



Road to retirement

Your future, your choice



Wincanton plc Pension Scheme

Saving for Retirement

September 2015





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—○ *There are different types of pension scheme that you can choose to join...*

Work place pensions

All employers, including Wincanton plc, now have to offer a workplace pension.. There are many different types of work place pension in existence, but at Wincanton you are offered the opportunity to join the Wincanton plc Pension Scheme's **Pension Builder Plan (PBP)** Section, which is commonly known as a Defined Contribution (DC) scheme.

Depending on when you joined Wincanton plc and if you chose not to join a pension scheme you may have been **auto-enrolled** into the **Retirement Savings Section (RSS)**. RSS is also a DC scheme.

The final scheme that Wincanton operates is the **Final Salary Section (FSS)** – this scheme is also known as a Defined Benefit scheme. This section closed to future contributions on 31 January 2014, if you were a member at that date you will retain a benefit in this section.

What is a Defined Contribution “DC” Arrangement?

In a DC arrangement a pension savings account is set up for you and you and Wincanton both contribute to it. The account is then **invested**, with the aim that it will grow to provide you with pension benefits at retirement. It is worth noting that your pension account can both increase and decrease in value depending on how your chosen investments perform.

Contribution levels are defined by Wincanton, although you can choose to save more, hence the name Defined Contribution.

One thing to note is that all the Wincanton plc Pension Scheme is managed and monitored by a board of trustees and not by Wincanton plc. The board of trustees is chosen to ensure the efficient and effective running of the Scheme. You can find out more about Wincanton’s Trustees and their roles and responsibilities in safe guarding your pension savings **here**.



—○ Added extra benefits

Being part of a workplace pension has some additional benefits which private schemes and other savings and investment solutions may not provide.

Tax efficient savings (SMART Pensions)

Defined Contribution (DC) schemes such as the Pension Builder Plan (PBP) and the Retirement Savings Section (RSS) benefit from tax relief.

At Wincanton we offer SMART Pensions. Under SMART Pensions your contributions are taken from your salary before any tax has been deducted.

The effect of tax relief is that a contribution of £100 that would have been taxed at 20%, and therefore worth just £80 net, is paid into your pension fund without any deduction – so it's worth the full £100. When you retire, the pension you draw will be taxed with the exception of the tax-free allowance, normally worth up to 25% of your pension pot.

You can find out the difference opting into SMART Pensions can make to you by using our **handy modeller**.

However, there are limits to the amount of pensions savings that you can receive tax relief on and these are known as the **Annual Allowance and the Lifetime Allowance**.

Additional employer funded contributions

Many employers also contribute to workplace pensions, which Wincanton does (rates are dependent on which section of the Scheme you join, your level of contribution and your category), so it's worth joining in order to take advantage of this helping hand to boost your retirement savings even further.

Death benefits

Most employers include provisions for the unfortunate event of your death before retirement. Wincanton offers different levels of death benefits depending on which plan you are a member of.

Death benefits can comprise of one-off, tax-free lump sum payments to your nominated beneficiaries, spouse or dependants' pensions and or a further cash lump sum based on your annual salary if you are still in employment with Wincanton. More details of the Death Benefits offered as part of the Pension Builder Plan and Retirement Savings Section can be found via the **Scheme Specific Information** pages of this site.

Private & State Pension schemes

Private pension schemes

Unlike a work place pension, you can arrange to take a personal or stakeholder pension privately. These schemes usually provide a pension based on how much was paid in – so not dissimilar to a Defined Contribution workplace pension.

A personal or stakeholder pension might work for you if you want to make savings on top of your workplace pension savings. You may also receive tax relief on these savings, however there are limits to the amount of pensions savings that you can receive tax relief on these are known as the **Annual Allowance and the Lifetime Allowance**.

State Pension

A part of the payments you make in National Insurance contributions goes to fund your basic State Pension. This is the regular payment that you would receive on retirement from the **Department of Work and Pensions**. The amount you receive will depend on your National Insurance contributions and credits. Currently, the maximum is £115.95 per week.

From 6 April 2016 the basic state pension will be changing. For those individuals retiring on or after this date will find that their National Insurance record will still be used to calculate their new State Pension, however they will need a minimum of 10 qualifying years to get any new State Pension and 35 years to receive the full new State Pension.

The full new State Pension will be no less than £151.25, but the actual amount will be set in autumn 2015.





—○ Other sources of income?

Obviously there are other sources of income that you can look to that can help to provide you with an income during retirement.

