

# Broadcast

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When you are dealing with the daily round of activities to balance the needs of your working life and private life, taking a step back to consider if you are making sufficient provision to meet your financial needs when you retire may be way down your list of priorities.

Unfortunately, retirement planning cannot be left untended; and here's why:

## **Inflation**

Although the current rate has returned to more acceptable levels – 3.4% in the 12-months to February 2024 - this does mean that an income of £20,000 per year, priced in today's money, and assuming that inflation continues to run at an average 3.4%, would need to increase to the following amounts taking inflation into account and providing you with enough income to match expected price increases:

- almost £28,000 if you retired in 10 years or
- £39,000 if you retired in 20 years.

## **Personal expenditure**

It is difficult to estimate what we would need in terms of disposable income when we retire especially if our planned retirement date is some time away.

But this is the calculation that will provide the minimum level of income that you will need to create (suitably discounted for the effects of inflation) to fund your retirement.

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## Identify and plan your retirement income

If you have paid the required NIC contributions during your working life, you should qualify for the State Pension.

Add to this any private pension funding you have organised, and for most of us, this will be our base recurring income that requires no further action on our part (other than to continue making contributions until we do retire). If this pension income is not sufficient to meet our retirement needs a further level of planning is required to fund the shortfall.

## Income shortfall

Funding a post-retirement funding shortfall will require a careful consideration of the following points:

- Could you reduce your post-retirement income needs?
- Do you have any investments that would provide you with additional income?
- Could you create any additional income streams – monetise a hobby for example?

And what actions do you need to take now to make-up this shortfall?

## Information is power

Your ability to create a working retirement plan is not something that should be dealt with at the last minute.

If you act now on the steps set out in this Broadcast, and you make any required changes with enough time for the changes to have the required effect on your retirement plans, then you should be a step closer to having a sustainable plan.

## We can help

If you would like to discuss and create a realistic plan to fund your retirement, please get in touch so we can discuss your options.

For further information on this, please call us on **01753 888 211** or email **info@nhllp.com**. We would be happy to help.