



Bringing pensions together

What to consider
if you have multiple
pension pots

Funding the lifestyle you want

Get your retirement
plans in motion

Flavour escapism

Prepare your senses
for take-off on a thrilling
flavour adventure

Unretirement

More over-50s returning to
work amid cost-of-living crisis



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How can I plan for a successful retirement?

Don't leave your future plans and lifestyle to luck – talk to Purely Pensions

Purely Pensions provide an impartial and client-focused advice service for individuals and group schemes and also assist IFAs with regards to complex retirement planning and Final Salary and Defined Benefit pension schemes. ■

Contact us for more information on the services we offer:

Email: info@purelypensions.co.uk

Website: www.purelypensions.co.uk

Welcome

to the October 2022
issue of the *Purely
Pensions* magazine.

In this issue, the employment landscape has evolved significantly over the last few decades and changing jobs multiple times before retirement is now very much the norm. But did you know, there is an estimated £9.7 billion of unclaimed UK defined contribution pension funds? On **page 16**, we look at how easy it is over time to lose touch with pension savings.

On **page 24**, as food prices continue to soar and petrol costs reach an all-time high in the UK, the rising cost of living is without doubt having an impact on many people's financial plans, both short and long term. While it's impossible to predict the future with complete certainty, there are a few things you can do to feel more confident about spending your money in retirement.

The origins of Whisky are murky, but it is thought to have originated in Scotland or Ireland. The word 'whisky' comes from the Gaelic word 'uisge beatha', which means 'water of life'. Whisky has become one of the most popular alcoholic

beverages in the world, enjoyed by millions of people across all continents. Turn to **page 38** to read the full article.

The cost-of-living crisis is now affecting some pensioners drastically, with more older people starting to return to work amid the ongoing crisis, new research has highlighted. On **page 22**, we look at the findings, which identified economic activity levels among the over-50s are now at their highest since the pandemic began.

A full list of the articles featured in this issue appears on **page 02**.

At Purely Pensions's we provide personal financial advice for a confident retirement. If you would like to contact us, **please email info@purelypensions.co.uk to discuss your retirement plans.**

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Great wealth transfer

Preparing both ‘the family’ and ‘the money’ for the transition of wealth to the next generation

If you want to pass wealth on to your children and grandchildren, it's wise to contemplate when it might be best to make that gift. Should you transfer wealth during your lifetime – or after?

Some people may find compelling reasons to avoid giving away wealth during their lives. They think that transferring substantial portions could mean they might not have enough to maintain their lifestyles; their beneficiaries might not use the wealth wisely, or at least in a way they'd want it used; and wealth might end up outside the family because of a child's divorce or other misfortune.

Sensitive topic

Understandably, money can be a sensitive topic even among the closest of families. But you will have a better chance of passing on assets tax-efficiently in a way which is acceptable to all family members if you discuss and plan how to do this.

There are a number of considerations to take into account when deciding when the best time is to transfer wealth to your family. These include your age, the age of your beneficiaries, the value of your estate, the types of assets involved, tax implications and your personal circumstances.

Next generation

Transfers made during your lifetime may be subject to Inheritance Tax, depending

on the value of the assets involved. Gifts made more than seven years before your death are usually exempt from Inheritance Tax. Also the value of assets can change over time, so it's important to consider this when making a transfer. For example, property values can go up or down, and investments can become more or less valuable.

Your personal circumstances will also play a role in deciding when to make a transfer. For example, if you need access to the money yourself, then it may not be the right time to transfer wealth to your family. Alternatively, if you're looking to pass on your business to the next generation, then you'll need to consider when is the best time for them to take over.

Here are four important considerations that should be a part of any family wealth transfer plan:

Age: One key factor to consider is your age. If you are younger, you may have more time to accumulate assets and grow your estate. However, if you are older, you may want to consider transferring wealth sooner rather than later in order to maximise the amount that can be passed on to your beneficiaries.

Age of Beneficiaries: Another key consideration is the age of your beneficiaries. If they are young, they may not need the money immediately and it can be used to help them





further their education or buy a property. However, if they are older, they may need the money to support themselves in retirement.

Value of Estate: The value of your estate is another important factor to consider. If your estate is large, you may want to consider transferring wealth sooner rather than later in order to minimise Inheritance Tax liabilities. However, if your estate is small, you may not need to worry about Inheritance Tax and can afford to wait until later in life to transfer wealth.

Types of Assets: The types of assets involved in the transfer of wealth are also important to consider. If the assets are liquid (such as cash or investments), they can be transferred immediately. However, if the assets are illiquid (such as property), it may take longer to transfer them.

Adhering to the family's values and vision

Taking all of these factors into account will help you decide when the best time is for you to transfer wealth to your family, but it's important to discuss wealth transfer with them sooner rather than later to maximise your options.

Families must overcome many hurdles to ensure their wealth is protected and continues to accumulate over the generations while still adhering to the family's values and vision. ■

Is it time we had a talk about family wealth transfer?

Transferring wealth to the next generation is an ongoing process – and it is extremely important to keep talking as a family. Making a decision about when to transfer wealth to your family is also a personal one. It's important to seek professional advice to make sure that you're making the best decision for your circumstances. **To discuss your family wealth transfer plans, please contact us.**

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INFORMATION PROVIDED AND ANY OPINIONS EXPRESSED ARE FOR GENERAL GUIDANCE ONLY AND NOT PERSONAL TO YOUR CIRCUMSTANCES, NOR ARE INTENDED TO PROVIDE SPECIFIC ADVICE.

TAX LAWS ARE SUBJECT TO CHANGE AND TAXATION WILL VARY DEPENDING ON INDIVIDUAL CIRCUMSTANCES.

Cash may not be king

Deciding whether to withdraw cash from your pension pot



Choosing what to do with your pension is a big decision. If you've been saving into a defined contribution pension (sometimes called 'money purchase') during your working life, from age 55 (age 57 in 2028) you need to decide what to do with the money you've saved towards your pension when you eventually decide to retire.

However, making the wrong decision could cost you heavily in the form of an unwanted tax bill, eventually running out of money in retirement and even a tax credits and benefits overpayment.

So before you do anything, there are

things you should consider. Note: this article doesn't cover pension schemes where the pension you'll be getting is worked out as a proportion of your pay.

How much money do you need to retire?

Before you take any cash out of your pension, you need to calculate how much money you actually need. Do you need a lump sum of cash all at once? If so, what are the tax implications? Or would you be better off with a regular income stream?

Remember that retirement could be 30 to 40 years, or more. As well

as what you'll need to cover everyday living expenses, do you have any specific plans for your retirement, such as regular holidays or enjoying a hobby? Or are you thinking of any big one-off purchases or expenditure, like a new car or home improvements? Once you know how much money you need, you can start to look at your options.

What are the tax implications?

Taking cash out of your pension can have tax implications if you withdraw more than your tax-free element (typically 25% of your pension). You can leave the rest

invested until you decide to make more withdrawals or set up a regular income.

However, you need to make sure you understand those implications before you make any decisions. Otherwise, you could end up with a significant tax bill that you weren't expecting.

What are the fees?

When you retire and start taking money out of your pension, you may be charged fees by your pension provider. Some pension providers will charge a fee for each withdrawal you make, while others may charge a flat rate or percentage of your pension pot.

There may also be other charges, such as an administration fee. Taking money out of your pension will also reduce the amount of income you have in retirement, so it's important to think carefully before you decide to take any money out of your pension pot.

How long will the money last?

Consider how long you'll need the money to last. If you take a lump sum of cash, it's likely that it won't last as long as if you take an income. This is something to keep in mind when you're making your decision.

What if you need more money later?

If you take cash out of your pension now, it may not be there if you need it later on in life. This is something to consider if you think you may need more money down the line. Even if you've seen the value of your pensions fall that doesn't necessarily mean that you'll have to delay your retirement altogether.

Could you take less from your pension savings until their value recovers, and use other savings instead to bridge the gap? And could you put off any big purchases you'd planned?

What are the risks?

Taking cash out of your pension comes with risks. There's the risk that you could outlive your money, or that the value of your pension could go down. You need to make sure that you understand all of these risks before you make a decision.

Options for using your defined contribution pension in retirement

- Keep your pension savings where they are – and take them later.
- Use your pension pot to buy a guaranteed income for life or for a fixed term – also known as a 'lifetime' or 'fixed term annuity'. The income is taxable, but you can choose to take up to 25% (sometimes more with certain plans) of your pot as a one-off tax-free lump sum at the start.
- Use your pension pot to provide a flexible retirement income – also known as 'pension drawdown'. You can take the amount you're allowed to take as a tax-free lump sum (normally up to 25% of the pot), then use the rest to provide a regular taxable income.
- Take a number of lump sums – usually the first 25% of each lump sum withdrawal from your pot will be tax-free. The rest will be taxed as income.
- Take your pension pot in one go – usually the first 25% will be tax-free and the rest is taxable.
- Mix your options – choose any combination of the above, using different parts of your pot or separate pots.

Understanding the different options

This is a very complicated topic and choosing what to do with your pension is one of the most important decisions you'll ever make and will impact on your future standard of living in retirement.

Worryingly, over a third (35%) of pension holders do not know about the different options available to them for when the time comes to retire, according to research^[1]. ■

Thinking about accessing your pension pot?

These are just a few things to consider before taking cash from your pension pot. As you approach retirement, it's essential to understand what your options are and obtain professional advice, otherwise you could end up making a decision that you regret later on.

For more information or to review your options, please contact us.

Source data:

[1] Online omnibus conducted by Opinium in June 2021 for LV – 4,000 representative UK adults surveyed nationally.

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TAX TREATMENT VARIES ACCORDING TO INDIVIDUAL CIRCUMSTANCES AND IS SUBJECT TO CHANGE.



