

GUIDE

Pre-Retirement Checklist



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IMPORTANT INFORMATION

The contents featured in this publication is for your general information and use only and is not intended to address your particular requirements. Articles should not be relied upon in their entirety and shall not be deemed to be, or constitute, advice. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions taken in respect of any articles.

Investments carry risk. The value of your investments (and income from them) can go down as well as up, and you may get back less than you invested. Past performance is not a reliable indicator of future results. Investments should be considered over the longer term and should fit in with your overall attitude to risk and financial circumstances.

Introduction

Preparing for retirement is a pivotal phase of life that requires careful planning, strategic decision-making and a comprehensive understanding of your financial matters.

Where retirement landscapes are evolving amid shifting economic conditions and legislative changes, it's essential to approach retirement preparation with diligence and foresight. Whether you're on the brink of retirement or just beginning to think about your goals for your future, having a well-defined roadmap can make all the difference in achieving your retirement goals and enjoying financial security in your later years.

This pre-retirement checklist serves as a guide for individuals embarking on their retirement planning journey. It outlines essential steps to assess your current financial standing, evaluate savings options and create a robust retirement plan tailored to your unique circumstances and aspirations.

By giving consideration to each of these questions and seeking professional advice, you can lay the groundwork for a fulfilling retirement that affords you the lifestyle that you desire and the peace of mind that you deserve. Whether your retirement dreams involve travelling the world, pursuing lifelong passions or simply enjoying quality time with loved ones, proper planning now can pave the way for a rewarding and secure future.

When do I want to retire?

Determining when you want to retire is a pivotal decision that sets the foundation for your entire retirement plan. This choice is deeply personal and influenced by a variety of factors, including your financial readiness, career aspirations, health considerations and lifestyle preferences.

Some individuals may aspire to retire early to pursue leisure activities or spend more time with family, while others may prefer to work longer to bolster their savings or continue pursuing professional goals. There is no right or wrong answer which is why your retirement plan needs to be specific to you.

The state pension age is the age that many people aim to be retired by as the state pension tops up your retirement income. The current age in which you can access the state pension is 66 however, in 2028 this age is rising to 67. How much you are entitled to will depend on your level of national insurance contributions over your working life.

You will need a minimum of 10 years' worth of national insurance contributions to be eligible for any state pension payment and you will need 35 years of national insurance contributions to be eligible for the total amount, which for the 2025/26 tax year is currently £230.25 per week, or £11,973 per year. More information on eligibility for the state pension can be found on the [GOV website](#).

You don't have to wait until state pension age to retire though. You are able to access most workplace and private pensions from the age of 55, rising to 57 in 2028 which could fund your retirement lifestyle until you reach state pension age, but you have to consider whether it can last you beyond that.

It's essential to carefully evaluate your retirement timeline taking into account your desired retirement lifestyle, anticipated retirement income sources and any potential obstacles or opportunities along the way. By setting a planned retirement age and timeline, you can begin to craft a comprehensive retirement strategy that aligns with your goals and ensures a smooth transition into this next phase of life.

Does my retirement fund provide me with enough to live off?

Research from the [retirement living standards](#) indicates that in order to maintain a 'minimum' standard of living in retirement, which means covering essential expenses and participating in minimal leisure activities, individuals will require £14,400 annually if they are single and £22,400 for a couple.

On the other hand, to enjoy a 'comfortable' retirement, characterised by having greater financial flexibility and the ability to indulge, the recommended amounts are £43,100 annually for a single person and £59,000 for a couple.

This shows that the state pension is not enough to comfortably live off alone and with the current average life expectancy in the UK being 82.06, and many people living longer, you need to ensure that you will have enough money to last for your whole retirement, however long that may be.

If you have certain retirement goals, you will need to understand whether the savings you have accrued during your working life will be sufficient.

A financial adviser will work with you to create a financial plan in your final working years on how to make your retirement dreams a reality and they will give you a realistic understanding of how much money you will have to budget with per year.

AMOUNT REQUIRED TO ENJOY A 'COMFORTABLE' RETIREMENT

£43,100

Annually, for a single person

£59,000

Annually, for a couple

Do I have the details of all of my pensions?

