

Case Study - Retirement



Client Profile

Name: Oliver

Age: 58

Circumstances: Existing adviser recently retired, the client had been selecting his own investments in the interim period.

However, two selected stocks had fallen 60% and another 75% since the date of purchase.

Goals: Retire in 2 years with £60,000 net per annum in retirement.

STEP 1

Initial Meeting

Our client completed a fact find document using our online client portal. Based on this information we are able to forecast and assess the following in our initial meeting:

- Whether the client was on track for their retirement goals.
- If the current value of the investments sustain their income needs.
- What options he had in maximising savings between now and retirement.
- What risk the client is willing and can afford to take if markets don't perform as expected.

STEP 2

Financial Planning

In this case, owing to the client's income and tax circumstances, we advised Oliver to invest the proceeds of their second home in their spouse's name to benefit from their tax allowances, namely:

- Capital Gains Allowance.
- ISA allowance.
- Pension annual allowance of £3,600 gross per annum.

STEP 3

Our Proposal

- Recommendations to rebalance and de-risk the existing pension portfolio to ensure it remains on track.
- Recommendations as to how to invest the capital proceeds from the sale of their second home.
 - Invest in spouse's name in an unwrapped general investment account.
 - Feed £20,000 per annum into an ISA to re-locate to a tax efficient environment.
 - Contribution of £2,880 per annum to a personal pension in order to generate £720 tax relief – as the client will be a zero-rate taxpayer.
- Put in place a realistic timeline for downsizing/equity release.

Outcome

Oliver was provided with a conservative, but realistic retirement plan which suggested their income needs and retirement objectives are achievable.

Following the implementation of the advice, we provided Oliver with our cutting-edge client portal and smartphone app, which brings all of the various investments together in one place.

The client had the confidence to pull the trigger on retirement and is looking forward to many years of exciting adventures.