

Client Case Study: Retirement Planning - Pension Top Up

"I had been paying into my personal pension for over twenty years, but I had never really thought much about it. One of my colleagues was approaching retirement and discovered that she had not saved enough. She was facing the prospect of an extra six years of work or retiring in poverty. This prompted me to think more about my own retirement and get my pension looked at. I did not want to find myself in the same position as her. I had kept all my pension paperwork, but it was too confusing to go through it all myself. I contacted Niche and they told me that they could help."

Mrs Jenny Llewellyn, age 47.



Our Solution

Jenny was particularly worried about not having enough money to be able to retire. We reviewed her pension arrangements and produced a pension forecast - showing her what her current plan would be likely to provide for her in retirement, and how this stacked up against her current income.

Unfortunately, there was a shortfall between her provisions and the amount she would require in retirement to sustain her current lifestyle. We worked with Jenny to come up with a solution to her problem, making sure that it fit in with her individual circumstances and was no more than she could afford.

Part of the solution to the problem was to transfer her personal pension to a new workplace scheme, which had recently been set up by her employer. The new pension has lower charges than her old scheme, stopping its growth from being stalled by fees. She now also benefits from employer contributions - with her company matching what she pays in. We also helped Jenny to figure out how much extra she could afford to contribute each month, and explained how it was more tax efficient to put what she usually paid into an ISA, into her pension instead - essentially giving her an extra 20% from tax relief.

Jenny also had to compromise, planning to work an extra year than she had originally intended. However, this extra time, her better scheme and increased contributions mean that she is now fully on track to achieve her retirement goals.