— Mini-Budget — 2022 Growth Plan

What the Chancellor had to say

The Chancellor of the Exchequer, Kwasi Kwarteng, announced on Friday 23 September his Growth Plan 2022 to release the huge potential in the British economy by tackling high energy costs and inflation and delivering higher productivity and wages. This is the biggest package of tax cuts in generations and has been hailed a 'new era' for the UK economy.

Borrowing will be increased to pay for the cuts, and the government anticipates that it will raise £234 billion from gilt issuance in the current financial year, up from a previous figure of £161 billion. Markets subsequently reacted to the biggest round of tax cuts in 50 years. Yields on 10-year gilts increased to 3.7 percentage points on the announcement, up from 3.5 percentage points before the announcement and 2.6 percentage points a month ago.

Kick-start economic growth

The Growth Plan 2022 comes amid a cost-of-living crisis that has left millions of households struggling to pay their bills as fuel, food and energy prices soar. The government hopes that by cutting tax it will put more money in people's pockets and help boost the economy.

Mr Kwarteng said a major change of direction was needed to kick-start economic growth. Described as a Mini-Budget, or a fiscal event, there was enough affecting your finances in this statement to fill any full-scale Budget.

Tax cuts and reforms

The Chancellor of the Exchequer said, 'Economic growth isn't some academic term with no connection to the real world. It means more jobs, higher pay and more money to fund public services, like schools and the NHS.'

'This will not happen overnight but the tax cuts and reforms I've announced – the biggest package in generations – send a clear signal that growth is our priority.'

Business investment

'Cuts to Stamp Duty Land Tax will get the housing market moving and support first-time buyers to put down roots. New Investment Zones will bring business investment and release land for new homes in communities across the country. And we're accelerating new road, rail and energy projects by removing restrictions that have slowed down progress for too long.'

'We want businesses to invest in the UK, we want the brightest and the best to work here and we want better living standards for everyone.'

Additional rate abolished

The Chancellor also reiterated the important principle of people keeping more of what they earn, incentivising work and enterprise. He announced a 1p cut to the basic rate of Income Tax one year earlier than planned from 6 April 2023.

Alongside cutting the basic rate of Income Tax, the Chancellor also abolished the additional rate of tax, taking effect from 6 April 2023. In its place will be a single higher rate of Income Tax of 40%.

Better paid work

New measures were announced to help people on low incomes secure more and better paid work. Universal Credit Claimants who earn less than the equivalent of 15 hours a week at National Living Wage will be required to meet regularly with their work coach and take active steps to increase their earnings or face having their benefits reduced.

“ The government’s Energy Price Guarantee will save the typical household £1,000 a year on their energy bill. ”

The Chancellor also set out plans to tackle the biggest drag on growth – the high cost of energy driven by Vladimir Putin’s invasion of Ukraine, which has driven up inflation. To tackle this the government’s Energy Price Guarantee will save the typical household £1,000 a year on their energy bill with the Energy Bill Relief Scheme halving the cost of business energy bills, reducing peak inflation by about 5 percentage points.

At a glance

Key announcements from Mini-Budget 2022 Growth Plan

The Chancellor of the Exchequer, Kwasi Kwarteng, on Friday 23 September delivered his Mini-Budget Growth Plan 2022 to Parliament. We look at the key announcements.

Income Tax

- Cut in basic rate of Income Tax to 19% from April 2023
- Government estimates 31 million people to receive £170 a year more
- Currently, people in England, Wales and Northern Ireland pay 20% on any annual earning between £12,571 to £50,270 – rates in Scotland are different. 45% higher rate of Income Tax abolished for England, Wales and Northern Ireland taxpayers
- One single higher rate of Income Tax of 40% from April next year

National Insurance

- Reverse recent rise in National Insurance (NI) from 6 November
- Workers and employers have paid an extra 1.25p in the pound since April

- New Health and Social Care Levy to pay for the NHS will not be introduced

Corporation Tax

- Cancel UK-wide rise in Corporation Tax, which was due to increase from 19% to 25% in April 2023

Benefits

- Rules around Universal Credit tightened by reducing benefits if people don't fulfil job search commitments
- Around 120,000 more people on Universal Credit to be asked to take steps to seek more work, or face having their benefits reduced
- Jobseekers over 50 to be given extra time with work coaches to help them return to job market

Work and Investment

- IR35 rules – the rules which govern off-payroll working – to be simplified
- Annual investment allowance – the amount companies can invest tax free – remains at £1m indefinitely
- Regulations change so pensions funds can increase UK investments
- New and start-up companies able to raise up to £250,000 under scheme giving tax relief to investors
- Share options for employees doubled from £30,000 to £60,000

Stamp Duty Land Tax

- Cut to Stamp Duty Land Tax, which is paid when people buy a property in England and Northern Ireland
- No Stamp Duty Land Tax on first £250,000, and for first-time buyers that rises to £425,000



Energy

- Freeze on energy bills, which the government claims will reduce inflation by 5 percentage points
- Total cost for the energy package expected to be around £60 billion for the six months from October

Bankers' bonuses

- Rules which limit bankers' bonuses scrapped
- Package of regulatory reforms to be set out later in the autumn

Shopping

- VAT-free shopping for overseas visitors
- Planned increases in the duties on beer, cider, wine and spirits cancelled

Infrastructure and investment zones

- Government discussing setting up investment zones with 38 local areas in England
- Tax cuts and liberalised planning rules to be offered to release land for housing and commercial use
- Investment zones offered measures such as no business rates and stamp duty waived
- New legislation to cut planning rules, get rid of EU regulations and environmental assessments in an effort to speed up building ■

What does the Mini-Budget 2022 Growth Plan mean for you?

If you have any questions or would like to discuss your situation – please contact us.

THE MAJORITY OF THE MINI-BUDGET 2022 GROWTH PLAN ANNOUNCEMENTS ARE UK-WIDE; HOWEVER THE SCOTTISH GOVERNMENT IS EXPECTED TO RECEIVE MORE THAN £600 MILLION EXTRA FUNDING OVER THE 2021 SPENDING REVIEW PERIOD AS A RESULT OF THE CHANGES TO INCOME TAX AND STAMP DUTY LAND TAX, AND THE WELSH GOVERNMENT WILL RECEIVE AROUND £70 MILLION OVER THE SAME PERIOD AS A RESULT OF THE CHANGE TO STAMP DUTY LAND TAX. THE REVERSAL OF THE HEALTH AND SOCIAL CARE LEVY WILL SAVE 4.3 MILLION PEOPLE ACROSS SCOTLAND, WALES AND NORTHERN IRELAND MORE THAN £230 ON AVERAGE NEXT YEAR.

AT A LATER DATE THE GOVERNMENT WILL SET OUT FURTHER DETAILS OF PLANS TO SPEED UP DIGITAL INFRASTRUCTURE, REFORM BUSINESS REGULATION, INCREASE HOUSING SUPPLY, IMPROVE OUR IMMIGRATION SYSTEM, MAKE CHILDCARE CHEAPER, IMPROVE FARMING PRODUCTIVITY AND BACK OUR FINANCIAL SERVICES.

Are you saving — enough for — retirement?

One in six over-55s have no pension savings yet

Despite the fact that the government has been trying to encourage people to save for their retirement through initiatives such as auto-enrolment, there are still too many Britons who have no pension savings at all. Research reveals that a fifth (20%) of people still have no pension savings at all, and people nearing retirement aren't doing much better^[1].

Even prior to the cost-of-living crisis there have been a number of reasons why this might be the case. For some people, they simply may not be aware of the need to save for retirement. Others may not have enough spare income to put into a pension pot after covering their essential living costs.

More comfortable

However, the most common reason is people believe they will have plenty of time to start saving later on in life. But this is not the case. Even if you are in your 20s or 30s, it is never too early to start saving for retirement. The sooner you start, the more time your money will have to grow.

Findings also highlight the fact that one in six people (16%) who are within sight of their retirement still have no private pension savings, and consequently are missing out on the opportunity to make their life after work more comfortable.



Alarming number

At least 17% of people in the UK aged 55 and over admit to having no pension savings (other than the State Pension), which is only slightly better than the average for Britons as a whole – 21% of whom say they have no private pensions.

What this research shows is that an alarming number of people are effectively 'sleepwalking' towards their retirement without adequate preparations. But, there are signs that as people grow older, they are becoming aware that a lack of pension savings is a problem – though perhaps not quickly enough.

Pension deficit

The issue is most visible among adults aged under 35. Nearly a quarter (24%) of this group claim to have no pension savings at all, despite being a generation to benefit from auto-enrolment into workplace pensions. After 35 this drops to one in five, and then to one in six for the over-55s. Clearly, people do start to save more as retirement draws nearer, even if they have missed out on the opportunity to save over many years.

Lack of pension savings is a particular issue for those not in full-time employment. Encouragingly, just 8% of respondents who worked full time said they had nothing in their pension. But among part-time workers this figure was one in four (24%), indicating that part-timers face a potential pension deficit when they retire.

Worrying statistic

The people worst affected tend to be those not currently working at all – whether because they are unemployed or because they are full-time parents. Nearly 60% of this group said they had no pension savings. Where this is because of full-time parenthood, the parent in question may be relying solely on their partner's pension in later life. This is a risky strategy, both because that pension may not be enough for both of them, and because of the risk of relationship break-up.

Another worrying statistic highlights that one in five people simply don't know how much they have in their pension savings. Curiously, this uncertainty grows rather than shrinks as people get older: while 14% of under-35s are unsure, this rises to 22% between the ages of 35 and 54, and then to 24% among the over-55s.

Substantial income

It may be the case that many of those who think they have no pension savings are wrong, and that they do have pension pots from previous jobs (or

even their current job) that they don't know about. The first step for anyone who thinks they are pension-less is to contact the government's Pension Tracing Service and search through their previous employers to see if they were ever a scheme member.

