

# UnitedPensions

Retirement Options Guide



May 2018



UnitedPensions

# About this guide

As you make your retirement choices you have a number of options available to you. This guide tries to explain what these options mean to you and highlights some of the issues you might consider when making your choices.

There are two key steps:

- 1** How much will I need?
- 2** Choosing how to take your pension

Currently the following options are available to UnitedPensions members at retirement:

- Option 1** Fixed annuity with an insurer
- Option 2** Variable annuity with a Dutch provider
- Option 3** Putting off or advancing retirement
- Option 4** Vary the level of your annuity

This report is based on the following personal information;

Name:	<input type="text"/>
Gender:	<input type="text"/>
Date of birth:	<input type="text"/>
Postcode:	<input type="text"/>
Pension fund:	<input type="text"/>
Income prior to retirement:	<input type="text"/>

The guide explains other issues you will need to consider when planning your retirement finances, such as how much income you will need and the impact of the rising cost of living.

Finally, we are including a handy checklist of things you will need to think about to help you decide which options are right for you.

**This guide has been produced by UnitedPensions. This document is not designed to be the definitive factor in your retirement choices, it is simply an educational piece to assist in your decision.**

While every care has been taken in the preparation of this guide to make sure that it is accurate and that it reflects government legislation and tax rules in force at the date of this guide, the information in this guide is provided as guidance only and is subject to change and so action should not be taken as a result of this document alone. Nothing in this guide should be interpreted as legal, financial, investment or tax advice and you should consider contacting your own independent advisers if you require such advice or if you are unsure. Nothing stated in this guide imposes any legal rights, as these only arise under the governing rules of your Plan and UnitedPensions (including the Bylaws, Management Agreement and Act of Accession) ("Rules"). If there is any inconsistency between this guide and the Rules, the Rules take precedence. You can get a copy of the Rules of UnitedPensions from the Plan Information & Documents section of the member website under My Pension, or by contacting the UnitedPensions Contact Centre whose details are set out in the Plan Summary document.



# 1 How much will I need?

When planning your retirement income, there are a number of steps you should consider. You need to make sure that your essential expenses will be covered each month and that you have also allowed for inflation as you grow older, as the price of things may rise faster than your income.

It's useful to list your essential expenditure to work out the minimum income you will need to pay the basic bills and keep a roof over your head. Once this is secured, the remaining money can be used for other desirable things and even the odd luxury. Remember, once you retire, some essential costs such as the cost of commuting to work will disappear.

To help you, use the budget planner to consider which are essential and those that you could do without, even if you don't want to.

## How prices change

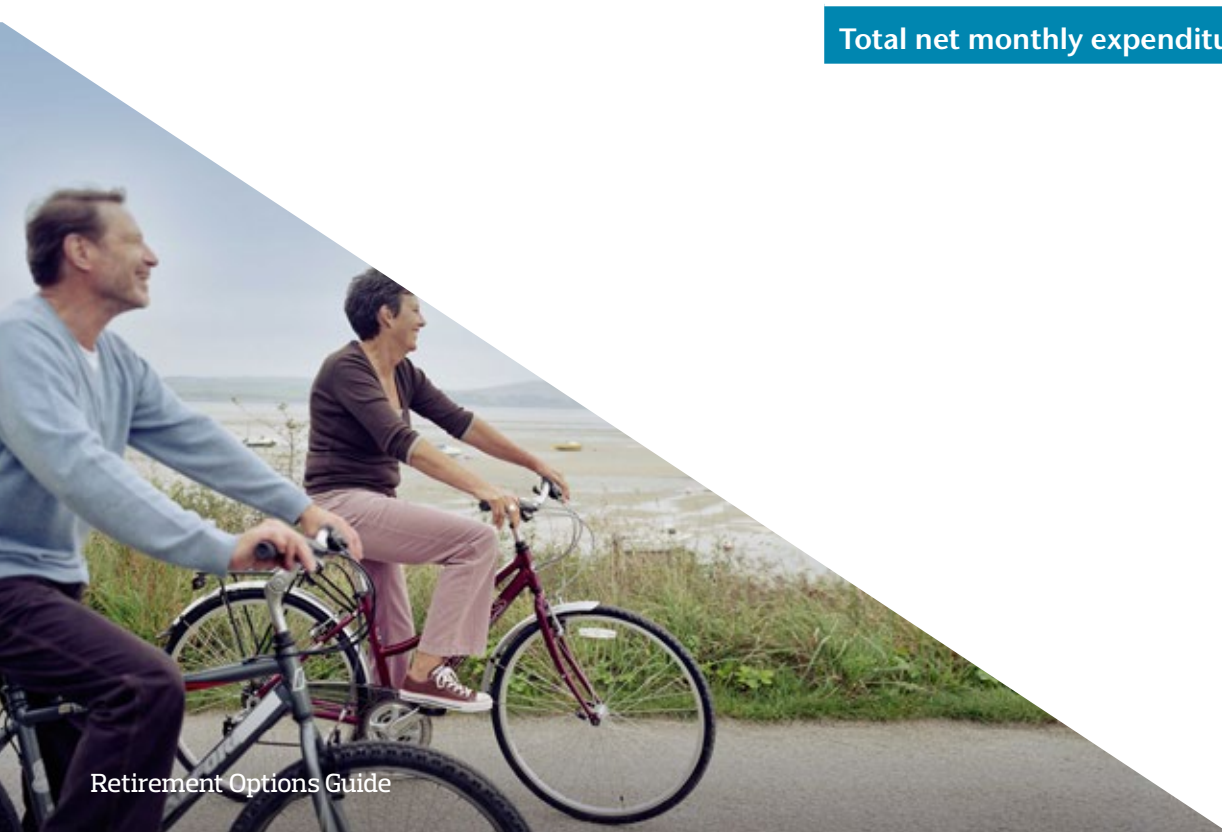
As you plan your retirement income, be aware of how costs may increase in the future.

