

VIEWPOINT

JARVIS FINANCIAL LTD

Thank you for reading our newsletter, if you would like to discuss any of the articles further, please do not hesitate to contact us



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Are you approaching retirement?

If you are nearing retirement, you may have been particularly worried about the impact of recent market volatility on your pension assets and perhaps you are reassessing your retirement plans. There are several things to consider if you are planning to retire, which will depend very much on your own circumstances.

Since pensions freedoms were introduced in 2015, there are many more options available to retirees. Sudden retirements used to be the norm. People would stop work completely one day and be fully retired the next, perhaps receiving a regular income from an annuity. It is now possible to take a more gradual journey into retirement - making use of this flexibility in how you draw funds could be sensible in times of uncertainty.

Consider your timescales

If your planned retirement is 5 to 10 years away, there is a reasonable time for your savings to recover from the recent market volatility, but you should still take action:

- Review your retirement age.
- Consider increasing your pension contributions.
- Talk to us about your attitude to risk and appropriate fund switches.

If you have less than five years to retirement, your pension pot may not have been exposed to market volatility as much as you think. You may have benefited from a lifestyle option on your pension which is designed to 'lock in' investment growth as you approach retirement, by switching funds to less risky assets. This option is not suitable for everyone, particularly if you intend to keep your pension pot invested and use income drawdown to give you an income in retirement.

If you are retiring this year and your pension pot has taken a hit, you could consider delaying retirement until markets recover, but this may not be an option for everyone.

Advice is key

One of the biggest risks in uncertain times is to act in haste and make rash decisions.

Getting financial advice is crucial in making the right decision. We can help you consider all your options, including reviewing whether any other assets could be used to provide an income, so that your pension stays untouched.

The value of investments and any income from them can fall as well as rise and you may not get back the original amount invested.



Protect yourself and your family in 2020

While most of us don't go through life expecting something bad to happen, the truth is that we never know what's around the corner. Why not make 2020 the year you put plans in place to safeguard yourself, your family and your home, so that you know you're protected against life's unexpected events?

When to take out protection cover

Most people look into buying a Life Insurance, Critical Illness or Income Protection policy following a significant life event: buying a home, getting married or having children.

Before taking out a policy, however, be sure to check if any protection cover is included in your workplace benefits, as your employer may already be providing cover.

Review your policies regularly

If you don't review and update your policies on a regular basis, you could find yourself underinsured. If you upsize and your mortgage increases, for example, your current policy might not pay out enough to cover your new monthly repayment. In fact, a huge 73% of people aren't sure they have the right level of protection cover. By ensuring you regularly review your cover, you can make sure you're not in this situation.

Reduce stress, both now and in the future

Do you worry about your income and how you and your family would cope if anything happened to you? Are you ever concerned that you might struggle to keep a roof over your head? One way to rid yourself of these niggling worries is to take out protection cover. With only 44% of 18 to 35-year-olds saying they could cope for more than three months on their savings if they lost their income due to illness or injury, it's more essential than ever to plan for these eventualities.

It's not just about life insurance

Protection cover isn't just there to pay out to your family when you die. You can also take out serious or critical illness cover, as well as policies that pay out if you get injured or made redundant. With rent or a mortgage, household bills and other expenses, imagine how much stress could be alleviated if you have a steady income from an insurance policy while you're unable to work.

It won't happen to me...

This is an assumption many of us are guilty of making; however, latest government figures for 2018 show that one in twenty-five employed people had a spell of long-term sickness absence. It might not happen to you – but if it does, having cover could make the world of difference.