However, some people will reach the age of 55 (the earliest age that someone can access pension pots) and find that they genuinely have no pension savings. But this isn't a reason to give up and assume it's too late. Although a person close to retirement has a lower chance of saving enough to provide a substantial income, pensions can help your money to go a lot further. ■

Ready to design your retirement?

There are a number of ways you can save for retirement, such as through a workplace pension or a personal pension. So if you haven't started, now is the time to do so. It may seem like a long way off, but the sooner you start saving, the better prepared you will be for your future. **If you would like to discuss your situation or concerns you may have about a pension shortfall, please contact us.**

Source data:

[1] Survey by Unbiased and Opinium of 2,000 non-retired UK adults, conducted June-July 2020.

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— Bringing pensions together —

What to consider if you have multiple pension pots

The employment landscape has evolved significantly over the last few decades and changing jobs multiple times before retirement is now very much the norm. But did you know, there is an estimated £9.7 billion of unclaimed UK defined contribution pension funds?^[1]

Over time, it is easy to lose touch with pension savings providers as we change jobs, move home and the companies we have worked for change ownership or close down.

All these events over time may make it very difficult to find your valuable pension savings. So that means potentially ending up with a number of different pension pots. If you're one of the millions of people with multiple pensions, it may be appropriate to consider consolidating your defined contribution pension pots and bring them together.

Number of different pensions

Even if you have not had many jobs, you could still have a number of different pensions to keep track of. If appropriate, pension consolidation can simplify your finances and make it easier to keep track of your retirement savings.

Having said this, not all pension types can or should be transferred. It's important to obtain professional advice so

you know and can compare the features and benefits of the plan(s) you are thinking of transferring.

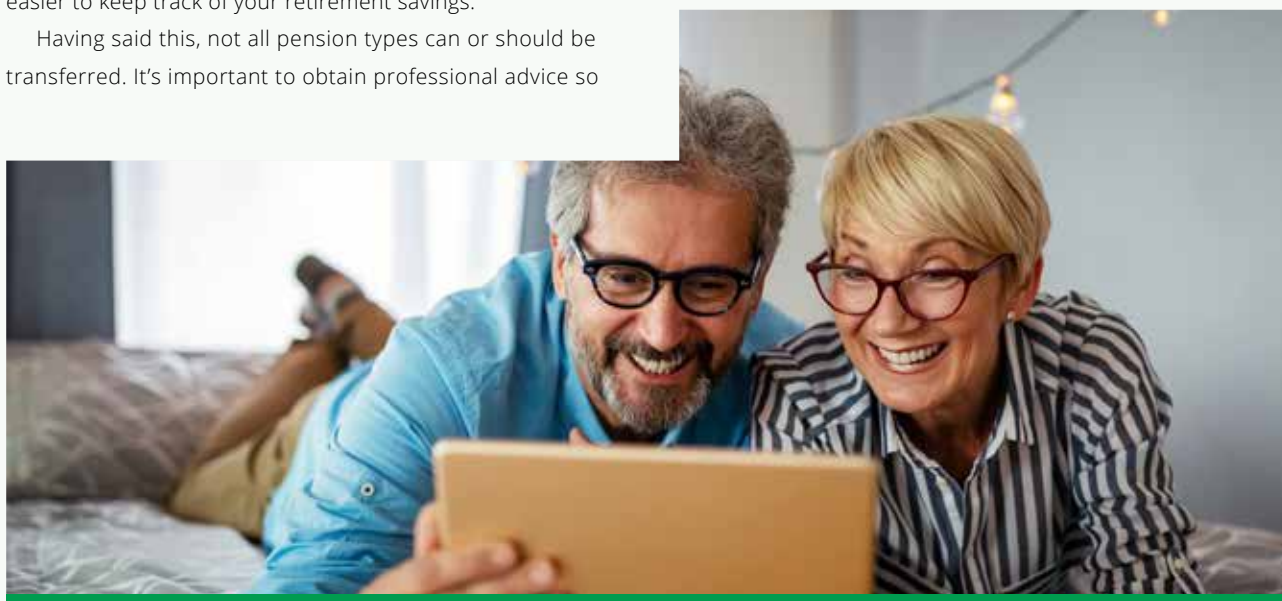
What is pension consolidation?

Pension consolidation is the process of combining multiple pension pots into one single pot. This can be done with a pension transfer or by opening a new pension and transferring your other pensions into it. You may want to do this to make it easier to keep track of your retirement savings, or to try and get a better rate of return on your investment.

But there are a few things to consider before consolidating your pensions, such as any exit fees that may be charged, and whether or not you will lose any valuable benefits such as guaranteed annuity rates.

Consolidating your pensions

Reasons why you might want to consolidate your pensions:



Simplify your finances: If you have multiple pension pots, it may be difficult to keep track of them all. Consolidating your pensions into one pot could make it easier to manage your retirement savings.

Save on fees: If you have multiple pensions with different providers, you may be paying multiple annual fees. Consolidating your pensions may help you save money on fees.

Get better investment options: Some pension providers offer a limited number of investment options. By consolidating your pensions it could give you access to a wider range of investments.

Reasons why you may not want to consolidate your pensions

Loss of valuable benefits: One key disadvantage is that you may lose out on valuable benefits that are specific to certain pension schemes. For example, some schemes may offer better death benefits than others, so consolidating your pensions into one pot could mean giving up this valuable protection.

Paying higher fees: Another potential downside is that some schemes may have higher charges than you are actually currently paying, which means you would end up paying higher fees. This is something that needs to be carefully considered before making any decisions.

More difficult to access: It's important to remember that once you consolidate your pensions, it may be more difficult to access them early if you need the money for an emergency. This is something that should be taken into account when making any decisions about pension consolidation.

Locate your pension funds

If you think you might have lost a pension pot from a previous job, you can use the government's Pension Tracing Service at www.gov.uk/find-pension-contact-details. This enables people to locate money previously saved for retirement, that is unclaimed. So, it is worth checking if you could have pension funds that have not been claimed.

Finally, one thing you also need to bear in mind is that pension savings are big targets for fraudsters. If someone contacts you unexpectedly offering to help you transfer your pot, it's likely to be a scam. If you're concerned, contact the Financial Conduct Authority (FCA) to check they're legitimate. ■



Need professional advice to help make your decision?

You only have one retirement so you don't want to make a costly mistake with your pensions that you could one day regret. Before you look to bring your pensions together, it's essential to obtain professional advice. **For more information about how we can assist you through this complex process, please contact us to discuss your situation.**

Source data:

[1] <https://www.pensionspolicyinstitute.org.uk/media/2855/201810-bn110-lost-pensions-final.pdf>

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— Future — Big Cities

Thriving hubs of activity where
people can live, work and play

By 2050 the United Nations predicts that 68% of the world's population will live in cities. That's a difficult statistic to process, but the figure was 47% at the turn of this century and 30% in 1950.

Which means our cities will need to behave very differently, very soon, if they're to accommodate millions of new inhabitants. Will they spread out and become larger? Or perhaps grow taller, or venture underground?

How will we move
around them?



And how can we ensure that the cities of the future are not only sustainable, but regenerative?

Global population

Over the next 30 years the global population is expected to increase by 25%, which means an additional two billion people will need housing. As the world's population continues to grow and urban areas become increasingly crowded, it is clear that the way we design and build our cities will need to change.

In order to accommodate more people without sacrificing quality of life, future cities will need to be more efficient, sustainable and liveable. One way to achieve this is by increasing density. This can be done by building taller buildings, constructing more compact neighbourhoods and making better use of public spaces. Higher density can also lead to greater diversity and vibrancy, as well as improved access to amenities and public transportation.

Liveable cities

Another way to create more liveable cities is by incorporating more green space. This could mean adding parks and gardens, encouraging rooftop gardening, or planting trees along

streets and in public squares. Green space can help to improve air quality, reduce noise pollution and provide a place for people to relax and escape the hustle and bustle of city life.

In order to be truly sustainable, future cities will need to make use of cutting-edge technology and design. This could include using solar power, wind energy and other renewable sources of energy; implementing green building standards; investing in smart transportation systems; and using data and analytics to manage resources more effectively.

Technology evolution

Technology has had a profound impact on the way cities are designed and function, and this trend is only set to continue in the future. So, how will future big cities evolve with technology?

One of the most significant ways in which technology will shape future cities is through the use of data. With the ever-growing amount of data that is being generated by people and devices, cities will be able to make much more informed decisions about everything from infrastructure to services. For example, data collected from sensors can be used to improve traffic flow, optimise energy usage and even predict crime hotspots.

City centres

Another way that technology will impact future cities is through the rise of autonomous vehicles. This is likely to have a huge impact on the way cities are designed, as there will no longer be a need for large parking areas or wide roads. Autonomous vehicles will also make it possible for people to live in suburbs and commute into city centres for work or leisure.

The increased use of technology will also lead to changes in the way that people interact with their surroundings. For example, augmented reality and virtual reality will change the way we shop, as we will be able to try on clothes or test out products before we buy them. And, as more and more devices become connected, we will start to see the development of smart city infrastructure that can respond to our needs in real-time.

Enjoyable places to live

By making these changes, we can create cities that are not only more efficient and sustainable, but also more enjoyable places to live. With the right planning and investment, future cities can be thriving hubs of activity where people can live, work and play in harmony with the natural world. ■

“ By making these changes, we can create cities that are not only more efficient and sustainable, but also more enjoyable places to live. ”

— Unretirement —

More over-50s returning to work amid cost-of-living crisis

Older workers have been leaving the jobs market in their droves over the past two years, partly due to many re-evaluating what they want from their lives and careers during the course of the COVID-19 pandemic, and also due to the devastating impact the pandemic had on the prospects for many older jobseekers, who felt they had no choice but to leave the workforce.

