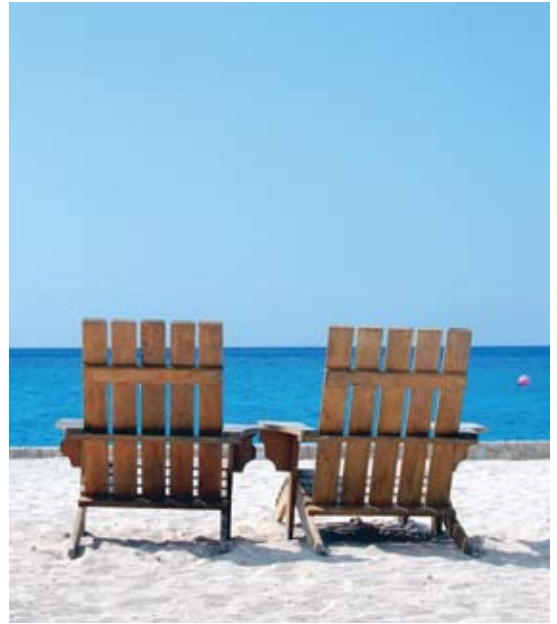


# planning ahead

For most of us, the days of relying upon the state to keep us in our retirement are long gone. Staying with one employer throughout our working career and building up cast iron benefits within a final salary pension scheme is also becoming a rarity and so we have to face the prospect of saving more of our money to give us an adequate income in retirement.



Here, Jason McGuigan, Partner of Critchleys Financial Planning, sets out seven easy steps to having enough money to retire on.

**1. Estimate roughly how much money you'll need to live on in retirement.** Don't get too bogged down on how to calculate the amount at this stage. A ballpark figure is a good starting point, and you can use one of a number of good online retirement calculators to get an estimate.

**2. Calculate what will be available from sources other than your savings.** For example, what is your expected State Pension at retirement age? Do you or your spouse have a pension from a previous or current employer? If you have a personal pension, what is the expected value at your planned retirement age? Use a conservative rate of growth to avoid overestimating.

**3. Set goals for reaching the amount you'll need to make up the difference.**

**4. Get out of debt.** If you carry thousands of pounds of credit card debt and pay the minimum payments each month, your potential retirement savings are going directly to your credit card

company in the form of interest. Paying only the minimum payment on credit cards is one of the worst financial mistakes you can make.

**5. Play catch-up.** The amounts that you can now contribute into a pension plan and get full tax relief is very generous, so take advantage of this, especially if you are a higher rate tax payer.

**6. Consider relocating or downsizing.** If you live in an area with a high cost of living, or if your children have left home, moving to a less expensive property and investing the savings for retirement could make a big difference in your ability to amass a nice nest egg.

**7. Consider a second income.** If you're worried about being able to amass enough money to retire, consider taking on a second job and investing your earnings.

The older you are when you start seriously saving for retirement, the harder it will be to achieve your goals - but it can be done by following the advice above. So don't let doubt or discouragement keep you from starting right away, regardless of your age.

If you have questions on any aspect of financial planning, you can call Jason McGuigan on 01865 261100 or email [jmcguigan@critchleys-fp.co.uk](mailto:jmcguigan@critchleys-fp.co.uk)