

The

Lakin Clark Financial Planning Ltd

Guide to Retirement Planning



What are you depending upon to provide an income in your retirement?

| Preference | Your choice? |
|--------------------------------|--------------|
| The State | |
| Sale of business | |
| Continuing to work | |
| Some form of pension provision | |
| Investment portfolio | |
| Property | |

In practice, we tend to rely upon a combination of the above, but even so many people do still have favourites. Faith in the State pension is perhaps now somewhat misplaced, given that it has failed to keep pace with earnings for many years, and given also the growing proportion of the retired population.

There are still those of us who regard our business as our pension. In practice, this is perhaps the most risky of strategies - it is heavily dependent on the market at the time we retire, and frequently underestimates just how dependent the business is on us.

Whilst a growing proportion of individuals are choosing to supplement disappointing pensions by working in retirement, even this option is critically dependent upon our ability to work.

The realistic answer to this need, is to build up, throughout our working lifetime, an adequate capital resource that can be drawn down later on in the form of income and ad-hoc capital sums.

It is out of capital that we will pay for luxuries in retirement, and also replace items like cars, fridges, washing machines.

Within this kind of strategy, pensions can play an important part. After all, it is difficult to replicate the invaluable tax-breaks with other forms of investment. To obtain a tax-free lump sum of 25% of a fund which grew tax-free and which actually cost us a *maximum* of 78% of its actual value is not to be sniffed at!

Whilst pensions *have* received some bad press, mostly due to the activities of less reputable firms, modern plans are now much better value, and provide access to the widest range of investment options.

Alongside pensions, there are other useful investment vehicles, designed to make the best use of the available tax-breaks - things like PEPs, ISAs, unit-trusts, investment trusts and bonds. All of these can be built into one, holistic retirement plan to achieve your goals.

According to independent surveys, the majority of us are failing to plan ahead for our retirement. Whilst part of the blame for this can be laid at the door of past misselling scandals, there is a growing trend for 'living for the now' instead of providing for old age. Given that longevity is improving alongside advances in medical science, this is a worrying trend.

Why not make sure you have absolutely the best solution to this vital area of planning, and call us on 01843 221449 for impartial and independent financial advice?

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