

Case Study 1 - Retirement Advice

Client: Retired, male aged 65, married. No debts. Other savings and cash of £50,000. Joint household income of £15,000 from Basic State Pensions. Existing Pension of £250,000 in four old style pension contracts with one insurance company. One plan had valuable Guaranteed Annuity Rates (GARs). No direct experience of investing, considered himself cautious when it comes to investing.

Client Objectives: My client was seeking advice on how to access his pension funds in the way he wanted to but was being told by the provider this was not possible. He was keen to get his 25% tax free cash without having to commit to an annuity and the current provider would not allow this flexible access. The client did wish to draw additional income in the future but on his terms.

Advice: After undertaking thorough research we recommended the client transfer his existing pensions to an investment platform that allowed him to take his tax free cash and leave the other funds invested in an appropriate mix of funds. The client was keen to transfer all the schemes however we strongly advised he take the pension with the GAR as this gave him a much higher income than would be achievable on the open market. After a discussion the client agreed with our thinking.

Once we had assessed the clients' attitude to risk using our Risk Questionnaire, we recommended 14 funds giving him a balance of income and growth funds as he will take income in the next few years. We recommended he buy into his new funds (phased investment) over a period of time so as to avoid potential losses should the market suddenly fall.

Outcome: A satisfied client that has a little more guaranteed income now and his tax free cash, and we'll meet once a year to review the portfolio.

Angus Willson DipPFS & Affiliate of Resolution
Independent Financial Adviser