But the cost-of-living crisis is now affecting some pensioners drastically, with more older people starting to return to work amid the ongoing crisis, new research has highlighted^[1]. The findings identified economic activity levels among the over-50s are now at their highest since the pandemic began.

Impacting pensions

Analysis of official statistics appears to show the first signs of a return to the long-term trend of more economically active people over the age of 50 – a decades-long trend which, it said, was reversed by the pandemic.

Spiralling inflation and turbulent financial markets impacting pension funds are causing some people to unretire and find work again. There has been an increase in economic activity (those in work or looking for work) of 116,000 among the over-50s in the past year. More than half of the increase is being driven by men over the age of 65.

Retiring comfortably

In some ways, the pandemic forced the hands of many and gave them an opportunity to trial retirement. An early

retirement can often seem like a dream when you're stuck in the thick of the daily grind but, for many, giving up work abruptly can also result in a loss of structure, social connections and purpose, which can leave people feeling lost at times.

The current economic climate means that some people who thought they could retire comfortably during the pandemic are now having to unretire and find work again to bring in some extra income and top up their pensions while they still can. ■

Want to discuss how to make your money work for you?

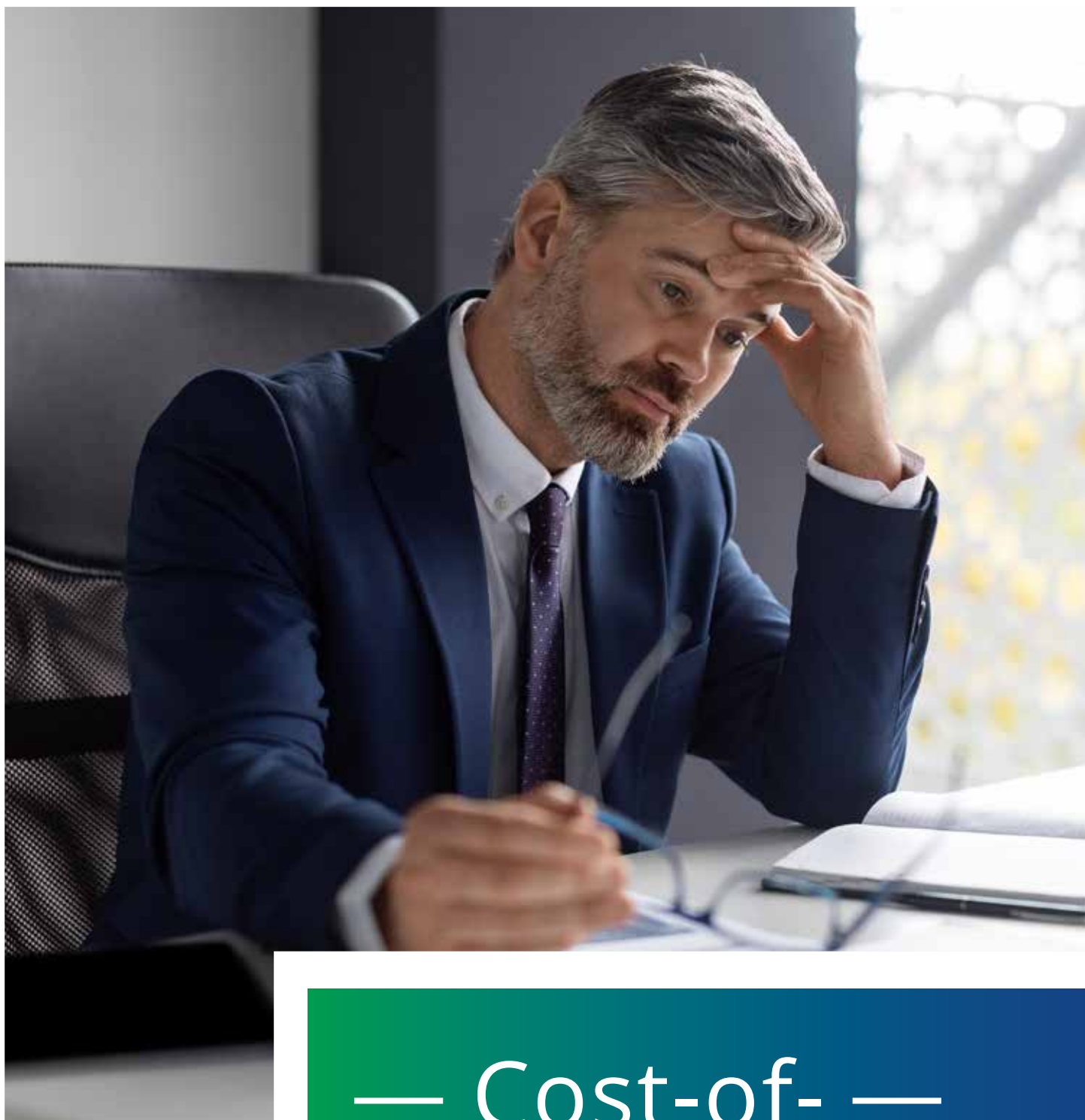
If you're getting ready to retire, or maybe you've already retired, now may be a good time to think about professional financial advice. It can take some of the worries out of retirement planning and ensure your money will go further. So if you have any concerns about your retirement, we can help make your money work for you. **To talk to us, please contact us – we look forward to hearing from you.**

Source data:

[1] Analysis by www.restless.co.uk – Economic activity levels amongst people over the age of 50 hit their peak of just over 11 million just before the pandemic in the three-month period from December 2019 – February 2020. Since then, we have seen a decades-long trend reverse, with economic activity levels of workers aged over 50 falling by as much as 223,000 during the pandemic.

“ Economic activity levels among the over-50s are now at their highest since the pandemic began. ”





— Cost-of- — living crisis

Britons cutting back on food and
entertainment to keep cars on
the road



Soaring petrol costs pushed inflation to its highest level for 40 years. New research has uncovered the impact of these high fuel prices on consumers as more than a third (35%) are spending less on food to keep their car on the road^[1].

As the cost-of-living crisis continues to exacerbate pressure on households across the UK, what this research shows are some of the measures that consumers are having to take just to keep their cars on the road.

Purchasing cheaper items

While you could make an active decision to purchase cheaper items at the

supermarket, when it comes to fuel, options are limited, meaning cutbacks have to be made in other areas on households that are already stretched in many cases.

Instead, consumers are cutting back in other areas to continue to do essential trips like drive to work, run errands and visit the supermarket. The research highlights how habits at the pump have changed in response to the cost-of-living crisis.

Demand for energy

More than a third (34%) of consumers now need to stop filling up at an exact value and 26% rarely fill their tanks to the brim as they can't afford to do so. Almost a quarter (23%) are using their savings to put fuel in their cars and 22% are using credit cards.

Fuel prices have increased sharply because the price for crude oil, which is used to make petrol and diesel, has gone up. Crude oil was cheaper at the beginning of the COVID-19 pandemic, because many businesses temporarily closed and demand for energy collapsed.

Fuel more expensive

As life returned to normal, the demand for energy increased. But suppliers have struggled to keep up and prices have risen. Another problem is that the oil used to make petrol is paid for in US dollars. The pound has been weak against the dollar, making fuel even more expensive.

Despite fuel prices dipping slightly in recent weeks, the findings show the extent to which consumers are still having to cut back to ensure they can afford to get from A to B, with more than eight in ten (83%) more concerned about their finances than they were a year ago.

Drivers forced to cut back in the following ways:

- 46% are eating out less
- 35% are either spending less on their food shopping or have switched supermarket to save money

- 34% now have to stop filling up at a specific value as they know exactly what they can afford
- 31% are cutting down on the volume and quality of food they buy from the supermarket
- 26% now rarely fill their fuel tanks to the brim as they cannot afford it
- 25% have cut back on gym memberships and subscription services
- 24% are reducing spend on school trips, days out and weekends away
- 23% are using their savings to pay for fuel
- 22% need to use their credit card to cover the cost of fuel
- 21% have stopped putting money aside in either a savings account or pension pot

Staying much closer to home

The research found that 28% of consumers also had to change their staycation plans during the summer months and stayed much closer to home, thanks to the high cost of fuel. Furthermore, and with one eye on the expectation that the cost-of-living crisis will only get worse, 18% said they decided to go on holiday this summer, as it could be their last one for many years. ■

Navigating the cost-of-living crisis

Whether you need retirement and pensions advice, support with estate planning, would like to invest for children or achieve other goals, or have concerns about dealing with the cost-of-living crisis, we're here to help.

To find out more, please contact us.

Source data:
Fieldwork was undertaken between 21–22 July 2022 for Nationwide Building Society. The survey was carried out online by Censuswide. Censuswide abides by and employs members of the Market Research Society, which is based on the ESOMAR principles.



— Funding — the lifestyle you want

Get your retirement plans in motion

One of the most common concerns among those approaching retirement is whether they will have enough money to last them. A new study⁽¹⁾ shows that only 25% of retirees feel very confident they've saved enough for retirement.

As food prices continue to soar and petrol costs reach an all-time high in the UK, the rising cost of living is without doubt having an impact on many people's financial plans, both short and long term.

