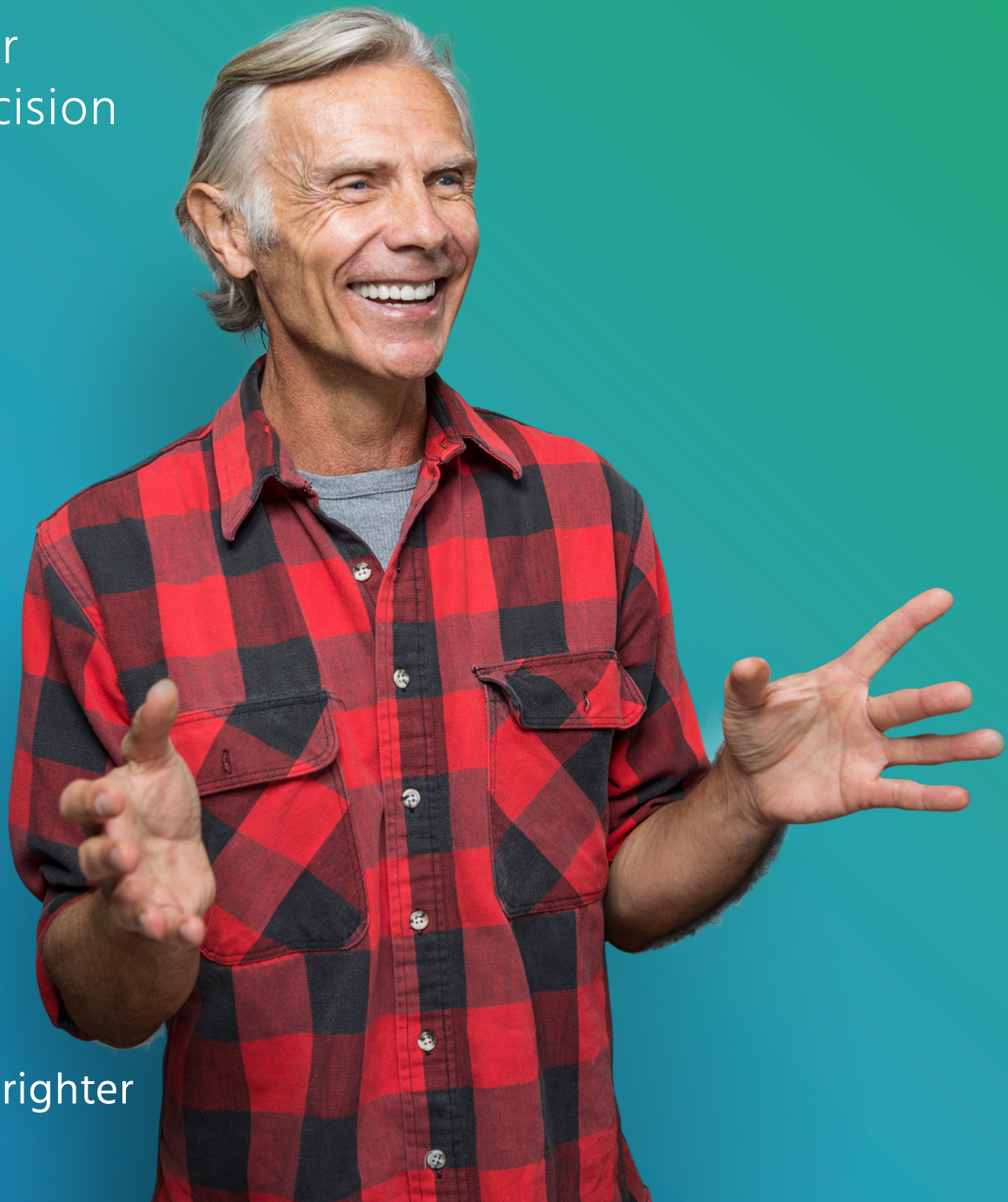




the road to

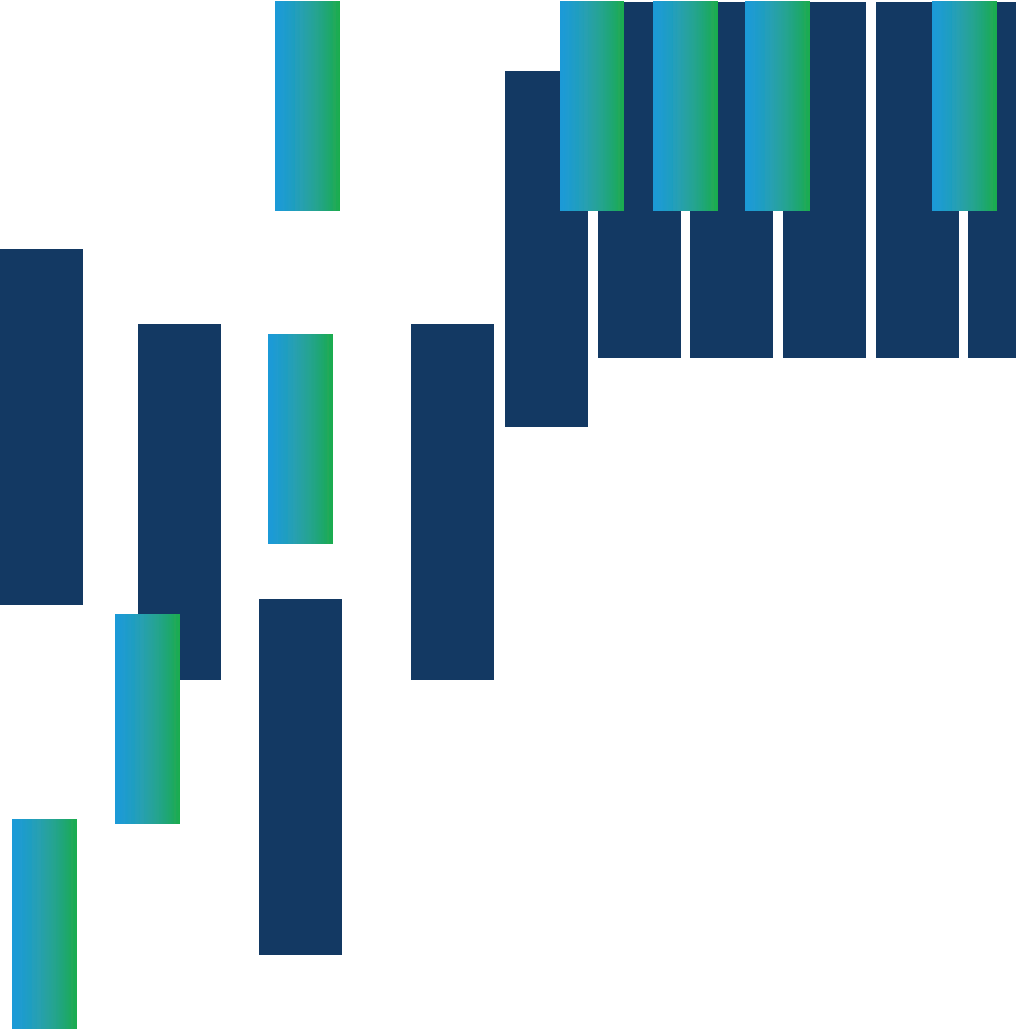
retirement

making your
pension decision



welcome to brighter





Introduction

Whether you find planning your retirement daunting or exciting, what's most important is getting the right outcome for you.

So, to assist you in making your pension decision, we've put together a 5-step guide to help you understand the different options available and to help you make the most of your money.

call us



To support you in making your decision, a personal Retirement Relationship Manager is on hand to help with any questions you may have on **0800 280 2448**

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step 1



Collect your pension statements

Most people will continue to support their lifestyle when they stop working through their pension, plus their state pension.

With that in mind, a good starting point is to work out how much money you're likely to have in retirement by understanding what pensions you have. You may have collected several pensions from various jobs over the years or you may just have the one.

You can get a clear understanding of each of your pensions by requesting a pension statement from your provider. If you are unsure who your provider is, you may need to contact a previous employer or employers to find out. Your pension statement will tell you what you've got and, in most cases, what you're likely to get when you choose to take your pension as income.

Lastly, pensions are only one of the ways to provide income in retirement. You may find it helpful to look at all your other savings, property and investments and how these may be used, if at all, to support your lifestyle when you stop working.



what you can do today?

Make a list of your pension providers and contact them to request a pension statement or retirement pack if you are close to retirement.



get a state pension forecast

you can do this online at:
www.gov.uk/check-state-pension

step 2



Plan for your future

One of the most important steps is to imagine how you will use your money during your retirement. Here are some questions you can ask yourself to get a better idea of this.

