

Retirement Planning Checklist

Why not complete this checklist, and then make arrangements to discuss your retirement plans with us? We can use this as a starting point, to help you create a strategy to realise your retirement aspirations.

Do you have a retirement plan in place?

Yes (date last reviewed: _____)

No, but I would like to develop one

My primary retirement goals are to:

Live independently where I want

Travel frequently

Buy and enjoy the things I want

Minimise taxes

Help my children and their heirs

Pursue hobbies and interests

Other _____

My current retirement resources include:

Pension plans

ISAs, PEPs, stocks and shares

Insurance policies

Savings

Art, jewellery and other valuables

Other assets _____

I need help with:

Our Services

Business Planning

- Business start-up planning and advice
- Strategic and business planning
- Financial management
- Financial information systems
- Computer systems advice

Taxation Advice

- Self assessment
- Personal tax
- Business tax
- Company tax
- Capital gains tax
- Inheritance tax
- HM Revenue and Customs investigations
- Value Added Tax
- PAYE and national insurance compliance

Accounting

- Preparation of annual accounts
- Preparation of periodic management accounts
- Book-keeping services
- Maintaining PAYE and VAT records and associated returns

Company Secretarial

- Preparation and filing of statutory returns
- Preparation of minutes and resolutions
- Company formation
- Company searches

Auditing

- Statutory audit

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YOUR GUIDE TO Retirement Planning



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Accountants and Registered Auditors

Retirement isn't what it used to be. In many ways it is better: people are living longer and enjoying healthier and more active retirement years.

On the financial side, however, trends are not as positive. For a combination of reasons, the goal of a financially secure retirement is becoming increasingly difficult to achieve. This guide highlights some of the issues you need to consider if you wish to enjoy a comfortable retirement.

While being able to retire may not be your most important financial objective now, sooner or later it will be at the top of your agenda. The earlier you focus on your retirement needs and plans for meeting them, the more time you will allow yourself to invest and the more time your investments will have to grow.

A pensions shortfall?

The average pension fund in the UK is worth around just £30,000. Many people are heading towards retirement with inadequate savings, and many even have significant debts. Personal debt in the UK has now exceeded £1 trillion and there are over 62 million credit cards in circulation.

Meanwhile, retirement periods are becoming longer. The average retirement age is currently 62, while life expectancy is now 76 years for men and 81 for women.

The whole picture adds up to a pensions shortfall. However, we can help you take steps to ensure that your retirement is as financially secure and comfortable as possible.

Key points to discuss with us include:

- Working out how much you need to save to create a 'retirement pot' capable of securing the comfortable retirement you desire
- Tax-advantaged saving for your pension
- Using your business to help fund your retirement.

There are various options for retirement funding available. Here are some of the most common:

The state pension

With the state pension in 2005/06 worth just over £6,800 for a married couple, living on this alone is probably an unrealistic proposition. For a full state pension, a man needs to have made 44 years of national insurance contributions, a woman 39 years. For a forecast of your state pension, phone the Pension Service on 0845 300 0168. This service will advise if there are years for which additional benefits can still be bought.

Company pensions

There are two kinds of company pension scheme, into which you and your employer may contribute. A **final salary scheme** pays a retirement income related to the amount you are earning when you stop work, while a **money purchase scheme** instead reflects the amount invested and the underlying investment fund performance. In both cases, you will have access to tax-free cash as well as to the actual pension.

You should receive annual statements that include valuations of the pension fund and forecasts of the income it might provide at your retirement.

Private and personal pensions

If you are not in a company scheme, you should make your own pension arrangements.

Investment in personal pensions is limited to a percentage (based on age) of earnings, subject to a £105,600 cap.

Other options include **Stakeholder Pensions** – in which premiums of up to £3,600 before tax relief can be paid each year, regardless of earnings – and **Self Invested Personal Pension schemes (SIPPs)**, which give the investor a relatively high degree of influence over how funds are invested.

Note: Pensions 'A-Day' – From 6 April 2006, many of the regulations governing pension funds will change. Contact us for more advice.

Retirement annuities

These are available only where a policy currently exists. Premiums paid under retirement annuity policies are not subject to a cap on earnings, which means that high earners may be able to invest more. Retirement annuity premiums are payable gross, with all tax relief via either your PAYE code, or the self assessment Tax Return. Premiums are paid net of basic tax relief, with higher rate tax relief via your PAYE code or self-assessment.

Your business

At some point in time, you will exit your business interests and invest the proceeds. While this may be some years away, and the business will continue to generate your income for now, at some point you will wish to realise its capital value. Maximising this value is an important goal.

Your home

Although they might not be suitable for everyone, there are at least two ways to make your home help your retirement finances. First is down-sizing – selling your current home and buying something cheaper to release value now tied up in your property for other purposes. If you wish to continue living in the same property, 'equity release' might also be something to consider. Equity release might not suit all families, and you need to discuss all the implications with us and your other financial advisers.

Other sources

Savings in ISAs, PEPs and other vehicles, stocks and shares, insurance policies, and valuables such as art or jewellery, could all be taken into account when developing a retirement strategy.

Your retirement strategy will be determined by a number of factors, including: your age; the amount of state pension you will receive; whether you have a company or personal pension scheme; whether you are self-employed; and how much you can afford to invest. We can help you to plan for a comfortable future at the end of your working life. Contact us today.