

# Pensions

Sanlam's financial planning team provides expert advice and access to a variety of pensions and savings vehicles that can boost your capital for retirement.

## Planning for retirement

For most of us, a pension is the most important savings vehicle we have. The capital we build up needs to provide us with an income that's sufficient to maintain our standard of living after we've stopped working, and ensure a secure financial future for ourselves and our families.

At Sanlam, we understand that pensions form the cornerstone of financial planning for retirement. We also offer advice and access to a variety of other savings vehicles that can make your savings go even further in later life. These include maximising your individual savings account (ISA) allowances and any other assets, such as rental properties.

## Plan for later life

Following changes to the regulations over the past few years, pensions are now very flexible in terms of how you can take benefits, which is typically from age 55. As a result, a pension is the most efficient vehicle for providing long-term retirement income.

It's important to invest your pension fund wisely. At Sanlam, we believe a diversified investment approach using a Self-Invested Personal Pension (SIPP) can provide one of the best ways to grow your capital over the long term. We'll monitor progress and review your situation regularly to make sure we're on track for meeting your financial objectives.

Any legacy arrangements are likely to complicate your situation and consolidating multiple pensions can make it easier to manage your financial situation. However, some "older" contracts do have benefits that you may not be aware of, such as enhanced tax-free cash – more than the regular 25% – and guaranteed annuity rates, or even guaranteed returns.

## Maximise your pension contributions

Pensions enjoy attractive tax breaks. Similar to in an ISA, capital growth within a pension product is virtually tax-free. The government uplifts any payments you make into your pension – known as tax relief. For example, if a higher-rate taxpayer pays £600 into their pension the government adds £400, creating a total increase of £1,000 into their pension fund.

Our team of pension experts will guide you through the wide range of investment strategies that are available, and recommend the most appropriate solutions. When you're approaching retirement, we can work together to explore the options for taking benefits from your fund.

## Changes to pensions

The UK government has made profound changes to pension regulations over the past few years. The upfront tax relief provides an efficient way to preserve and grow your wealth for retirement. Additionally, you will be able to pass on your benefits after you die – on death, but before 75, it may be possible for the full pension to be distributed to a beneficiary free of any IHT.

With the rules and annual allowances changing all the time, it's important to review any pre-existing arrangements you may have and ensure your plans are appropriate for you and your family. However, as the number of choices continues to grow it can be difficult to know what

will work best for you. The Sanlam pensions team can provide you with their expertise and in-depth knowledge of the markets and solutions available, including helping you review your contributions and the type of income you are going to be able to take in retirement.