- **How would I like to spend my time when I'm retired?**
- **How will my lifestyle change as I get older and what will my monthly outgoings be to sustain this lifestyle?**
- **How might my health change as I age and how long am I likely to live?**

We've given a recap of some key questions to ask yourself at the end of this brochure. We recommend you consider these questions before you speak to your Retirement Relationship Manager, whom you can reach on **0800 280 2448**.



step 3



Know your options

There are lots of choices for ways of taking your money, so to keep things simple we've categorised them into five main options.

1 Keep your pension where it is

Otherwise known as: *Stay as you are, Delaying retirement, Deferring retirement*

If you don't need your money just yet, you might wish to leave your pension where it is.

2 Get a guaranteed income for life

Otherwise known as: *Scheme Pension (Defined Benefit only), Conventional annuities, Enhanced (or health-based) annuities*

For lots of people, peace of mind and security are the most important things to consider when planning what to do with their pension. There are a number of options that give you a guaranteed income for the rest of your life – no matter how long you live.

Depending on the type of scheme and option you choose, the income may automatically increase over time or keep up with inflation. Likewise, the option may provide an income to your partner when you die. Some guaranteed income options pay different levels of income as they take account of health conditions and lifestyle choices.

You can normally take 25%* of the value of your pension as a tax-free cash lump sum straightaway, with the remainder used to give you a regular taxable income.

*Within Defined Benefit schemes, the amount of tax-free cash depends on the scheme rules and may be less or more than 25%.



Did you know?

If you have a 'Scheme Pension' within a Defined Benefit scheme, the general rule of thumb is that the 'annual pension' available from that scheme will provide you with a better outcome than most of the 'Guaranteed Income' options available on the open market.

Some exceptions to this rule may be if you don't need a spouse's pension or are in ill health. In these situations, you may want to seek advice and look at some options outside the scheme.

3 Take your pension money in one go

Otherwise known as: **Cash, Single uncrystallised funds, Pension lump sums**

If you need to take all of your money immediately, this option allows you to take all or part of your pension savings in cash. The first 25% can be taken tax-free but the remaining 75% will be subject to income tax.

If you take a large lump sum, you'll also need to think about whether you have enough money to provide an adequate income for the rest of your life.

4 Pick and choose when to take money

Otherwise known as: **Flexible access drawdown**

With this option, your pension money is invested in a range of investment funds and you can draw it out as and when you need it – similar to a savings account. As your pension money is invested, the value could go up and down and you would need to regularly track how your money is doing so you don't run out.

For each cash withdrawal, if you don't need all of the tax-free cash lump sum at the start, the first 25% will be tax-free, while the remaining 75% is taxed as income. Depending on your circumstances, you will need to consider the tax implications with this option carefully.

5 Combining options

It may also be possible to do a combination of the options above. For example, you could use some of your pension money to provide a guaranteed income and use the rest in a different way.

There may be different charges on some or all of these options, so it's important to check them out.

Did you know?

 **Male**
20 years

 **Female**
22.1 years

As a man, on average you can expect to live for another 20 years after the current UK retirement age of 65. As a woman, on average you can expect to live another 22 years and 1 month. *So retirement is just the start of a whole new phase of life.

*ONS 2019 (based on 2018 projections)

step 4



Get guidance and take advice

When you come to access your pension, you can arrange this yourself but we strongly recommended that you seek guidance or arrange to speak to a financial adviser first.

Guidance and advice provide two different types of support. Guidance is a good way to get an understanding of the options available to you and to answer any general questions you may have. Advice looks at your current circumstances and future needs and provides a recommendation for what you need to do.

The decision you make now is likely to have an impact on the rest of your life so, at a minimum, we recommend getting guidance to validate your understanding.

At Mercer, you can call one of our Retirement Relationship Managers for help. They can explain what pension money you have, what your options are and what extra support is available to you. You can call them on **0800 280 2448**.

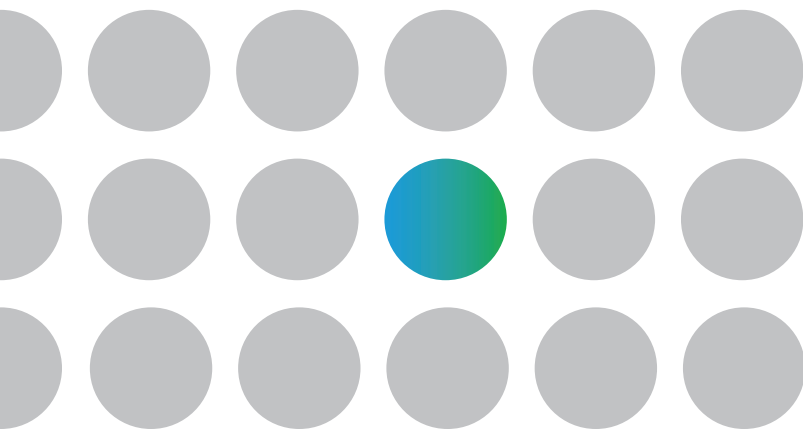
If at this point you want formal advice, your Retirement Relationship Manager will help you find a financial adviser.



