receive **32%** of this amount

3 Explore your options

[INCREASE YOUR CONTRIBUTIONS](#) [DELAY YOUR RETIREMENT](#) [DELAY STARTING CONTRIBUTIONS](#)

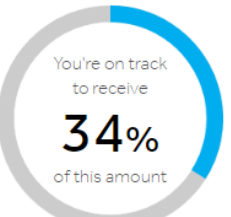
What if I increase contributions by £ a month?

New estimated pension value:
£264,000 ▲ £10,000

Tax-free cash:
£66,100 ▲ £2,700

Estimated annual income:
£9,130 ▲ £370

Is this enough?
Most people need a retirement income that's about two thirds of their salary. For you, this is **£26,700** per year.

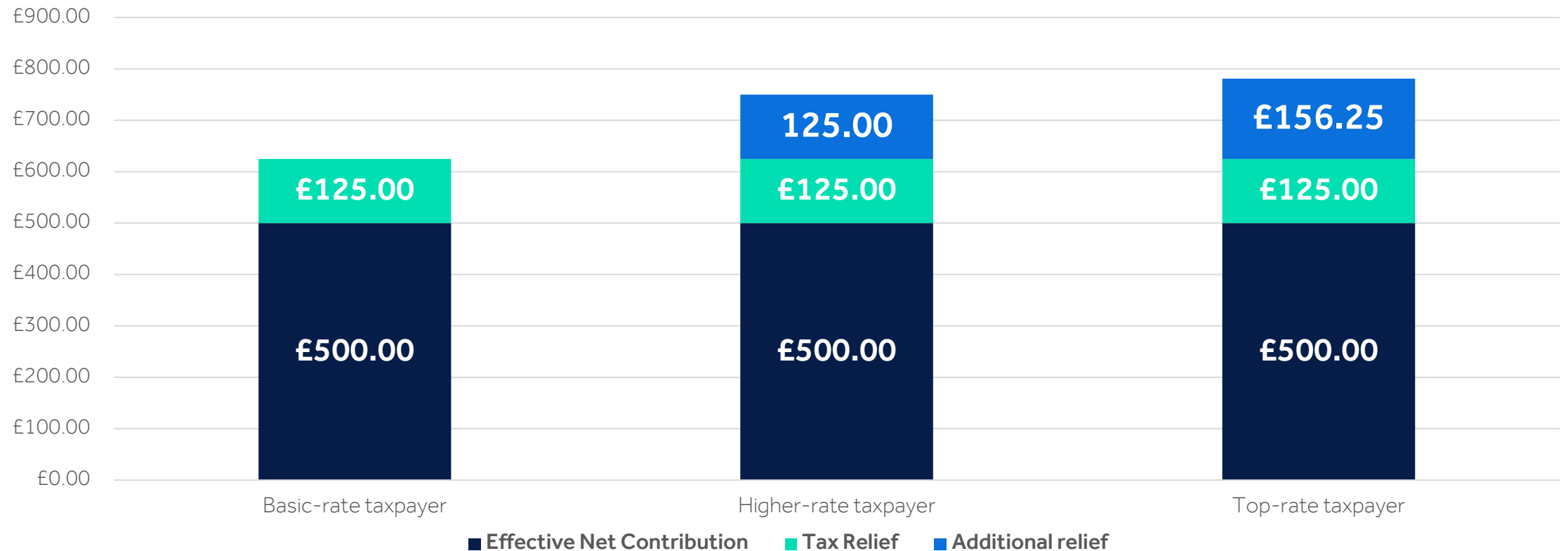


You're on track to receive **34%** of this amount

[ADVANCED OPTIONS](#) →

BOOSTING YOUR PENSION

A helping hand from the Government



You must pay sufficient tax at the higher or top rate to claim the full 40 or 45% tax relief.
Different tax bands will apply to Scottish taxpayers.

