

# Retirement Aims and Objectives Checklist

This 'Checklist' is designed to help you with your client conversation when recommending your client's first move to retirement or taking benefits from their pension. It should not be seen as advice and you should be comfortable that this meets your regulatory requirements.

There may be wider holistic requirements you need to consider (including, but not limited to) any DB transfers, guaranteed benefits, your client's aims and objectives, their current personal circumstances and any vulnerability. You should also consider whether or not the advice of a pension transfer specialist is also applicable.

Client name

Adviser name

## Clients Retirement Aims and Objectives

Will the client be fully or partially retiring?

Fully

Partially

Not retiring

If the client is not retiring, what is the rationale for taking benefits?

If the client is partially retiring, how will this partial retirement be structured (e.g. limiting days worked over a number of years), and how much income will be received?

What will the state pension be? And has this been verified?

Will there be any other forms of secure income (annuity, DB scheme etc.) in retirement? If so from where and how much?

Are there any changes to income or lump sum requirements (i.e. state pension commencing, possible inheritance) in the short/medium and long term?

Has equity release been considered?

Yes

No

What was the rationale for the above answer?

Does the client have other assets and have they been factored into this advice?

Yes

No

What was the rationale for the above answer?

What is the income required (factoring in the above)?

Category	Essential/Lifestyle Spending each year	Discretionary Spending each year
Food and Drink		
Clothing		
Housing payments (including rent/mortgage)		
Insurance		
Transport		
Utilities		
Household Goods		
Health		
Clothing		
Phone and Broadband		
Recreation and Leisure		
Gifts to Family and Friends		
Private Medical Insurance		
Home Improvements		
Other		
Other		
Other		
Total		

Does the client have a spouse/civil partner/partner and what would be the income needs on the death of either the client or the spouse/civil partner/partner

Is there a requirement for a joint life income?

Yes  No

If yes has this been reflected in annuity comparisons?

Yes  No

What is the clients state of health and is there any history of decreased or increased longevity in the family? (Medications being taken and smoking status etc. should be recorded). If not, have you assessed (from the ONS website) or discussed with the client what their likely longevity will be?

Have you discussed with the client setting up a power of attorney?

Yes  No

Has the client got an up to date will and are they confident this reflects their wishes?

Yes  No

Does any expression of wish for pension schemes also reflect this?

Yes  No

### Assessment of Risk

Has the client reviewed their attitude to risk (ATR) for retirement?

Yes  No

Have you explained the concept of risk in a way that your client is likely to understand?

Yes  No

Is the clients ATR suitable for more than a secured income?

Yes  No

If the answer to the above is no and secured income is not being obtained, what is the rationale?

Have you described risk to the client and does the client understand the importance of diversification amongst the asset classes? If they do have a preference to invest in a single asset class or non-regulated investment, are they aware of the extra risk this creates?

Yes  No

What is the client's experience of investing?

Have you discussed risk with the client and could the client replay these discussions to you to demonstrate their understanding, and have you recorded this?

Yes  No

How does the client feel about investment volatility?

Is the client aware of pound cost averaging during accumulation, and the converse during decumulation?

Yes  No

Is avoidance of capital loss a priority?

Yes  No

If the fund drops in value what would they do (other sources of income etc)?

Does the client have short term concerns about the markets?

Yes  No

Does the client have any longer term concerns?

Is there a need for a regular review, if so why?

Yes  No

Is the client comfortable with how reviews will take place and how it is paid for?

Yes  No

Do you revisit annuity purchase as an option at review?

Yes  No

Has cashflow modelling been conducted, and has it been stress tested (including market drops, longer than average life expectancy, unexpected withdrawals etc)?

Yes  No

Has sequencing risk been explained and documented?

Yes  No

### Capacity for loss

Has capacity for loss been assessed? Remember that this is an assessment and not a view. Please provide details below.

How was capacity for loss calculated? What impact does it have on the client's standard of living?

Has securing the clients income (at least the essential/lifestyle expenditure) been investigated? Yes  No

Have annuity quotes been obtained, factoring in any potential for impaired/enhanced annuities? Yes  No

Has inflation been considered, and what are the clients views on this?

If the client is taking PCLS only – what is it being used for, have you demonstrated the impact on taking PCLS against the clients needs in the future? What is the rationale for proceeding?

### Does the client understand

What level of income can be achieved with no risk being taken through an annuity for either all or part of the fund? Yes  No

Fluctuations in annuity rates Yes  No

The effect of insufficient fund growth Yes  No

Taking high levels of income from non-secured income may not be sustainable and with no other sources of income the negative impact this will have on their life? Yes  No

Risks of any legislative changes Yes  No

Cost of charges and advice Yes  No

Scam risk Yes  No

Investment returns can vary and may be less than past performance indicates? Yes  No

How the solution meets the needs and objectives, and is this stated clearly in suitability letter? Yes  No

### Death Benefits – Client Considerations

If the client is married, in a civil partnership or has a partner has the advice factored in the other party in the round and what would happen on the clients death? Yes  No

Does the client want to pass the fund on to dependants/nominees/use as a legacy? Yes  No

Is there a genuine need to pass on death benefits based on the potential beneficiary's position e.g. is the beneficiary a child with large personal wealth who may not need other benefits?

Is the client clear who their dependants/nominees are?

Yes  No

Is the expression of wish/nomination of beneficiary form up to date and have you checked that this is in line with the scheme rules?

Yes  No

Are potential dependants, nominees, successors, executors and personal representatives aware of the client's expressed intentions?

Yes  No

Has the requirement for spousal bypass trust been explored?

Yes  No

Please provide any notes regarding the above questions if required

### Ongoing Review Strategy

What level of ongoing advice does the client require?

Six Monthly

Annually

Biennially

Triennially

Other

Please detail the rationale for the review below, and how this will be conducted (face to face, telephone, online meeting etc).

### What will this review entail?

Review of circumstances and health?

Yes  No

Changed to needs and objectives?

Yes  No

Review of sustainability of income?

Yes  No

Review of fund performance?

Yes  No

Review of risk profile?

Yes  No

Review of capacity for loss?

Yes  No

Realignment and or rebalance of portfolio?

Yes  No

Tax planning including any changes in legislation or rates and allowances?

Yes  No

Does the client understand and accept this and the associated costs? Please detail their acceptance in their own words below.