Property

Any property has the potential to be converted into an income stream. It may be that you choose to tap into this income stream by selling, renting or mortgaging a second home.

As for your own home you could choose to release equity, rent a spare room, or even down size – although you should consult an independent financial advisor to help you make sense of your options for the longer term. You can find an independent financial advisor by visiting www.unbiased.co.uk

Tax free savings schemes

Pension schemes are not the only saving and investment option that attracts tax relief. Using your annual entitlement to save into an ISA is also a good option to maximise your saving potential.

Unlike pension schemes, ISAs do not offer tax relief on the contributions made, nor will Wincanton make additional contributions to an ISA. Money withdrawn from an ISA is not, however, regarded as 'income' by the taxman. In other words, you can withdraw however much you like from any ISAs you hold without the risk of pushing yourself into a higher tax-band.

Withdrawals from a pension, by contrast, are taxed as income – with the exception of the tax-free allowance, normally worth up to 25% of your untouched pension pot.

ISA savings can therefore be useful to retirees in a variety of ways.

1. You could use them to pay your everyday retirement expenses in order to leave your pension fully invested, or
2. To increase your income in some years in order to pay big one-off expenses without pushing yourself into a higher tax-band.

These are just two of many possible strategies. You may wish to consult a financial adviser about how to make best use of ISA savings in conjunction with your other assets.



— Other sources of income?

Other savings and investment options

There are plenty of options for savings and investment and a quick trip down the high street will give you plenty of food for thought.

Depending on your appetite to risk you may choose to invest in shares, Premium Bonds or ISAs – some are more risky and other more risk adverse. If you are finding the options confusing and don't want to tie yourself into something you can always speak to an independent financial advisor (IFA). IFAs can help to guide you through your options, whilst taking account of your risk preferences and how close you are to retirement. They can help you formulate the best plan of action for your future, and with regular reviews – you'll soon be hitting your target retirement income.

Inheritance or bequests

It is likely that at some point in all of our lives we will benefit from an inheritance or bequest from relatives or friends. However, with life expectancy increasing and many individuals finding that they are accessing funds that they thought would be put towards inheritances, it is wise not to plan your retirement based on inheritances or bequests alone.

However, it may be that one of your potential sources of income for retirement might come from this route.

Forgotten pensions

Did you know that there is currently £140bn in pension accounts worth less than £5,000 that have been forgotten or they are not known about by the owner. One of them might be yours!

It may be that you have worked for another employer during your working life and you joined or were placed into their pension scheme or you may have been the intended beneficiary of another person's pension.

To help you trace forgotten or unknown pensions you can use the government's pension tracing service. The service is free and you can find out more via their website at www.gov.uk/find-lost-pension

A regular income through employment

As life expectancy increases and we continue to enjoy better health in retirement, for some continuing to work may be an option.

With the benefits of part time contracts or flexible work options you could chose to continue working (albeit at a significantly reduced level) helping you to maximise your pensions savings.

As well as the additional income that this would provide, it can offer mental stimulation and sometimes a source social interaction.



—○ Help and advice

This guide does not cover all of the options that you may have, nor does it do in to detail about the types of options covered.

If you want to find out more there are a number of places that you can go:

Pensions Advisory Service

The people who help with pensions! There is no fee for their services and their aim is to simply help with your pensions. You can contact them through a range of channels including via their Internet site at www.pensionsadvisoryservice.org.uk or via their telephone service.

The site is chock full of information, help and support about pensions and pension related problems.

Money Advice Service

The Money Advice Service can be found via the Internet at www.moneyadviceservice.org.uk/en. They offer free and impartial money advice and was set up by the government. They not only provide information on planning and saving for retirement, but can also help you take control of a whole range of money related issues with advice and practical tools and calculators.

They also offer a web chat facility and a telephone helpline – if you need to speak to someone, their number is **0300 500 5000**.

Citizens' Advice

Citizens' Advice have been a staple place for help and support for many years. They “aim to provide the advice people need for the problems they face”. Their free, independent, confidential and impartial advice can be accessed via the Internet at www.citizensadvice.org.uk, through their customer contact centre, via their web chat facility or through the more traditional route of one of their offices.

Unbiased

For specific financial planning and advice you can find an independent financial adviser, who is local to you, via www.unbiased.co.uk

Pension Wise

This service provided by the government is a free and impartial service specifically targeting defined contribution (DC) pension options. You can book an appointment with them for a face to face meeting or over the phone to talk about your pension options and what you can do next. This service is currently only free to those who are over 50.

You can access their site at www.pensionwise.gov.uk