



# PENSION AND RETIREMENT PLANNING

Making the correct decisions when you plan for retirement is so important and obtaining the right advice is vital. At McCrea Financial Services we have a huge level of experience and expertise in this area to help you make the best decisions for you and your family.

## You can achieve:

- Tax relief on the amounts you invest
- Enhanced investment benefits as the fund accrues, virtually free of tax on both income and capital gains
- A tax-free capital sum on retirement, together with a valuable source of lifetime income
- Creation of a tax-free fund payable to your heirs in the event of death, free of income tax, capital gains tax and inheritance tax in many cases

Our job is to simplify this often complex area and help you understand how pensions work by:

- Providing a detailed analysis of any existing private and/or company pension schemes and what they may provide in retirement
- Helping you target your income in retirement effectively, considering all possible sources of retirement income, which often leads to you being in a position to retire earlier than originally anticipated
- Obtaining details of the State Pension you will receive

We can help you to consider fully the most appropriate level of contributions you should be making to provide for a secure retirement. Our ongoing reviews mean you are kept up to date on any developments in the pension market as well as how your pensions and any other investments are performing.

We can also help you as you near retirement by explaining the various options available and how best to enjoy the pension benefits you have accrued through your working life. This means we can secure tax-free lump sums for you and structure your retirement planning in a way suitable for you.

Traditionally most individuals have simply taken their pension income from the company that their pension has been saved with. However, in many cases, this means you get a poor deal. At retirement, there are many different options that should be considered that can make the difference between a basic or a comfortable retirement.

We understand that every client is different, which is why we pride ourselves on spending time with you to ensure we understand your needs.

We will always review various different income-producing assets, including investments and bank savings, which often allows us to structure tax efficient (or in some cases tax free) income for our clients.

## Annuities

An annuity is a guarantee of income for life, provided by an annuity provider. For standard annuities, there is a highly competitive market that we can access for you to find the annuity most suitable for your circumstances.

A Financial Conduct Authority review in recent years estimated that 80% of people would benefit from taking their annuity income from a provider different from the one they built their pension with.

There are a variety of options to consider if you purchase an annuity. These include ongoing income for your spouse/partner should you die first, inflation proofing and different guarantee periods. We can help you decide which is the most appropriate for you. Should you have a health condition, there is the potential to obtain a higher rate of income and again we can ensure that you receive the highest level of income possible, structured in a way that suits your circumstances.



### Flexible Options

Whilst annuities can provide you with a guaranteed income for life, it has become popular for people to take their pension benefits in a more flexible manner. This has been influenced by several factors, including reduced annuity rates (which are linked to interest rates/gilt yields) and increased life expectancy. More people retire gradually and work part time for a number of years prior to fully retiring; therefore, many people require flexibility over the income they receive.

The most flexible form of accessing pension benefits is by accessing drawdown. There is a great deal of flexibility offered, including the option to take a Tax-Free Lump Sum (generally up to 25%) of

the pension fund without accessing any income. This has been popular for individuals who wish to access funds for a variety of purposes (paying off a mortgage, helping children buy a house) but it is extremely important that advice is sought as this will have an effect on the income available throughout retirement. In addition, the remaining pension fund will remain invested and taking advice on how this is structured and the level of risk you take is very important.

There is also flexibility in the level of income that a client can access from their pension fund. From April 2015, individuals aged 55 or over have been able to access their entire fund whenever they want. However, advice is vital as most people

will require their pension to fund their retirement for the rest of their lives. In addition, there can be significant tax issues as only a portion of a pension fund (normally up to 25%) can be accessed tax-free. The remainder is generally taxed as income.

### Reviews

Whilst the flexibility offered can be a significant benefit to individuals, it makes it even more important for people to obtain regular reviews of their retirement planning. These would focus on a number of areas such as the investment structure, make up and risk, ongoing income requirements and taking benefits in a tax efficient way.

### Why McCreas?

At McCreas, we pride ourselves on providing a first-class service to our clients and making sure we're NOT just another firm of Independent Financial Advisers.

#### We are:

**INDEPENDENT** - not tied to any particular company, bank or insurance company. We are authorised and regulated by the Financial Conduct Authority.

**PROFESSIONAL** - the staff at McCreas have many years of experience and all McCreas employees have Personal Development Plans which include improving their technical knowledge through CII examinations.

**COMMITTED** - our business is all about you. Each client has a designated Independent Financial Adviser and support, allowing you to build a professional and personal relationship over the years.

**A GREAT TEAM** - dedicated professional advisers backed up by superb administrators with sophisticated systems, allowing us to provide you with top quality, personalised service.

### We are proud to stand out from other firms

We actively encourage our staff to keep developing their skills and were the first IFA in the UK to be awarded the coveted Gold Standard accreditation from Investors in People and one of the first to attain Platinum Standard.

When we look after your financial affairs, we're aware of how much trust you place in us and we want to repay that trust in valuable relationships that last decades, not just weeks.

We meet the majority of our new clients when they are referred to us by friends and family who have had good experiences with us.

We spend significant time and effort helping out in our communities. From running events and raising money for charities to sponsoring local sports and helping promising children achieve their goals, we go beyond window dressing to make a real impact.

### McCrea Financial Services – For Every Stage of Life

The value of an investment and income from it can go down as well as up, investors may get back less than the original investment. Accessing pension benefits early may impact on levels of retirement income and your entitlement to certain means tested benefits. Accessing benefits is not suitable for everyone. You should seek advice to understand your options at retirement. Access to entire pension fund does not apply to Government pensions that cannot be transferred.