How would you cope with higher prices if your income stayed the same?

## Your expenditure

Enter the amounts you pay out in the table below. Don't forget the one-off expenses that you might have each year (e.g. insurance premiums).

	Amount per month
Mortgage/rent	€
Loan/HP repayments	€
Council tax	€
Utilities	€
Household expenses	€
All insurances	€
Travel expenses	€
Credit / store cards	€
Regular savings	€
Social expenses	€
Other expenses	€
<b>Total net monthly expenditure</b>	€





## 2 Choosing how to take your pension

Pension freedom means that you can decide how to take your lifelong pension: what level of certainty, from when and in which way to spread it over time.

### Option 1

#### Fixed annuity with an insurer

Traditionally you had to purchase a lifelong guaranteed payment with an insurer using the capital saved.

*'The amounts paid into the pension plan nor the capital saved have been taxed. So the lifelong payments you will receive are subject to taxation. However, the tax level after retirement can be lower than before.'*

At retirement you can transfer your pension capital to an insurer of your choice and receive a lifelong, guaranteed payment. However, there are generally no cost-of-living adjustments or indexations unless explicitly included in your annuity. You know what you are going to get and that is all.

However, due to low market interest rates and life expectancy, the pension payments from fixed annuities can be relatively low. The advantage is that your pension cannot be reduced. A fixed annuity is usually a fixed payment which will remain the same amount during your retirement. Occasionally it is possible to select a lower starting pension with fixed increases.

## Option 2

### Variable annuity with a Dutch provider

Due to new legislation you can choose to continue investing the pension capital after retiring. Your pension payment will be determined on an annual basis. The amount can vary per year, depending on the return on investment, the development of interest rates and life expectancy. Your benefit might be slightly higher than a guaranteed pension with an insurer. However, there is no guarantee. If the investment returns are low, interest rates are going down or life expectancy increases, then this will result in a reduction in your pension payment.

## Option 3

### Putting off or advancing retirement

Your circumstances may allow you to defer your retirement. Retiring later will give you more opportunity to save for your retirement and as you will be older, you may be entitled to a larger lifelong income.

Postponing retirement for each year will result in a monthly payment of approximately 5-8% more. Advancing retirement will result in a monthly payment of approximately 5-8% less for each year earlier.

## Option 4

### Vary the level of your annuity

You can take a higher or lower amount for the first five or ten years and a lower or higher amount after if permitted in your Plan Rules. This can cater for your specific circumstances.

It may also be a good opportunity to review your existing pension plans and bring them all together potentially giving you more flexibility with regard to options at retirement. Although you should seek financial advice if you are unsure.

## Other things to think about

- Review your existing pension arrangements and confirm what can be done with each one. Some pensions promise a guaranteed income on retirement.
- Decide whether this is the best time for you to retire – continuing to work for a few more years can help to improve your income in retirement.
- Define your income needs, especially your essential expenditure – it is a good idea to try and guarantee your income to cover the basics.
- Review your dependant's income – how will those who are important to you be catered for after you die.
- Think about the impact of inflation and how costs rise over time.
- Think about your ability to withstand any reduction in income – if your investments were to fall in value, how well could you cope to pay for the things you need.
- Explore options and investments that you are comfortable with and are appropriate, based on your attitude, experience of taking on risk and personal circumstances.
- Think about how you would fund future long term care for you or your dependant.



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*With much more choice available around how you use your retirement savings it has never been more important that you understand those options and what will be the best decision for you. If you unsure what to do you should take advice.*







## Want to know more?

For more information, please log on to your member website at <https://myunitedpensions.nl>

The value of investments and the income from them can go down as well as up and are not guaranteed. You could get back less than you have invested. Past fund performance is not a guide to future performance. Rates of exchange may cause the value of investments to fluctuate.

Nothing in this document should be treated as an authoritative statement of the law on any particular aspect or in any specific case. It should not be taken as financial advice and action should not be taken as a result of this document alone. You should consider seeking financial advice if you are unsure.

For the protection of everybody concerned, we normally record phone calls.

Tax relief is subject to government legislation and so may change.

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