If you have moved jobs within your career, then it is highly possible that you have pensions with different providers.

It isn't uncommon for people to move jobs a lot, especially at the start of their career. It is predicted that more than £50bn of pension savings are at risk of being lost due to frequent job changes. Therefore, it is important to track down any lost pensions to ensure that you can receive income from them in retirement. You can see if you have any lost pensions using the GOV website.



Can I afford to increase my pension contributions?

Pensions provide tax relief on contributions making your money grow without you really needing to think about it. Assessing whether you can afford to increase your pension contributions is a critical aspect of retirement planning.

It involves carefully evaluating your current financial situation, including your income, expenses, savings and other financial obligations.

Increasing your pension contributions can significantly enhance your retirement savings and help you to achieve your long-term financial goals. However, before making any adjustments, it's important to consider the potential impact on your short-term financial stability and liquidity needs. Remember, it is still important to live your life during your working years as well as save for those later years.

Conducting a thorough analysis of your budget and cash flow can provide insight into whether you have the flexibility to allocate additional funds towards your pension without sacrificing essential expenses or emergency savings. It is beneficial to consult with a financial adviser to assess the potential impact of increasing your pension contributions and ensure that your decision aligns with your overall financial strategy and objectives.

How am I going to withdraw my pension/s?

If you have moved jobs within your career, then it is highly possible that you have pensions with different providers. There are a number of ways in which you can use your pension, such as:

Annuities

Annuities provide a guaranteed income for life or a set period in exchange for a lump-sum payment. They offer security and predictability, making them a popular choice for retirees seeking stable retirement income. However, annuities may not keep pace with inflation and once purchased, they cannot be changed or adjusted.

There are a number of different types of annuities such as a level annuity, which pays the same income each year and an escalating annuity, where your income will rise each year at a fixed rate. It is important to fully understand the different types of annuities to explore which is right for you and your needs, therefore, it is strongly recommended that you consult a financial adviser before purchasing one.

Lump sums & cash withdrawals

Some pension providers allow you to take lump sums or make ad-hoc cash withdrawals directly from your pension. In most cases, up to 25% of the amount withdrawn can be taken tax-free (subject to available allowances), with the remaining amount taxed as income at your marginal rate. Large or frequent withdrawals can push you into a higher tax band and may reduce the long-term sustainability of your retirement income. Taking lump sums is therefore usually considered alongside wider income planning and tax considerations, and professional advice can help ensure withdrawals are structured efficiently.

Income drawdown schemes

Income drawdown allows you to keep your pension invested and take a flexible income from it over time. This approach offers greater control over how and when you draw income and can be adjusted as your circumstances change. However, because your pension remains invested, its value – and the income you take – can rise or fall, and there is a risk of running out of money if withdrawals are not carefully managed. For this reason, income drawdown is typically used as part of a carefully planned retirement strategy and should be reviewed regularly with a financial adviser.

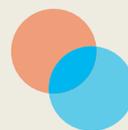
Deciding how to use your pension pot is not an easy decision and can be one of the hardest decisions you will ever make. You need to ensure that you have enough income to sustain your desired retirement lifestyle and a financial adviser can support you to make the right decision for your specific goals and income.

The tax implications of pension withdrawals will be based on your individual circumstances, tax legislation and regulation which are subject to change in the future.

Am I on track to retire when I want to?

In order to see whether you are on track, you will need to see how your pension and any investments are performing as well as accumulating the total amount that you have in other savings vehicles.

By working alongside a financial adviser, if you are not on track to achieve your goals, then they will be able to support you to either adjust your financial goals or explore options such as adjusting your investment portfolio in order to try and make your money go further. You may consider at this stage to not fully retire, but to slow down and work part time to continue having a regular income.



A pension is a long-term investment not normally accessible until 55 (57 from April 2028). Your capital is at risk. The fund value may fluctuate and can go down, which would have an impact on the level of pension benefits available. Your pension income could also be affected the interest rates at the time you take your benefits.

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