Simply the best?

Don’t be fooled that there is such a thing as the ‘best’ pension plan. Retirement planning will be different for everybody, depending on your circumstances, says Ray Prince

Like many of our clients, we are constantly updating our own knowledge of Continuous Professional Development (CPD). As part of some recent CPD, we read a report called ‘Advisers Have Vital Role As Persuaders’. It was compiled, based on the results of a survey carried out by investment group Fidelity, which asked both individual investors and advisers to rank five factors in retirement planning success in order of importance, ‘1’ representing the most important.

The survey aimed to identify how well educated financial advisers are about the importance of finding the best pension plan – the most important factor according to financial advisers – they still rated ‘finding the best pension plan’ their top priority.

Looking at some of the results of the survey below, we can see that although individuals understood the importance of the amount saved over a lifetime – the most important factor, they still rated ‘finding the best pension plan’ their top priority.

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The main point this survey brings to light is the idea that individual investors believe that there is a ‘best pension plan’ out there. We do not have space to reiterate our investment process here, but in short, while the pension wrapper is important (as it is tax efficient), the investments within the pension that really matter.

The next step

If your adviser has not taken into account the above factors as a minimum to your overall retirement planning, we recommend you do so now. Retirement planning is not just about pensions – building in all factors and having a life now is quite important, too. Even if you intend to simply buy policies instead of comprehensive planning, be aware of advisers who charge large amounts of commission and talk about the ‘best pension’.

For a free copy of Rutherford Wilkinson’s Audio CD: How To Avoid The Three Most Common Retirement Planning Mistakes, call Catherine Lowes on 0191 217 3340 and a copy will be posted to you (please quote ref: DT).

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