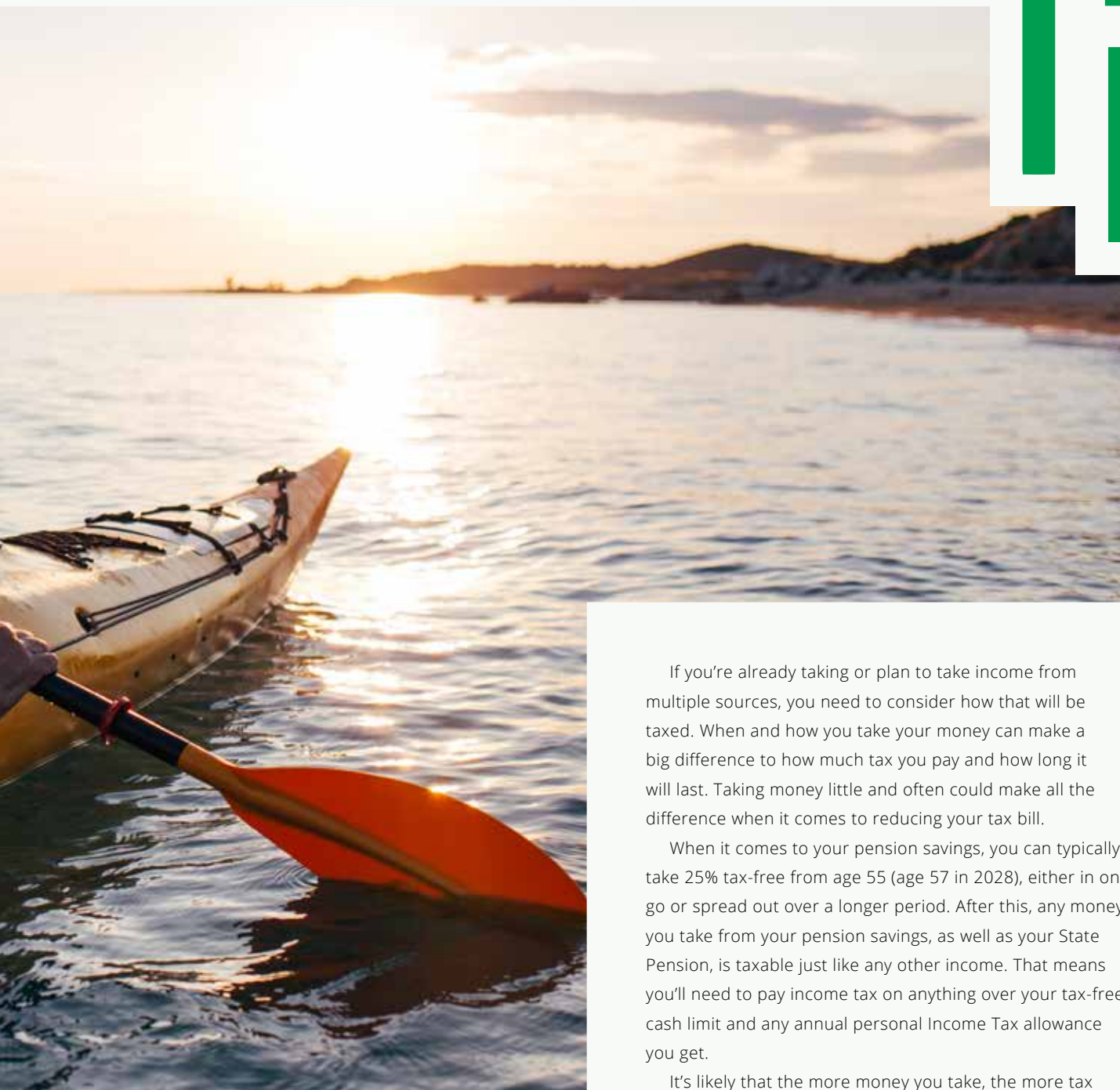
If you're approaching retirement or have already started taking money from your pension or other retirement savings, you wouldn't be alone in feeling a

little anxious about the effect the cost-of-living crisis might have on your lifestyle in retirement.

While it's impossible to predict the future with complete certainty, there are a few things you can do to feel more confident about spending your money in retirement.

Add up all your sources of income

Your main source of retirement income may well be your pension plan. But when it comes to planning your finances in retirement, it's important to think beyond this. Consider other potential sources such as Individual Savings Accounts (ISAs) and other investments, as well



as any rental income you receive from rental properties you let.

And don't forget the State Pension, which is currently £185.15 a week (£9,628 a year) for a single person with a full entitlement. Although the State Pension's annual increase is currently below inflation, every little helps and the total of all your savings and income might add up to more than you think.

Watch out for unnecessary tax bills

Paying too much tax in retirement is a common pitfall for some retirees, and one that could be potentially avoided with having the right plans in place.

If you're already taking or plan to take income from multiple sources, you need to consider how that will be taxed. When and how you take your money can make a big difference to how much tax you pay and how long it will last. Taking money little and often could make all the difference when it comes to reducing your tax bill.

When it comes to your pension savings, you can typically take 25% tax-free from age 55 (age 57 in 2028), either in one go or spread out over a longer period. After this, any money you take from your pension savings, as well as your State Pension, is taxable just like any other income. That means you'll need to pay income tax on anything over your tax-free cash limit and any annual personal Income Tax allowance you get.

It's likely that the more money you take, the more tax you'll have to pay, although how much will depend on which tax band your income falls into. So if you take all of your pension savings at once, or in big lump sums, you could be paying more tax than you need to. But by taking your pension savings over a number of years and taking just enough to stay in the lowest tax band you can, you could keep more of your money overall.

Make the most of your Individual Savings Account (ISA)

Another way to avoid an unnecessary tax bill is to make the most of your ISA savings. You don't pay tax on any investment growth or interest you earn, or on the proceeds you take from an ISA. So it's a very tax-efficient way to save.



For example, your pension savings may be invested in fairly high-risk funds that have the potential to grow significantly in value, but also are more likely to be impacted, particularly during periods of market volatility. Moving to lower-risk investments means that you're less likely to see big ups and downs in the value of your pension savings.

However, if you're relying on your pension savings to provide you with a comfortable income for the rest of your life, you also need to make sure that your investments will provide enough growth potential. This is particularly important in the current climate where your money faces the double challenge of rising inflation and potentially having to last for many years. ■

You could consider using any ISA savings you have first and delay accessing your pension savings, giving them more time to stay invested and potentially grow in value. Remember though, the value of all investments can go down as well as up, and you may get back less than you paid in.

Or, if you've already started taking an income from your pension, you could use your ISA savings to supplement that income. This could allow you to take smaller payments from your pension and avoid overpaying Income Tax on them.

Getting to grips with tax implications can be a bit overwhelming as there's a lot to consider. Tax rules and legislation can change, and personal circumstances and where you live in the UK also have an impact on your tax treatment. On top of that, tax varies for other sources of income like property, state benefits, or even your salary if you're planning on working in some capacity for a little longer.

Keep track of your investments

Where your money is invested could have the biggest impact on how long it will last in retirement. It's important to regularly review your investments to make sure they remain on track and remain aligned with your plans and attitude to investment risk.

Want to review your retirement plans?

If you have specific questions about funding your retirement lifestyle, or **if you're feeling anxious about spending money in retirement, speak to us to discuss your options.**

Source data:

[1] Class of 2022 UK retirement report consumer research of 2,000 UK adults for abrdn who were either planning to retire in the next 12 months, or who had retired in the 12 months prior. Research was conducted by Censuswide in late November / early December 2021.

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A woman with dark skin and long dreadlocks is shown from the chest up. She is resting her chin on her right hand, looking off to the side with a thoughtful expression. She is wearing a white turtleneck sweater and a black watch. In the background, a laptop screen is visible, and the overall setting appears to be an office or a home workspace.

A healthier approach to retirement — wealth —

Pension schemes have a critical role to play
in the transition to a net zero economy



Pension schemes have a critical role to play in the transition to a net zero economy, with many schemes already assessing the impact of their investments in the context of the goals of the Paris Agreement.

Striving to improve investment practices, and robust transparency standards across the investment chain, are an essential part of ensuring schemes can act as responsible stewards on behalf of millions of UK pensions savers.

Net zero commitments

Choosing to go green on our pension investments could have a far greater impact on the environment than we may have thought. The positive news is that almost three-quarters (74%) of pension schemes already have net zero plans in place, or will do within the next two years, a new survey has found^[1].

This latest survey shows that pension schemes are making progress towards net zero commitments. With new Taskforce on Climate-related Financial Disclosures (TCFD) requirements coming into force, the number of schemes making such commitments is expected to grow further still.

Identifying suitable performance

The news comes as climate change and Environmental, Social and Governance (ESG) stewardship continue to rise in importance and