Beware of pension scams

Many people have lost a lot of money to internet fraudsters or cold callers. The Pensions Regulator has some helpful information on how to protect yourself from scams.

Find out more online at: www.thepensionsregulator.gov.uk



step 5

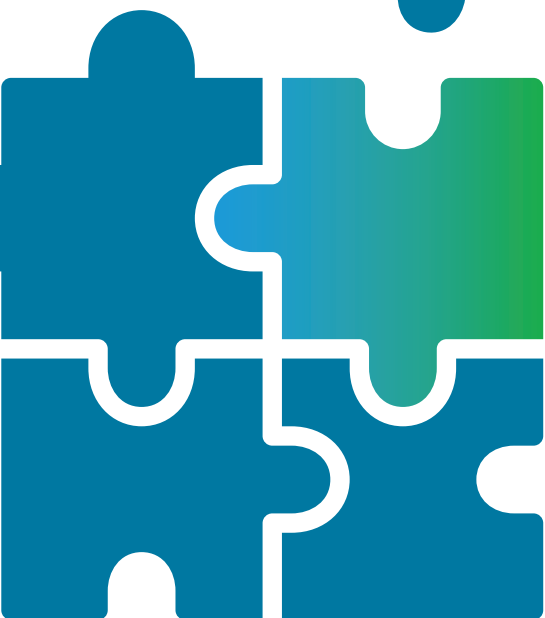
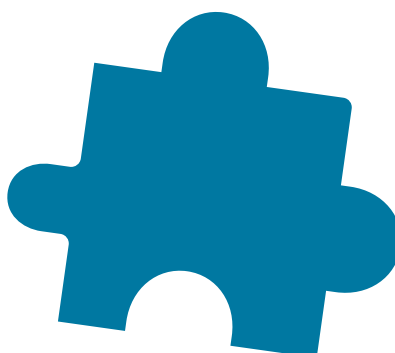
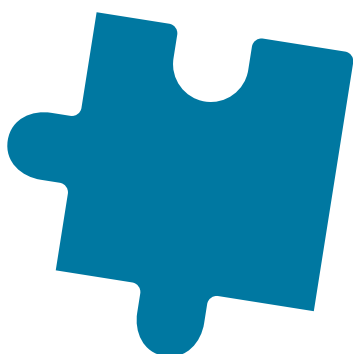


Make your decision



Once you've made your decision, you will have some form-filling to do. In most cases, you will need to obtain the relevant paperwork from your pension provider but the exact steps will largely depend on the option you choose.

If at any stage you're not sure what you have to do, your Retirement Relationship Manager can help you understand what to do next.