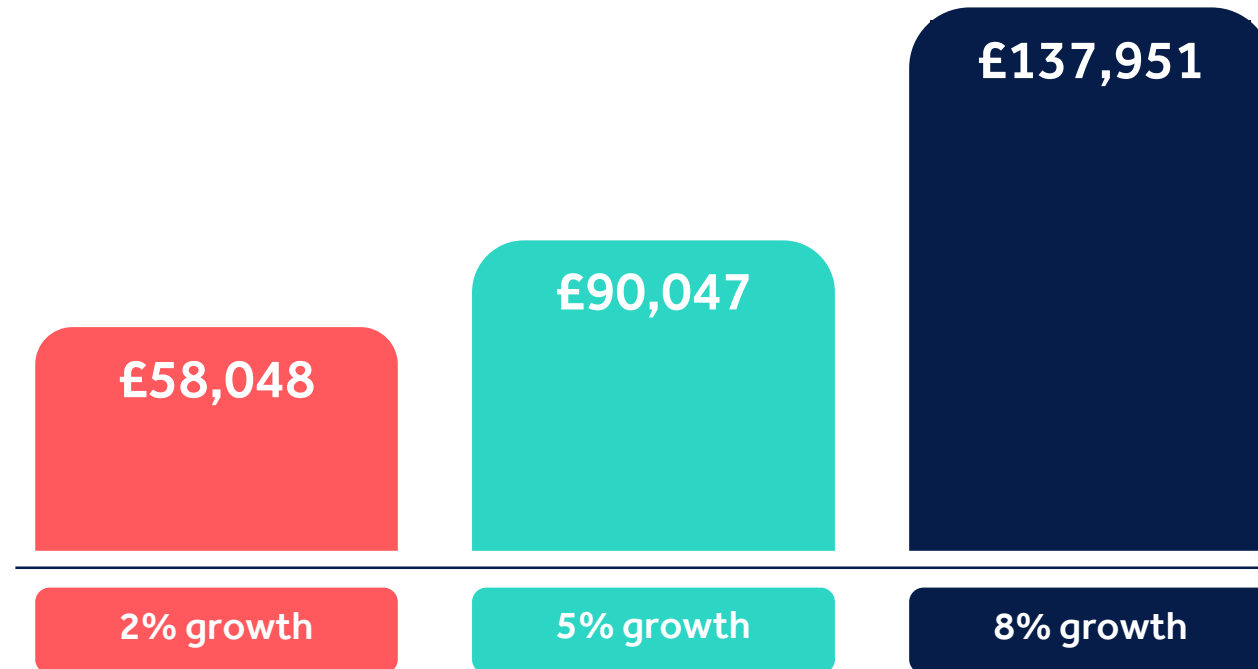
HOW MUCH CAN I CONTRIBUTE TO MY PENSION

Make the most of your pension allowance

- Personal contributions usually limited to 100% of earnings
- All contributions, including from your employer, are capped at annual allowance of £40,000
- This can reduce for higher earners
- Accessing your pension can sometimes mean your contributions are restricted.
- There are certain rules that mean the amount you can pay in might be higher or lower, there's also a lifetime allowance – find out more at www.hl.co.uk/pensions/contributions
- Tax rules can change; figures correct for 2019/20 tax year and money in a pension is not usually accessible until age 55 (57 from 2028)

REVIEWING INVESTMENTS

Why investment performance matters



Assumes £50,000, invested for 15 years, with a 1% annual charge. The real value of growth will be eroded by inflation

This is an example and actual growth depends on how well your investments perform.

Investments can go down as well as up in value so you could get back less than you invest.

Source: HL Regular Savings Calculator

PENSION WISE

Free & impartial guidance

WHO?

- Aged 50 and over
- Workplace or personal pension
- Help understand your options

WHAT?

- Specialist pension guidance
- 45 to 60 minutes
- Over the phone or local to you

www.pensionwise.gov.uk

0800 138 3944

WHAT DOES GOOD PENSION PLANNING LOOK LIKE?

The three key decisions

1. Am I contributing enough?
2. Where am I investing?
3. Can I make things simpler?



TRANSFERRING PENSIONS

These are some of the points to consider

- You have the choice of whether to consolidate
- Check for fees, or loss of guarantees
- Reduced administration
- Usually transferred as cash – so you'll be out of the market for a period
- If unsure seek advice

COMPLETING AN EXPRESSION OF WISH FORM

Make an nomination for your pension when you die

- Complete a paper or online form
- Split between multiple beneficiaries
- Money does not go into your estate
- Not legally binding
- Update to reflect personal circumstances

180

Pay days left for someone turning 50 today and retiring at 65

USEFUL CONTACT DETAILS

HL's Retirement Helpdesk



0117 910 6341



retire@hl.co.uk

- Dedicated team of retirement specialists
- Can walk through your options in detail
- Can guide you through the retirement process
- Information not advice



IMPORTANT INVESTMENT NOTES

What you do with your pension is an important decision, you could run out of money. If you are at all unsure you should seek guidance or personal advice. The Government's free Pension Wise service could help. They provide a free impartial service to help you understand your options at retirement. You can access the service online at www.pensionwise.gov.uk, by calling 0800 138 3944 or face to face.

Hargreaves Lansdown Workplace Solutions provides information, not personal advice, about the pension and investment plan. If you are in doubt about whether these investments are suitable for you, you should seek personal financial advice.

Unlike cash, stock market based investments are not guaranteed and fall in value as well as rise, we therefore believe you should only invest for the long term (5+ years). Ultimately you could get back less than you invest.

Tax rules or state benefits referred to are those that currently apply, they can change over time and any benefit to you will depend on your circumstances. Once in a pension, your money is normally no longer accessible until age 55, rising to 57 from 2028. Before transferring please ensure you will not lose valuable benefits or incur excessive penalties. Pensions are usually transferred as cash, so you will be out of the market for a period.

Please refer to the Key Features Documents and Terms & Conditions on the website and in your joining packs for full details.

THANK YOU FOR LISTENING

retire@hl.co.uk

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