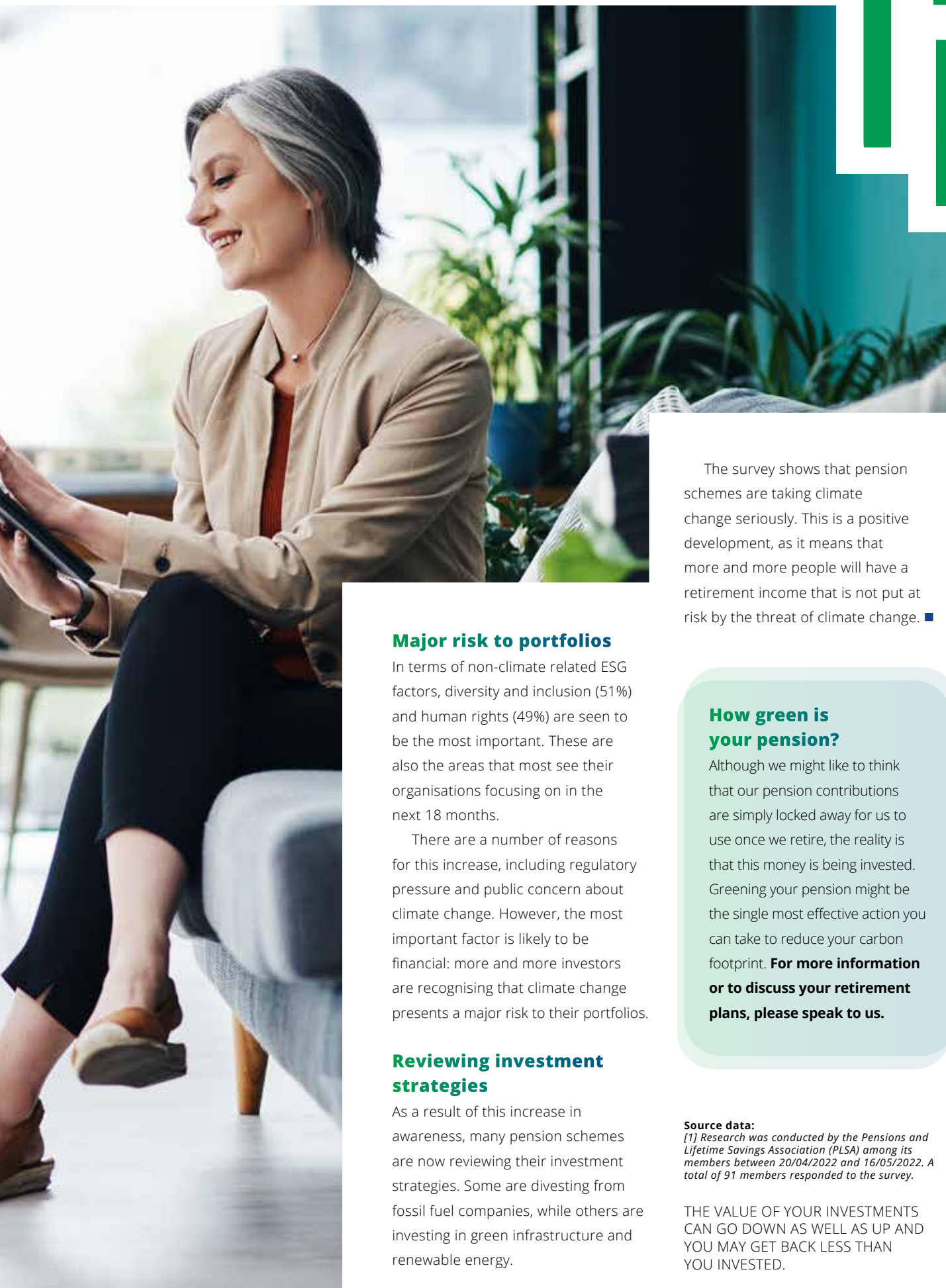
have become a central part of pension schemes' investment strategy, with identifying suitable performance measures and devising frameworks to report on them also rising in importance.

The survey found two-thirds (63%) of schemes have started working on their TCFD report, with over half (55%) saying they are within the scope of the reporting deadline and so plan to publish one this year.

Climate transition plans

More than a quarter (28%) have gone a stage further and said that they have already published their TCFD report, despite it not being a mandatory requirement.

In terms of stewardship, two-thirds (68%) see their key priority as investors as being climate transition plans. Over half (56%) see these being net zero targets, while around a third (37%) see board diversity and human rights (35%) as key priorities.



The survey shows that pension schemes are taking climate change seriously. This is a positive development, as it means that more and more people will have a retirement income that is not put at risk by the threat of climate change. ■

Major risk to portfolios

In terms of non-climate related ESG factors, diversity and inclusion (51%) and human rights (49%) are seen to be the most important. These are also the areas that most see their organisations focusing on in the next 18 months.

There are a number of reasons for this increase, including regulatory pressure and public concern about climate change. However, the most important factor is likely to be financial: more and more investors are recognising that climate change presents a major risk to their portfolios.

Reviewing investment strategies

As a result of this increase in awareness, many pension schemes are now reviewing their investment strategies. Some are divesting from fossil fuel companies, while others are investing in green infrastructure and renewable energy.

How green is your pension?

Although we might like to think that our pension contributions are simply locked away for us to use once we retire, the reality is that this money is being invested. Greening your pension might be the single most effective action you can take to reduce your carbon footprint. **For more information or to discuss your retirement plans, please speak to us.**

Source data:

[1] Research was conducted by the Pensions and Lifetime Savings Association (PLSA) among its members between 20/04/2022 and 16/05/2022. A total of 91 members responded to the survey.

THE VALUE OF YOUR INVESTMENTS CAN GO DOWN AS WELL AS UP AND YOU MAY GET BACK LESS THAN YOU INVESTED.

— When should I stop working? —

How to tell whether you're ready to retire

Do you have enough income to retire? Are you prepared for the life changes retirement will bring? Is this the right time to sell your business? Is your timing right or will your savings and investments be at risk from volatile market conditions?

The best time to retire will depend on a variety of factors, including your health, your financial situation and your personal preferences. If you're in good health and you have a solid financial foundation, you may be able to enjoy a long and active retirement. On the other hand, if your health is declining or you're struggling to make ends meet, retiring sooner may be the best option.

Spending power each year

Ultimately, the decision of when to retire is a personal one. It's important to do some soul-searching and research before making a final decision. Once you've decided when the right time for you

is, be sure to plan carefully to make the most of your retirement years.

Some people may now need to think about the impact that inflation could have on their retirement income, and to consider whether they can afford to retire yet. Rising inflation can wipe years of retirement income off pension pots as savers must increase the amount they withdraw to maintain the same spending power each year.

Impact on retirement plans

Inflation can have a significant impact on your retirement plans. If inflation is high, the purchasing power of your savings will decrease over time. This means that you will need to save more money in order to maintain your standard of living in retirement.

To offset the impact of inflation, you may need to adjust your retirement plans. For example, you may need to save more money so that you can maintain



your standard of living in retirement. Additionally, you may need to invest in assets that are less vulnerable to the effects of inflation. Bonds are one type of investment that can help protect your portfolio from inflation risk. In general, they can offer relative stability, but you need to take your age and risk tolerance into consideration.

Potential effects of inflation

While inflation can have a significant impact on your retirement plans, there are steps you can take to offset its effects. By saving more money and investing in assets that are less vulnerable to inflation, you can help ensure that your retirement plans remain on track. Additionally, by being aware of the potential effects of inflation, you can make adjustments to your plans as needed to account for its impact.

As you get closer to retirement, it's important to start thinking about how inflation could impact your plans. While inflation can be a good thing if it leads to

higher wages and increased economic activity, it can also be a problem if prices start rising faster than your income, as we've seen this year with inflation reaching a new 40-year high amid a cost-of-living squeeze.

There are some general principles that can help guide your thinking on this important topic:

The first principle is that it's never too early to start planning for retirement. The sooner you start saving and investing for retirement, the more time your money has to grow. This is due to the power of compounding – which essentially means that your money earns interest on itself over time.

The second principle is that retirement planning is not a one-time event. Your retirement timeline will likely change as life circumstances change. For example, you may need to adjust your timeline if you have children or other family members who depend on you financially.



The third principle is that retirement is not an all-or-nothing proposition. You don't have to retire completely in order to enjoy a comfortable lifestyle in retirement. Many people choose to work part-time or pursue other interests during retirement instead of (or in addition to) simply sitting around and doing nothing.

Time to utilise cash flow modelling?

Planning for retirement is a complex task, made even more difficult by the fact that most of us don't have a crystal ball to predict the future. This is where retirement cash flow modelling can be incredibly useful. This can help you estimate your future income and expenses in retirement and give you a better idea of how much money you'll need to have saved in order to maintain your current lifestyle.

By creating a model of your expected income and expenses, you can better plan for your retirement and make sure that you have enough money to cover your costs. This type of modelling can also help you to identify any potential shortfall in your retirement savings, so that you can make adjustments to your plans accordingly.

If you are nearing retirement or are already retired, cash flow modelling can help you: understand how much income you will need in retirement; work out how long your retirement savings will last; determine the best way to use your retirement savings to generate an income in retirement; and find out how different life events (such as taking a career break or downsizing your home) could impact your retirement cash flow.

Would an annuity be beneficial?

Annuities can be a good way to combat rising inflation. Increasing annuities guarantee a stream of income that can offer protection against the cost of living. However, it is important to choose an annuity that has a high enough rate of return to outpace inflation, as otherwise you may end up losing purchasing power over time.

Some annuities offer built-in protection against inflation. For example, some annuities offer cost-of-living adjustments that increase payments to keep pace with inflation. This can help retirees maintain their purchasing power and keep up with the rising costs of living. While annuities are not the only solution for combating rising inflation, they can be a helpful tool for retirees.

Ultimately, whether or not an annuity is a good way to combat inflation depends on your individual circumstances. If you are concerned about preserving your purchasing power in retirement, an annuity can be a helpful tool. However, you should obtain professional financial advice to weigh the costs and risks associated with an annuity before making a decision.

Are you sitting on too much cash?

If you're sitting on too much cash right now, with inflation on the rise, that cash could be losing value, so you may want to rethink your strategy. Inflation is a natural occurrence that happens when the prices of goods and services start to increase. This can erode the purchasing power of your money, which means that you'll need more money to buy the same items.

There are a few ways to combat inflation and ensure that your money keeps its value. One option is to invest in assets that may appreciate in value, such as stocks and shares or property. No matter what strategy you choose, it's important to be aware of the impact that inflation can have on your finances. By being proactive, you can ensure that your money keeps its value over time.

What is your attitude to risk?

When pension planning, your attitude to risk will play a big role in how your portfolio is structured. If you're willing to take on more risk, you may be rewarded with higher returns. But if you're not comfortable with risk, you may want to focus on preserving your capital.

Once you have a better idea of your risk tolerance, you can start to allocate your assets accordingly. For example, if you're okay with some volatility, you may want to put some of your money into stocks and shares. But if you're not comfortable with any volatility, you may want to keep your money in cash and bonds.