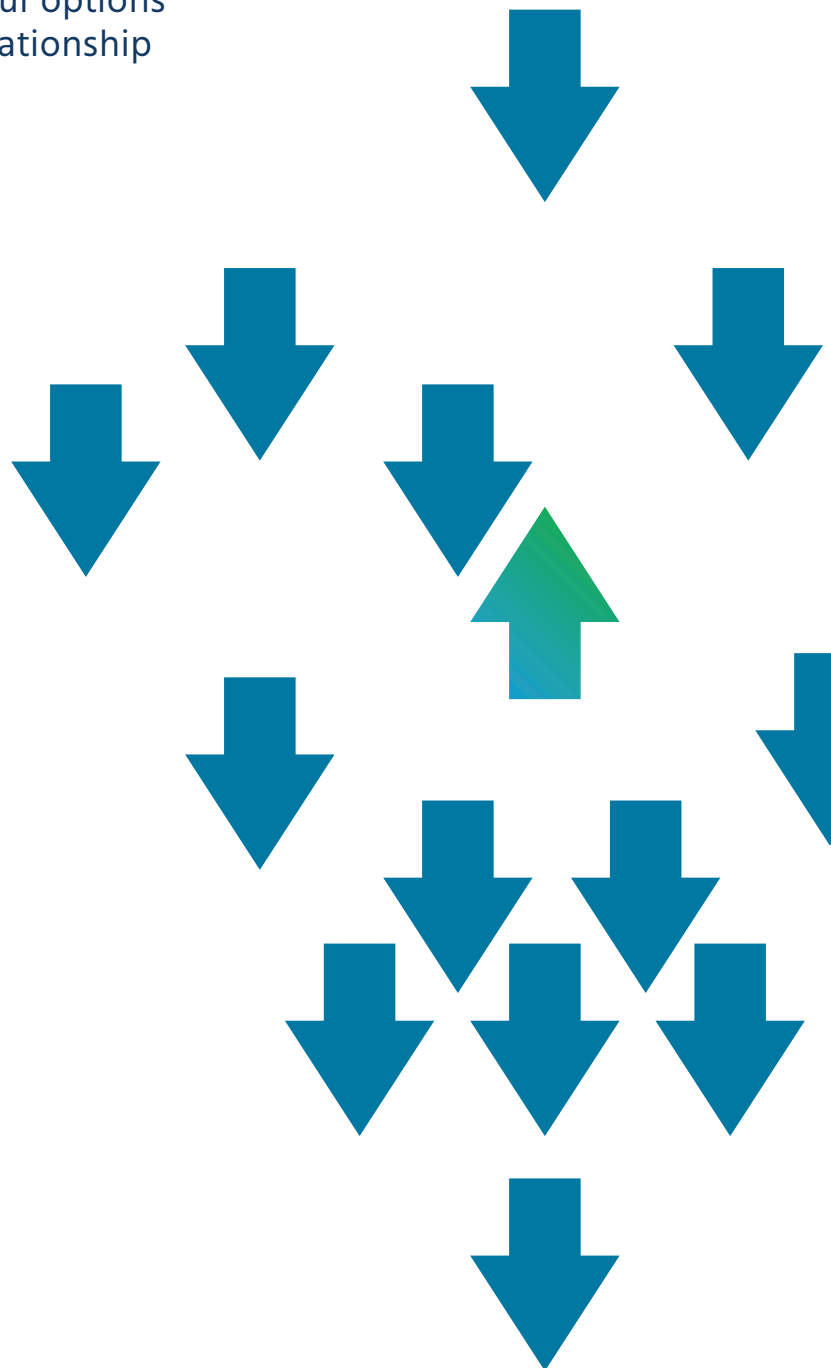
What next?

We hope you've found this short guide useful. Remember, what's important is getting the right retirement outcome for you.

There is help available along the way – make the most of it and you'll give yourself the best possible chance of finding the right outcome.

Throughout this document, we've suggested some actions you can take to ensure that you're fully prepared in making your decision.

Once you feel ready, you can discuss your options in more detail with your Retirement Relationship Manager.



call us

Your Retirement Relationship Manager is on hand to help with any questions you may have.

Call 0800 280 2448

Points to ponder

Before your call with your Retirement Relationship Manager, it's helpful to have a clearer understanding of what you want.

The challenge here is that your vision for the future will be clouded by a number of unknowns and factors outside your control and constrained by the money you have available.

Although you can't predict what will happen in the future, you can certainly plan ahead based on what you know today. Here are some questions to help you prepare.

- **How would I like to spend my time and how will my lifestyle change as I get older?**
- **How might this affect my monthly costs?**
- **How will my health change as I age? Are there any pre-existing health or family health conditions that may provide an indication?**
- **What is my life expectancy?**
- **How far will my savings need to stretch?**
- **Will I need to provide financial support to my loved ones during my retirement?**

Once you have a clearer picture of what your retirement might look like, you're in a much stronger position to understand how you will want to use your pension money. Ask yourself:

- **Do I have sufficient pension money to support the kind of lifestyle I want?**
- **Do I want to take a cash lump sum?**
- **Do I want or need guaranteed income for the remainder of my life or would I prefer to pick and choose when to take income?**
- **Do I feel comfortable taking investment risk?**
- **Do I want to minimise tax by managing how and when I access money?**



Need more help?

