

Case Study: Choices at Retirement



Stephen and Cathie had some important choices to make about how to take the benefits from their various pension plans. Should they take the tax free cash on offer? How should they convert the remaining funds into an income?

"The choices we faced were, to say the least, complex. Fortunately Informed Choice were able to explain those choices, both the advantages and disadvantages, in a clear way that we both understood."

As Stephen and Cathie identified, pension choices at retirement can be complex. The right choice will depend upon personal circumstances and goals. Stephen, for example, had a pretty poor medical history which meant he could claim an enhanced annuity rate.

Cathie's main concern was that they needed to have certainty about the income that they would receive during retirement and also what income she would receive in the event of Stephen's death.

Our analysis of their needs and wants, and a comparison of what was available from the whole of the market, formed an important part of our reporting to Stephen and Cathie. We explained the advantages and disadvantages of each approach and considered such things as annuity purchase or continued investment of their pension funds using Unsecured Pension.

In addition, we considered a combination of different ways to take the pension benefits. Each approach might result in a different outcome, so it was important for us to relate our advice to the goals and objectives articulated by Stephen and Cathie.

Producing our advice in the form of a written report, which was presented to them at their home, meant that Stephen and Cathie were able to ask and get answers to all of the important questions they had. Most importantly, they were able to make their decision with confidence, knowing that they were making the right choice.