No matter how much risk you're willing to take on, it's important to remember that all investments come with some risk. There's no such thing as a completely risk-free investment. But by understanding your risk tolerance, you can make sure that your portfolio is structured in a way that meets your needs. ■

Are you ready for retirement?

Retirement is inevitable, but knowing exactly when to do so is often unclear. No matter when you actually begin your retirement, you'll benefit from planning your post-work life as early as possible. **If you would like to review your retirement plans, we're here to listen. We look forward to hearing from you.**

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Never too early — to plan ahead —

Pension savers struggling to save enough for their later years

There is no doubt that the UK is facing a retirement income crisis. With wage stagnation and rising living costs, many people are struggling to save enough for their later years.

This is particularly true for those on lower incomes, who are often unable to access employer-sponsored pension schemes. The situation is made worse by the fact that the State Pension is not enough to live on, and many people may not be eligible for it.

Addressing the retirement income crisis

The government has introduced a number of measures to try to address the retirement income crisis, but these have so far failed to make a significant impact. The situation is only likely to worsen in the future, unless action is taken.

The average earner in their thirties is on track to see their pension pot reduce by £15,000 by the time they retire due to wage stagnation. The findings from a recent Retirement Report^[1]

has revealed that the average earners in

their 30s who were auto-enrolled in a company pension scheme in 2012 will have potentially contributed £7,000 less by 2024.

Coping with the financial pressures

These 'lost contributions' result in an overall £15,000 reduction to the individual's total pension pot at retirement due to lost compound interest. The survey found that four out of five adults (81%) are concerned about making ends meet in the current cost of living climate, with three-quarters (76%) saying they need to take action to cope with the financial pressures.

The study revealed that over a third (35%) plan to cut back on non-essential leisure and holiday spending, while others are being forced to make harder decisions, such as cutting back on essentials like food and utilities (16%).

Sustaining a decent living in retirement

UK pension contribution rates over the past few decades have been chronically low compared to European countries and, for the

average saver, a joint employee-employer contribution rate of 8% will not be enough to sustain a decent living in retirement, leaving people with less retirement income over and above the basic safety net of the State Pensions and retirement benefits.

Over half (57%) of those surveyed said they were concerned about their finances in retirement, while a similar number (50%) revealed they don't feel they are preparing adequately for retirement.

Investment returns are important

Almost a fifth (18%) said their pension savings are invested in cash or cash-like assets, or low-risk assets such as UK Government bonds; or that they are planning to invest their pension in such assets.

This means, according to the report, the average person between 35 and 54 years old – an age when investment returns are important – who holds half of their £36,200 pension savings fully in cash could be exposed to a reduction of over £1,300 in a single year in real terms, and over £2,100 in two years. ■

“ Almost a fifth (18%) said their pension savings are invested in cash or cash-like assets, or low-risk assets such as UK Government bonds; or that they are planning to invest their pension in such assets. ”

Current retirement plans on track?

There's a whole lot to think about when you're planning for retirement. From thinking about when to retire to what to do with different pension pots, planning for retirement can be both exciting and daunting. **If you would like to review your current retirement plans to make sure you are on track, please contact us.**

Source data:

[1] The survey for Scottish Widows included general questions on pensions and retirement planning and was carried out online by YouGov Plc: across a total of 5,025 adults aged 18+, weighted to be representative of the GB population, and separately for 1,002 adults aged 18+ to better understand the retirement prospects of minority ethnic groups. Fieldwork was carried out between 8–15 March 2022 for the nationally representative survey, and between 8–30 March 2022 for the survey focused on minority ethnic groups, through a 15-minute online survey.

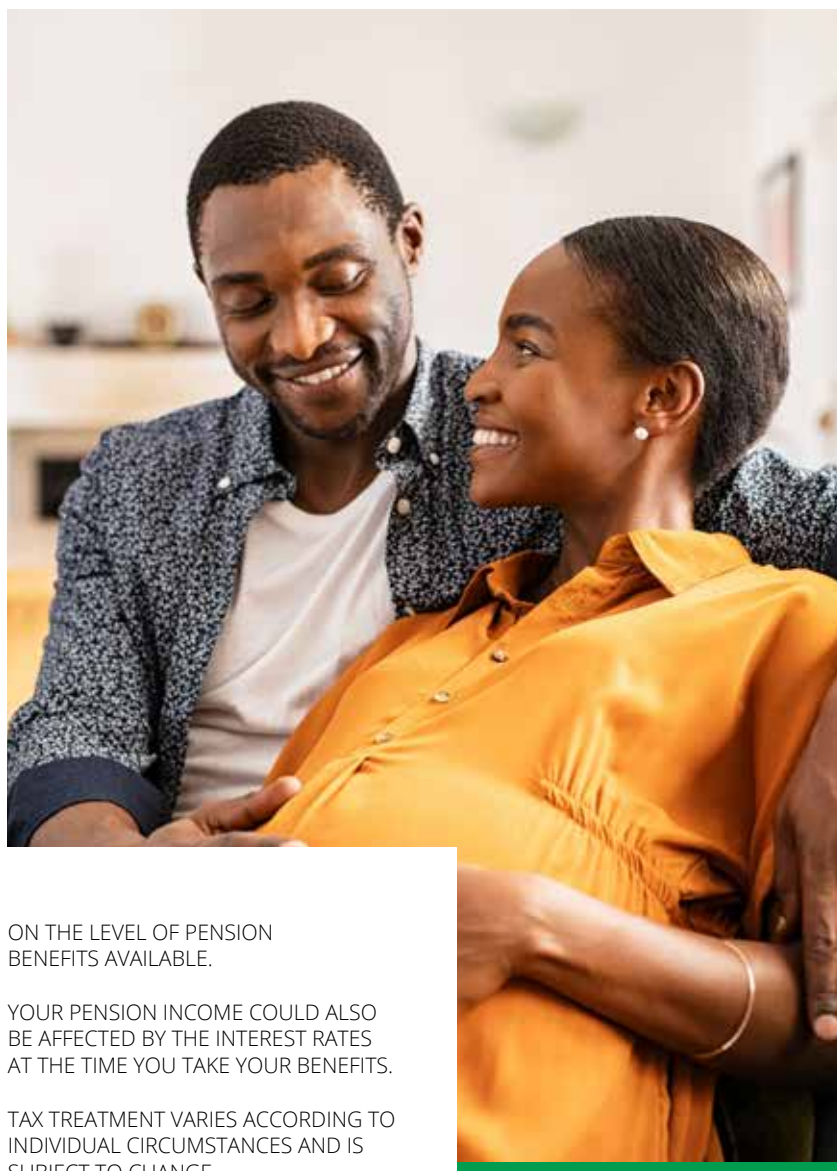
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— Mind the — retirement gap

Four out of five workers not saving at levels which are likely to deliver an acceptable standard of living in old age

Four in five workers (16 million people) are not saving at levels which are likely to deliver an acceptable standard of living in retirement, according to new research^[1] – these numbers exclude Defined Benefit pension savings.

The key reason behind this low confidence is the inability to afford savings on an ongoing basis, followed by worry about paying off existing debts.

Future crisis

Low-paid workers are least likely to be saving at these levels, with fewer than 5% saving at a rate which would provide an adequate standard of living in retirement. Low savings levels are a long-standing issue; however, the cost-of-living crisis is exacerbating the problem.

The UK's lowest-paid workers have been hardest impacted during the crisis, often struggling to make ends meet. As a result, many are unable to prioritise saving for retirement, and today's cost-of-living crisis risks storing up a future crisis where millions are unable to afford even the basics in retirement.

Saving behaviour

Just as low pay has impacted female workers most, the gender pensions gap remains an issue. The report found that 23% of male workers met the 'whole career' Living Pension cash benchmark, compared to 15% of female workers, and that this is driven principally by differing levels of pay rather than differing saving behaviour.

The Living Pension benchmarks are based on a previous feasibility study by the Resolution Foundation, which proposed a 'whole career' benchmark of 11.2% of pay, or £2,100 per year for someone working full-time at the living wage.

Huge variations

The report also highlighted that there are huge variations in whether workers are meeting the Living Pension benchmarks by sector. 55% of workers in the finance industry save at or above the 'whole career' cash LP benchmark, compared to only 2% of workers in hospitality.

These differences persist even if they account for variations between sectors in workers' pay levels, occupation and whether they are full-time. This suggests that sector differences in pension saving are driven either by employers' behaviour or their approach to the overall remuneration package. ■

What if I could have the retirement I really want?