Pension Wise

www.pensionwise.gov.uk or call 0800 138 3944

The Money Advice Service

www.moneyadvice.service.org.uk for free impartial money advice

The Pensions Advisory Service (TPAS)

www.pensionsadvisoryservice.org.uk or TPAS will provide telephone guidance on 0800 011 3797

Important information

Name of your financial adviser:	
Telephone:	
Email:	

Pension provider:	
Contact details:	
Employer/employment period:	
Fund value:	

Pension provider:	
Contact details:	
Employer/employment period:	
Fund value:	

Pension provider:	
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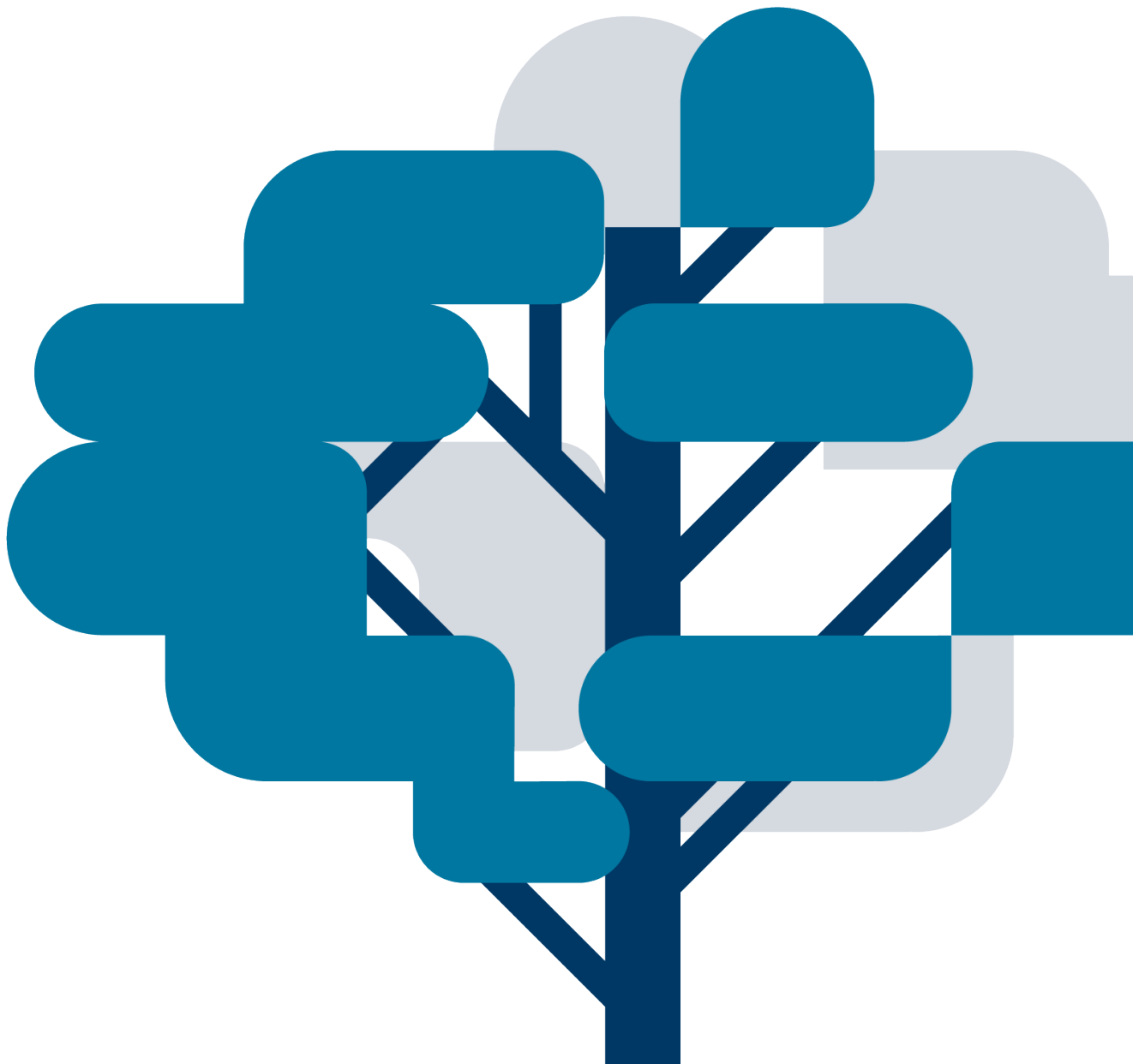
About Mercer Wealth



Mercer Wealth has been looking after pension schemes and their members since 1982.

We understand what may worry you and how we can help. We have helped 150,000 people to retire, so we can share our experience to help you.

With over 4,000 professionals across a network of 30 offices, our specialist teams work with you to create the right future for your individual retirement plan.



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www.mercer.com

The value of investments and the income they provide can fall as well as rise and there is no guarantee that you will get back the original amount invested.

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