

## Retirement Planning

The size of Westminster Wealth Management enables us to have several dedicated retirement specialists, essential to delivering cutting edge advice in such a complicated sector.

Through *sophisticated bespoke* planning solutions, our internal specialists work with other advisers to deliver:

- ✚ **Significantly higher** (*net of tax*) income.
- ✚ **Improved access** to capital.
- ✚ **Greater** investment choice.
- ✚ **More control and flexibility** over how/when you take benefits.

## Holistic Approach

For many clients, significant advantages can be achieved by the use of Self Invested Personal Pensions (SIPPs), **Wrap platforms** and sophisticated personal pensions (PPs). We cover the whole range of schemes from basic Stakeholder Pensions right through to Group schemes.

However, for many of our high earning clients, standard pension products are no longer a viable means to build up a significant fund for their retirement. For many years now we have been evolving a more *holistic integrated approach* to creating the best benefits in retirement for our clients. Changes to pension rules and taxation rates in 2009 have changed the complexion of retirement planning in the UK, particularly for high earners. Application of the following, if used in the right way at the right time, can yield *great results*:

- ✚ ISAs.
- ✚ Systematic use of allowances.
- ✚ Planning with “family pensions.”
- ✚ Venture Capital Trusts (VCT) and Enterprise Investment Schemes (EIS).
- ✚ Qualifying Registered Overseas Pension schemes (QROPS).
- ✚ Employer Financed Retirement Benefits Schemes (EFRBS).
- ✚ Small Self Administered Schemes (SSAS).

For business owners/entrepreneurs, we excel in helping our clients to extract *maximum profit* when they retire from their business. In order to do this, in addition to our core disciplines, we maintain a strong working knowledge of:

- ✚ Corporate and offshore tax issues.
- ✚ Trust arrangements.
- ✚ Sophisticated tax deferral and mitigation structures.

Our bespoke approach based on a high level of understanding of subject matter allows us to blend techniques and products to find the best solutions for discerning clients. Our approach has been shown to deliver *significant* improvements to the level of income and capital that our clients enjoy in their retirement.

## Existing Schemes

All UK resident professionals are likely to accumulate significant pension funds throughout their careers and with the demise of the final salary schemes, the investment of such funds can be crucial to the quality of our clients' standard of living in retirement.

A key role of our process is **reviewing existing schemes**. Research ranges from basic personal pension reviews through to complex actuarial analysis of final salary scheme benefits.

## Investment Choice

A change to pension rules in 2006 now means *greater choice*. Moreover, the market turmoil in 2008 has led us to seek out alternative investments to diversify our portfolios in order to assist in avoiding falls and to take advantage of opportunities. In addition to traditional investment classes, WWM constantly seek out and review *new opportunities* as well as assisting sophisticated clients who wish to implement their own strategy, this includes but is not limited to:

- ✚ Listed **shares**.
- ✚ Direct **commercial property** and property **partnerships**.
- ✚ Direct **deposit accounts**.
- ✚ **Protected**/structured products and funds.
- ✚ Exchange Traded Funds (**ETFs**).
- ✚ Direct **commodities** and Exchange Traded Commodities (**ETCs**).
- ✚ **Loans** from pensions to companies.
- ✚ Investment in **private/unlisted companies** by pension fund.
- ✚ Other esoteric and **unregulated funds**.

## When you reach retirement...

As you approach retirement you will have a significant number of decisions to make. The combination of options available can be mind-boggling. You will need to consider the following:

1. Should you take benefits immediately or wait?
2. Do you require **an increasing income**? Is it a good idea?
3. What benefits will your **spouse/dependents** get?
4. Should you take the **tax free lump sum** or not?
5. Is your pension provider offering the **best annuity rate**; statistically, no.
6. If you take the lump sum, how should it be invested to **maximise income and reduce tax**?
7. Should you **pay the mortgage off**?
8. Should you cash in those **old endowment** policies?
9. Will you be caught by the "**allowance trap**"?
10. Will you receive your **full state benefit entitlement**? Should you take it or defer?
11. Should you take a "scheme pension" or secure benefits from **an alternative provider**?
12. Are there considerations for **long term care**?

This only *scratches the surface* of the decision making process. Our specialist advisers can work through this *complex and convoluted process* to make sure you get the most out of your resources in the most tax efficient manner and make sure you pass on the maximum benefits to your beneficiaries when the time comes.

Our advice will encompass a review of all the following and their appropriateness to your circumstances:

- ✚ Final Salary Scheme options.
- ✚ Other occupational scheme options.
- ✚ Compulsory Purchase Annuities (**CPA**) for Open Market Options (**OMO**).
- ✚ Impaired / Enhanced annuities.
- ✚ Purchased Life Annuities (**PLA**).
- ✚ Unsecured Pension (**USP**) also known as *drawdown*.
- ✚ Alternatively Secured Pensions (**ASP**).
- ✚ Capital protected annuities and “third way” products.
- ✚ Direct investment options.

Most people only ever consider a standard annuity from their existing provider and end up with a lower income through a lack of understanding. You can already see from the above the enormity of the task. When you have significant pension benefits, you may require an expert to carry out a careful analysis of the above. This will usually result in a **big improvement to your after-tax income** for you and your family.

### Next Steps

Please let us know if you would like to consider your options.