Planning so that you can enjoy today, whilst making sure there is plenty saved for the future, can be a tricky balance to get right. **If you would like advice and support with retirement planning, please get in touch.**

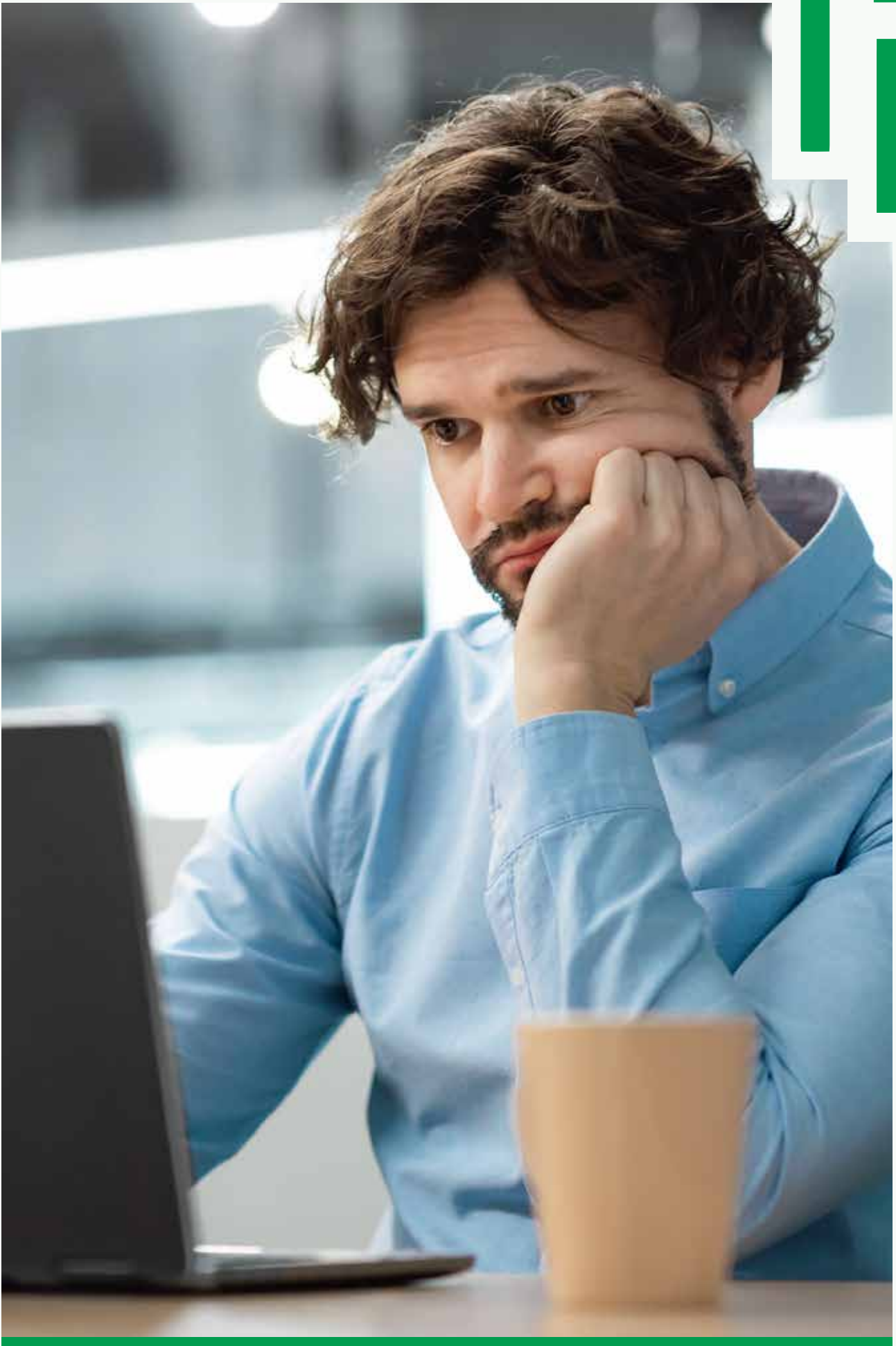
Source data:

[1] <https://www.livingwage.org.uk/sites/default/files/Living%20Pensions%20Report.pdf>

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS PLAN HAS A PROTECTED PENSION AGE).

THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.



Flavour — escapism

Prepare your senses for take-off on a thrilling flavour adventure

The origins of whisky are murky, but it is thought to have originated in Scotland or Ireland. Whisky was originally made from barley, but other grains like rye and wheat were later used. The word 'whisky' comes from the Gaelic word 'uisge beatha', which means 'water of life'.

Dating back to the early 15th century, the earliest recorded instance of whisky production is from Scotland in 1494, when it was mentioned in the Exchequer Rolls, where it was referred to as 'aqua vitae' (Latin for 'water of life').



“ Whisky was traditionally distilled in pot stills and then aged in oak barrels. The ageing process is what gives whisky its distinctive flavour. ”

Since then, whisky has become one of the most popular alcoholic beverages in the world, enjoyed by millions of people across all continents.

Unique flavour

Whisky was traditionally distilled in pot stills and then aged in oak barrels. The ageing process is what gives whisky its distinctive flavour. The longer a whisky is aged, the more smooth and complex its flavour will be.

There are many different types of whisky available on the market today. Some of the most popular include Scotch, Irish and American whiskies. Each type of whisky has its own unique flavour profile that is determined by the ingredients used and the methods of production.

Scotch whisky

Scotch whisky is made from barley that has been malted and then distilled in Scotland. The final product must be aged for a minimum of three years in oak barrels before it can be sold. There are two main types of Scotch whisky: single malt and blended.

Single malt Scotch whisky is made from 100% malted barley and distilled in pot stills. This type of whisky is usually full-bodied with a strong flavour. Blended Scotch whisky is made from a blend of different types of malt and grain whiskies. This type of whisky is typically lighter in body and has a more mellow flavour.

Irish whisky

Irish whisky is made from a mixture of malted barley, unmalted barley and wheat. It is distilled in pot stills and then aged for a minimum of three years in oak barrels. Irish whisky often has a smoother flavour than Scotch whisky due to the use of unmalted barley in the mash.

American whisky

American whisky is made from a mash of grains that can include corn, rye, wheat and barley. It is usually distilled in column stills and does not have to be aged for as long as Scotch or Irish whiskies. American whiskies tend to be lighter in body and have a sweeter flavour due to the use of corn in the mash.

Choosing a whisky

When choosing a whisky, it is important to consider your personal preferences. Do you prefer a light and smooth flavour or a bold and full-bodied flavour? Once you have decided on your preferred flavour profile, you can then narrow down your choices by considering the different types of whisky available. ■





— Pension — booster

Mistakes to avoid when you're aiming to build your pot

Many people are feeling the pressure on their finances at the moment due to the backdrop of rising inflation and the cost of living soaring. In these circumstances, it can be difficult to think about your long-term finances or even contemplate saving for the future.

However, even in the current climate there are ways to maximise the value of any pension savings you do have.

Free money from your employer

When offered the opportunity to join a workplace pension, it's nearly always a good idea to do so. For most people, your employer must automatically enrol you in a workplace pension scheme, and you may even be offered a pension plan if you don't meet the criteria.

Workplace pension schemes are made up of your own payments (5% or more of earnings) which are deducted



from your salary, often before you pay tax, making it easier to save, and your employer's contribution, which at the very least must be equivalent to 3% of your earnings.

Many employers offer more than this or match any extra payments you make so it's worth checking if you're getting the most out of this valuable benefit.

Extra money from the government

Anyone who decides against investing in a workplace or personal pension also turns down help from the government. That's because in order to encourage people to save for retirement, the government provides a top-up called 'tax relief' to pension payments.

How you receive tax relief depends on the type of plan you have and the rate of income tax you pay. But as an example, if you're a basic rate taxpayer saving into a personal pension in the current tax year, you get 20% tax relief on your payments.

So, if you pay £200 a month into your pension plan, the £40 of tax relief you receive on that payment means it will only cost you £160. Higher rate or additional rate taxpayers could claim back even more.

Some workplace pension schemes offer tax relief in a different way, such as through salary sacrifice or exchange schemes, so check with your employer if you're not sure how this works for you. And in Scotland, the tax relief details differ slightly. But in all these cases, the general point is the same: each time you defer paying into a pension plan, you miss out on an extra boost.

The State Pension will not cover everything

Another common mistake is to assume that the State Pension will meet your retirement needs. However, it's important to know that the State Pension won't be available until your late 60s, and may not cover all of your outgoings.

Currently, the new flat-rate State Pension is £185.15 a week, or just over £9,600 a year. At the same time, the Pensions and Lifetime Savings Association (PLSA) calculates that a single person needs £10,900 a year for just a 'minimum' standard of living in retirement. This rises to £20,800 a year for a 'moderate' lifestyle, which includes a car and some help with maintenance and decorating each year.

Keep a track of all your pension plans

If you have moved jobs or home a few times, and not informed your pension provider, then one of these 'lost' pension pots could be yours. It's worth spending time tracking down any potential missing pots to help boost your future finances.

The minimum contribution is unlikely to be enough

Auto-enrolment has boosted the pension savings of millions of people but the 8% minimum payment may not get you the retirement lifestyle you want. It's important, therefore, to have a retirement lifestyle in mind – the PLSA calculations can be helpful here as they can give you a real figure to aim for, and you can then work out what's feasible and put the necessary steps in place to help you achieve your goals.

Review your pension plan regularly

You might not want to talk about your pension plan every day, but dismissing pensions as boring is a mistake, and one that becomes increasingly serious over time. While this might be difficult at the moment, steps such as topping up your payments, especially in your 20s, 30s or early 40s, can make a large difference, thanks to the snowball effect of compounding.

Understanding your workplace or private pension, making sure you know how to get more 'free' payments from your employer or the government, or using it to pay less tax (such as through bonus sacrifice) could make a major difference to your long-term finances.

Understand where your pot is invested

A related mistake is not knowing where your pension pot is invested, whether that matches your life-stage and priorities or how to choose the right investment options. For example, if your retirement is still some years ahead, you could potentially afford to take a little more risk. Conversely, you may want to dial down the risk as you get nearer to retirement. ■





Will I have enough for the retirement I want?

The details surrounding pension rules are complex. Careful financial planning combined with our expert knowledge can help you manage your affairs as tax-efficiently as possible. **To ensure you have enough money to have the retirement you want, please contact us.**

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TAX TREATMENT VARIES ACCORDING TO INDIVIDUAL CIRCUMSTANCES AND IS SUBJECT TO CHANGE.



Time to take control of your retirement plans?

Planning for a better future with Purely Pensions

How much will I need to retire? Purely Pensions will help plan your pension to achieve greater financial freedom when you decide to stop working. When it comes to planning for retirement, the earlier you start, the more potential your money has to grow. ■

Contact us for more information on the services we offer:

Email: info@purelypensions.co.uk

Website: www.purelypensions.co.uk