

EXPERT ADVICE COULD HELP PROVIDE FINANCIAL SECURITY FOR THE FUTURE



You know your family's busy schedule, but do you know how much income you'll need to retire?



NFU Mutual
FINANCIAL PLANNING

CONTENTS

Pension income	03
What is a pension?	05
What positive steps can I take now?	10
Why invest with NFU Mutual?	12
Good to know	14

Who is this guide for?

Both men and women may underestimate how long they will be retired and overestimate the amount of income available in retirement. This is particularly worrying for women who are less likely than men to put enough income aside.

It's important as generally women are still living longer than men and due to career breaks such as bringing up families they are less likely to save income throughout their working lives. This guide is aimed at women like you, thinking about how they will manage their retirement.

DO YOU KNOW HOW MUCH MONTHLY INCOME YOU NEED WHEN YOU CHOOSE TO STOP WORKING?

We live our lives with numbers all around us, but so many of us don't know the really important numbers like how much money you will need when you choose to slow down or stop working.

Which? recently asked their members how much they may need to have a 'comfortable' retirement. On average households with two people spent just under £2,340 a month, or around £28,000¹ a year.

When thinking about spending on essentials like energy bills and food shopping whilst they have risen in recent times, it's still sensible to consider all these essential costs you'll need to pay for when you chose to retire, so you can plan to cover these costs whilst still enjoying a certain standard of retirement. That's why at NFU Mutual we place an emphasis on financial planning and helping you set realistic goals for the future.

¹ Which? research, April 2022



IMPORTANCE OF FINANCIAL PLANNING

Do you know what income you may need for a comfortable lifestyle?

The Which? research states for a comfortable life in retirement a couple would need an income of £28,000 per year. Couples in the Comfortable category could afford to spend around £75 a week on a food shop and take several holidays in Europe every year costing over £4,500². However, when thinking of an individual in retirement it's possible to have a comfortable standard with an income of £19,000 per year.

What does this mean to you?

The Moneyhelper Service aims to help people to understand what their financial future could look like. Ideally, we all should have a pension goal, so we know what we're aiming for throughout our working life.

At NFU Mutual we can help you plan the level of income you may need to afford the lifestyle you want when you stop working or choose to work less – it's never too late to start.

² 1,000 retired and semi-retired couples Which? members in April 2022.



WHAT IS A PENSION?

You invest money into a pension and that money is normally invested in stocks and shares. Then you can use this pot of money to take benefits any time after age 55 (57 from 2028) – whether you are still working or not!

We understand as a busy woman, who may be working full time or part time or returning to work after a career break, there may be several reasons you're not necessarily focused on planning your pension now. For example you may feel as though your partner's pension will be adequate to secure your financial future or you may find it hard to save regularly. However, according to the latest ONS findings, on average women are likely to live 4 years longer than men³, so will therefore need more funds later in life. It's important to consider having your own independent financial security for the future.

Have you got all the facts?

There are several types of pension schemes available, you may have joined your employer's pension, you may already have a private pension. Before you contact us, you could find out more for yourself, like keeping track of any pensions you may already have and making sure your pension providers have your correct personal details.

You may also like to consider trying a pension calculator to see what you think your pension income could be.

To use a pension calculator visit: moneyhelper.org.uk and search pension calculator

³ Report can be found at: www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/bulletins/nationallifetablesunitedkingdom/2018to2020

WHAT'S THE DIFFERENCE BETWEEN A WORK PLACE PENSION AND A PRIVATE PENSION?

A workplace pension is set up and managed by your employer. You pay money into your pension directly from your pay and your employer will also normally contribute. In some cases, the more you pay in, the more your employer will contribute. Whereas a private pension is one you set up and pay into yourself.

The retirement fund you end up with will normally be based on how much is paid in, how your investment performs and the level of charges. Some employers offer a pension that provides a guaranteed level of income in retirement based on how long you work for them.

You may well have several pensions from different employers – that's fine. Make sure they all have your correct contact details, so they can find you when it's time to take the benefits.

To trace previous Pensions, where you may have changed your name or moved house, visit the tracing service to find any pensions you may have forgotten about.

To find out more visit:

gov.uk/find-pension-contact-details

STARTING EARLY COULD MAKE A DIFFERENCE

The very best time to start a pension is when you're young. Making early pension contributions means that even small savings early on can be more important than larger savings later. So it doesn't matter if you can afford only small payments in at this stage – you can increase your payments later as your income rises.

To see how much better off you could be if you start to invest in a pension early, visit moneyhelper.org.uk and search pension calculator.

You can add in your personal circumstances and the amount you want to invest each month to see how much more your pension pot could be worth when you come to retire.



PENSIONS AND YOU

You may have more pressing financial demands and you feel capable of managing your own finances without financial advice.

We don't doubt it.

But, we would always recommend seeking financial advice. By working together with an NFU Mutual Adviser you can set realistic goals tailored to your circumstances with future long-term aims.

According to a report by The International Longevity Centre, investors had an uplift in their wealth after financial advice. It reports, those who took financial advice on their pensions and investments were £47,706 better off over a decade⁴.

