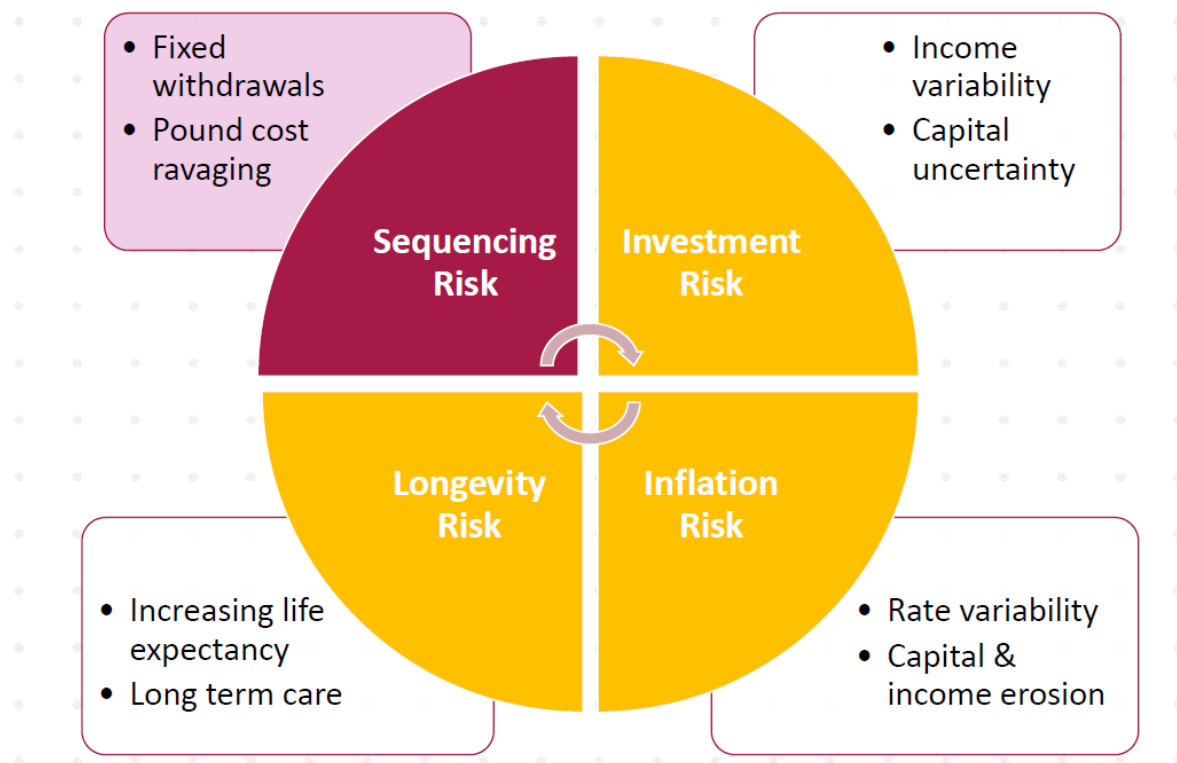


Managing Retirement

For most of our life we aim to fund our spending and accumulate wealth. As we near the end of our working life, we turn to final plans for retirement i.e. decumulation of wealth, which is an area AIMS specialises in. Whilst in our younger days we tend to be open to taking more risk, when retirement is approaching and during retirement, we require more certainty and tend to be more risk adverse.

AIMS work with our clients to manage their retirement income requirements and ensure investments are risk appropriate. There are multiple risks we consider in reaching and passing retirement. Every client has different circumstances and our understanding of those help us best manage the risks.

Planning **for** retirement → Planning **in** retirement



For many of our clients, currency risk is also an important issue, and although we cannot give currency advice, this can still be managed depending on individual circumstances.

Pensions, Trustees, jurisdictions and their relationships

Our role as the financial adviser is to determine client's financial needs and risk profile. Where a pension is involved, we select the best jurisdiction and trustees to enable that to happen by performing market analysis and due diligence.

