

## Do you need to talk about your Final Salary Pension?

Are you one of the lucky people who has a Defined Benefit pension through a previous employer? Are you confused by the contrary opinions which have been expressed in the media recently? Could a review be a good thing for you or should you leave things as they are?

The starting point to answer these questions is that your benefits should remain in your scheme. However, there are some very valid reasons to review your scheme benefits, depending on your individual circumstances. Here are some of the basics:

### Valuable benefits of your existing scheme:

- Certainty – you can rely on the scheme to provide you with a guaranteed pension for life. It cannot run out.
- Inflation – most scheme pensions include guaranteed annual increases both before you start taking benefits and in retirement.
- Investment Risk – the scheme pays your fixed and increasing pension benefits regardless of the underlying market movements.
- Survivor's Pension – on your death most schemes will pay your spouse/partner a pension until their own death.

### Reasons to review your scheme benefits:

- Flexibility – an alternative pension would enable you to access your pension benefits from age 55 and give complete control as to how much and when benefits are accessed.
- Tax planning – unlike the fixed benefits of your scheme, an alternative pension allows you to maximise your tax planning, mitigating income tax and using your pension as part of your estate planning provisions.
- Maximum lump sum - an alternative pension could provide potentially higher tax free cash benefits.
- Inherited Benefits – Unlike your scheme benefits, an alternative pension has a fund value and any fund remaining on your death can be passed down to beneficiaries of your choosing. This can be particularly valuable if you have reduced life expectancy as your current scheme benefits end following your own and your spouse/partner's death.

We are Chartered Financial Planners and specialists in this field. If you would like to discuss your individual circumstances please call us on 01522 697310 or email [enquiries@jchim.co.uk](mailto:enquiries@jchim.co.uk).

**A pension is a long term investment - the fund may fluctuate and can go down. Your eventual income may depend upon the size of the fund at retirement, future interest rates and tax legislation.**

**The value of investments and the income from them can go down. You may not get back the original amount invested.**

**jch: investment management is regulated by the Financial Conduct Authority under reference 610812.**