There are many financial choices available particularly when it comes to investing in a pension, advice is key to maximising these options and protecting any wealth you can build up. Taking the time now to talk about your pension goals and starting early could pay dividends in years to come.

⁴ Source: What it's worth, revisiting the value of financial advice report by The International Longevity Centre published Dec 2019 page 6



WHAT POSITIVE STEPS CAN I TAKE NOW?

Here's a handy checklist to help you to take control of your finances.

Do you have pensions elsewhere but you're unsure where they are?

Simply use the pension tracing service to find yours. Put your details into the web page and they will call you back to help you trace previous pensions: visit gov.uk and search 'find pension'.

Don't forget if you've changed your name or moved, let your pension provider know so they can stay in touch with you in the future.

Do you know when you can access your state pension?

It's dependent on your date of birth, to find out your state pension age visit: gov.uk and search 'state-pension-age'.

Should you rely on state pension alone?

The full basic State Pension is £203.85 per week and around 38% of women surveyed by Barnett Waddingham who were over 55 will rely on a state pension only, compared to 17% of men over 55⁵.

The state pension doesn't have to be the only source of income, by investing now in a private pension it could boost the potential funds available for retirement.

⁵ Research from Barnett Waddingham 2021

Are you relying on someone or something else to provide you with an income?

You may be reliant on being able to sell your home, or receiving an inheritance or you may be relying on your partner’s pension if they die before you. Nearly a third of women say they don’t know whether their partner’s pension is payable to them after death⁶. It’s worth checking your unique circumstances rather than leaving it to chance.

⁶ Report can be found here: www.thepfs.org/media/10120355/moments-that-matter-pensions-life-journey-for-women.pdf



WHY INVEST WITH NFU MUTUAL?

At NFU Mutual we offer our customers a strong local presence. We've taken care of our customers' insurance needs for over a century, and for the past 90 years NFU Mutual has been helping customers like you provide for their financial future.

Our fund management team aims to deliver consistent performance returns, helping you to realise your financial plans. We have a range of funds that give you the choice to leave the decision making to us or take a more active approach yourself. Working together with your NFU Mutual Financial Adviser, you can build a portfolio that meets your needs and supports your financial goals.



NFU Mutual Select Pension plan

We have a range of choices and options available when it comes to setting realistic retirement goals. Our Select Pension plan is one of them and it's easy to set up.

You can make contributions to your Select Pension plan whenever you like – it's up to you. These payments are then invested into one or more funds, which can be changed at any time.

Pension contributions, subject to certain limits, can benefit from tax relief. This means that for every £80 you pay in, HMRC will add £20. If you pay tax at 40% or 45%, you can claim back additional tax relief via your tax return or by contacting HMRC direct.

A pension can be set up for a child, up to a total contribution of £2,880 each tax year, and benefit from a tax boost of £720 from HMRC. This can give a child a valuable head start, with the potential to benefit from long-term investment growth.

The tax treatment of pensions depends on individual circumstances and may change in the future. Remember the value of investments can go down and you may get back less than invested.

GOOD TO KNOW

Monitoring your pension pot has never been easier using NFU Mutual My Investments, an efficient online investment platform available through **[nfumutual.co.uk](https://www.nfumutual.co.uk)**. When you register and access the online service you'll be able to securely see the value of your pension pot and the contributions made.



READY TO HAVE A CONVERSATION – IT'S EASY TO ARRANGE

Get in touch with your local NFU Mutual agency office or call **0800 622 323** to make an appointment with an NFU Mutual Financial Adviser. Or visit: **[nfumutual.co.uk/financial-planning](https://www.nfumutual.co.uk/financial-planning)**

When you get in touch, they'll explain the advice services offered and charges. NFU Mutual Financial Advisers advise on NFU Mutual products and selected products from specialist providers.

As a busy woman we know it's easy to put off financial planning to a rainy day. But by starting the conversation today, you'll quickly be on the road to building realistic goals towards your financial security, rather than leaving it to chance. You'll receive advice tailored to your unique circumstances – we're here ready to help, just ask.

Alternatively visit our website to find out more at **[nfumutual.co.uk/pensions](https://www.nfumutual.co.uk/pensions)**

We recognise that from time to time circumstances change and you may need more support. If that's the case, please contact us.

If you're hard of hearing or deaf, or you have difficulty with your speech, you can contact us by using the Relay UK app on your smartphone or tablet, or by dialling 18001 before our number on your textphone.

If you'd like this document in large print, braille or audio, just contact us.

To find out more about how we use your personal information and your rights, please go to nfumutual.co.uk/privacy. To stop us contacting you for marketing write to Marketing Department (Do Not Contact Me), NFU Mutual, Tiddington Road, Stratford-upon-Avon, CV37 7BJ or contact your local agency office.

NFU Mutual Select Investments Limited (No 8049488). A member of the NFU Mutual Group of Companies. Registered in England. Registered Office: Tiddington Road, Stratford-upon-Avon, Warwickshire CV37 7BJ. Authorised and regulated by the Financial Conduct Authority.

FSGUIWOM-01/23 | REVIEW DATE: 31/03/2024



NFU Mutual
FINANCIAL PLANNING