The trust and trustees then form the top echelon of the underlying pension planning. They administer and maintain the trust with key roles;

- act in good faith and in the best interests of members and beneficiaries
- act impartially, prudently, responsibly and honestly in line with the trust deed and rules
- accept contributions into the scheme
- decide the investment strategy and invest the scheme's assets
- set up and run the bank account
- regulatory reporting
- payment of benefits

We deal with multiple trustees in 3 jurisdictions, all with different methods, practises and regional regulations. For every client, we ensure they are in the best jurisdiction for their own circumstances, but recommend independent tax advice should be sought prior to drawing benefits and this is essential to the advice process where we are dealing with clients living in one jurisdiction with a pension in another where the relationship between the two could affect the tax position. This information is crucial in ensuring your benefits remain in the best jurisdiction for you.

The second tier is the investment manager who is appointed by the trustee to make investment decisions. We recommend independent, qualified and highly regulated investment managers using either their managed portfolio services where accessed directly or their multi-asset funds where via a portfolio bond. They are all daily traded and penalty free. These recommendations are signed off by the trustees.

3rd party trustee jurisdictions such as Guernsey, Gibraltar, Malta, etc are tightening controls on investments and increasing oversight where in the past they've allowed financial advisers to make recommendations which lead to suspended and illiquid funds.

As financial adviser we bring all parties together and manage the overall working of the relationship between client, beneficiaries, trustee and investment manager to ensure everything works in the best interests of our clients. This requires continuing due diligence and regular interaction with all parties, ensuring we understand our client's personal circumstances so we can ensure their current and future needs, especially income requirements are being safeguarded. This includes continual assessment of the facts, advising and recommending changes where necessary.

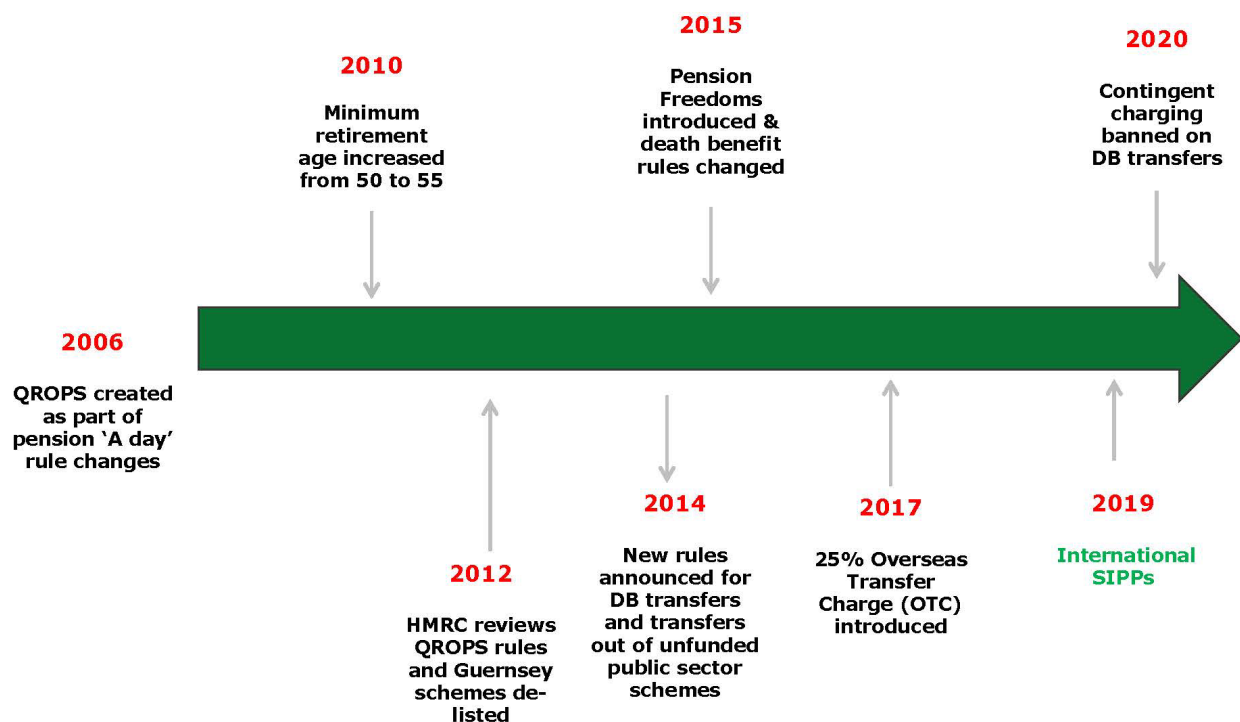
This requires ongoing due diligence and regular discussions with all parties, ensuring there is a clear understanding of our client's personal circumstances and financial position. This ensures our clients current and future needs, especially capital and income requirements are being safeguarded.

