

# case study

## Financial Planning for those Approaching Retirement

Tangible Value of Advice: **£2,400 p.a.**  
plus **£96,000** inheritance tax

**Mr & Mrs Brown, age 59, looking to retire at age 60, two grown up children.**

- £300,000 house
- £40,000 cash
- £150,000 investments
- £400,000 pensions (Mr)

### challenges ▾

1. Wanted to know whether they would be able to maintain their existing lifestyle into retirement.
2. Required advice as to how much they could sensibly afford to spend in the early years of their retirement.
3. Confused by the various different retirement options available for private pensions. Wanted to know what the most suitable solution would be for them.
4. Built up a collection of pensions, investments and cash deposits over the years. No strategy or structure in place and all quite confusing. Too much paperwork.
5. Concerned about inheritance tax and maximising the amount to be passed on to the children in the event of death.

### what we did ▾

1. Calculated the cost of their desired future lifestyle, which included setting aside some 'fun money' for now and for things to do in the early years of their retirement.
2. Established clients' tolerance to risk using a sophisticated risk profiling system. We were able to reduce the level of risk within their investments and pensions and still keep them on track to meet their objective of maintaining their existing lifestyle.
3. Provided a clear summary of the various ways that they could take their private pension benefits and recommended a solution that provided a tax free lump sum, flexibility to draw a higher income in the early years of retirement and to maximise death benefits for Mrs Brown.
4. Reorganised investments and pensions using the low cost BRB investment process. Generated cost savings of £2,000 per annum. Investments consolidated into one reporting structure making everything organised, simplified and easy to understand. This dramatically reduced their ongoing paperwork and removed a lot of hassle.
5. Improved returns from cash deposits by £400 per annum.
6. Arranged for the death benefits from the pension plan to be paid into a trust, thus removing a potential inheritance tax liability of £96,000.

### the results ▾

1. Gave Mr and Mrs Brown the confidence to live the life that they wanted to live in the early years of their retirement.
2. Provided a clear strategy for the most appropriate way to take their private pension benefits in order to maintain their existing lifestyle but also have some 'fun money' now and in the early years of their retirement.
3. By reducing the level of risk being taken within their investments and pensions, gave greater security and peace of mind whilst still meeting their objectives.
4. By restructuring their investments, their financial affairs were greatly simplified with annual investment charges being reduced by £2,000 per annum and interest on cash funds increased by £400 per annum.
5. Eliminated £96,000 of inheritance tax, preserving wealth for the next generation.