Pension transfers

In 1670 The Royal Navy introduced a pension scheme for officers. However, it's during the last two centuries that we've seen the biggest changes in the UK. 1908 saw the start of the social welfare system, which was greatly enhanced in 1948 with contributory State Pensions followed by SERPS in 1975 as well as a new code of defined benefit pensions which allowed much easier preservation of pensions when changing jobs. 1988 saw the next revolution with personal pensions and work-place money purchase schemes. More recently we seen triple lock pension increases and auto-enrollment of workplace pensions.

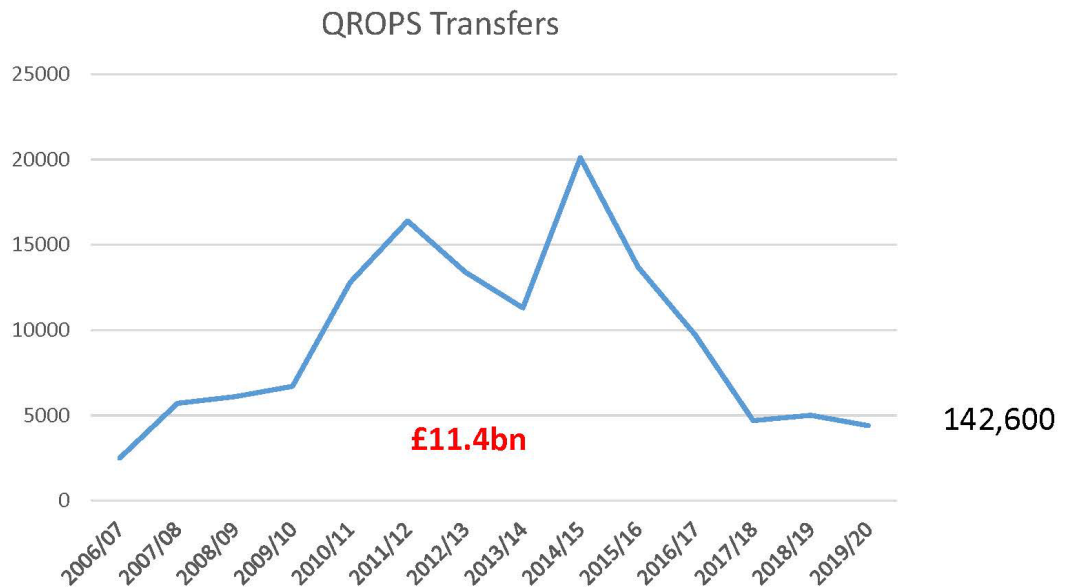
2006 opened up a new world of pension transfers with QROPS available to those who'd moved internationally. Since then further changes have increased minimum retirement age, delisted several major 3rd party jurisdictions such as Guernsey, Hong Kong and Singapore, allowed greater freedom in UK pensions and introduced a transfer charge for post 2017 transfers. Defined Benefit transfers are now very difficult and closed for public sector schemes.

Historic changes to UK pension rules



Changes, particularly the transfer charge have significantly reduced the amount of QROPS transfers. However, the historic transfer market is huge! 140,000 transfers valued at over £11 billion.

Historic transfers to QROPS



Source: HMRC.gov.uk

Many of these will have been advised to go into insurance bonds by commission-based salesmen and will likely be at or nearing the end of initial charging periods and may have little or no oversight on the underlying investments as the salesmen have moved on.

AIMS has extensive expertise in this area and can offer a free review to anyone with historic pension trusts to ensure they are being charged the market rate, are taking the correct risk with their portfolios and are able to access funds when required. If you know anyone in this position who could benefit from our help, please do put them in touch.

A look forward...

Please do contact AIMS if there is any subject you would like more information about.

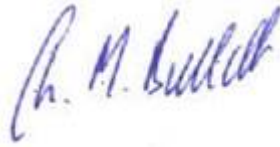
If you have any issues with pictures included, please let us know and we can send them to you separately.



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Consultant



Pensions and
Investments



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