



Meeting client needs
with the Prudential
Retirement Account
using PruFund and the
Prudential Guaranteed
Income Plan

This is a hypothetical case study and shouldn't be taken as a recommendation or advice. This interactive guide follows Jack and Mary's Retirement Journey and how you can mix PruFund and the Prudential Guaranteed Income Plan to match their needs

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and passing on wealth

Meet Jack and Mary



Jack (50)



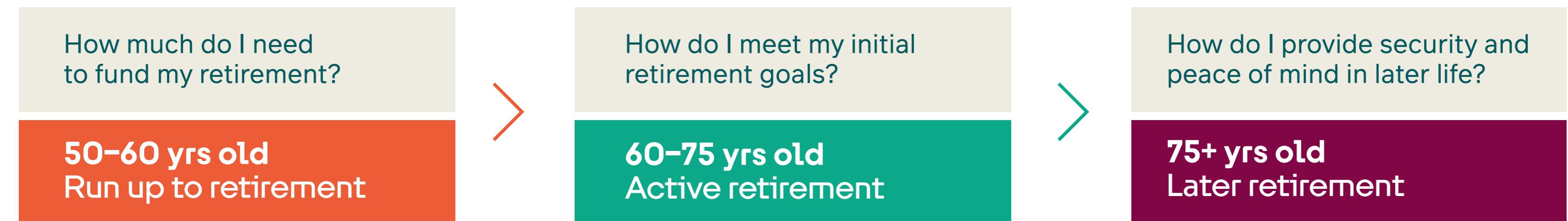
Mary (50)

Jack and Mary want to plan the retirement of their dreams, but they haven't had financial advice before.

This is both their second marriage. They have no children together, but Jack has an adult daughter, Ellie, who has a son of her own.

Now, they want to know if their savings are enough to meet their goals for the future.

This case study follows Jack & Mary's retirement planning journey.



Jack & Mary Aged 50 ↗

The Big Question at 50 ↗

Stage 1 – start with the income goal in mind ↗

Build the fund through regular contributions and existing investments into combination of PruFund and other multi-asset funds...

Jack & Mary Aged 60 ↗

Stage 2 – meeting income in early retirement ↗

...then combine PruFund, Prudential Guaranteed Income Plan and State Pension to deliver retirement income...

Jack & Mary Aged 75 ↗

Stage 3: Funding income later in life (75+) ↗

...and finally using Prudential Guaranteed Income Plan to prepare for income in later life.

50–60 yrs old
Run up to retirement

Jack & Mary aged 50

We're looking forward to retirement,
but have we saved enough...

...how do we know if we can
achieve our retirement dreams?

We would relax if we had a clear
plan and our goals mapped out...

Jack earns £85k pa and Mary
earns £75k pa.

They both contribute 18% pa
into their pensions.*

They've made active DC
pension contributions since
the early 2000s.

Jack's total ~ £350k and
Mary's total ~ £300k.



Their aim is to retire at 60 and
they'd like to have a gross
income of £70k pa total.

They will receive full state
pensions at age 67.

Their main concern is a
retirement shortfall.

They could benefit from
decumulation planning.

*18% pa is based on 6% non-contributory employer contribution and 6% personal contribution matched by employer.

The Big Question at 50

Have we saved enough to retire at 60 on £70k pa?

Retiring at 60, Jack & Mary won't have any secure income.

The priority is to bridge to state pension age in a secure manner.

How much should be allocated to Prudential Guaranteed Income Plan to meet this income need?

In addition to bridging to state pension age, they want to fund lifestyle expenditure but retain flexibility.

Committing to a fixed level of income doesn't meet this requirement.

How much should be allocated to PruFund to provide regular, flexible income?

How much needs to be allocated to PruFund today to have sufficient fund at 60 to provide the combined income strategies?

**Target = £70k pa (gross)
starting income at 60**

Jack –
£35k p.a.

Mary –
£35k p.a.

Prudential Guaranteed Income Plan

+

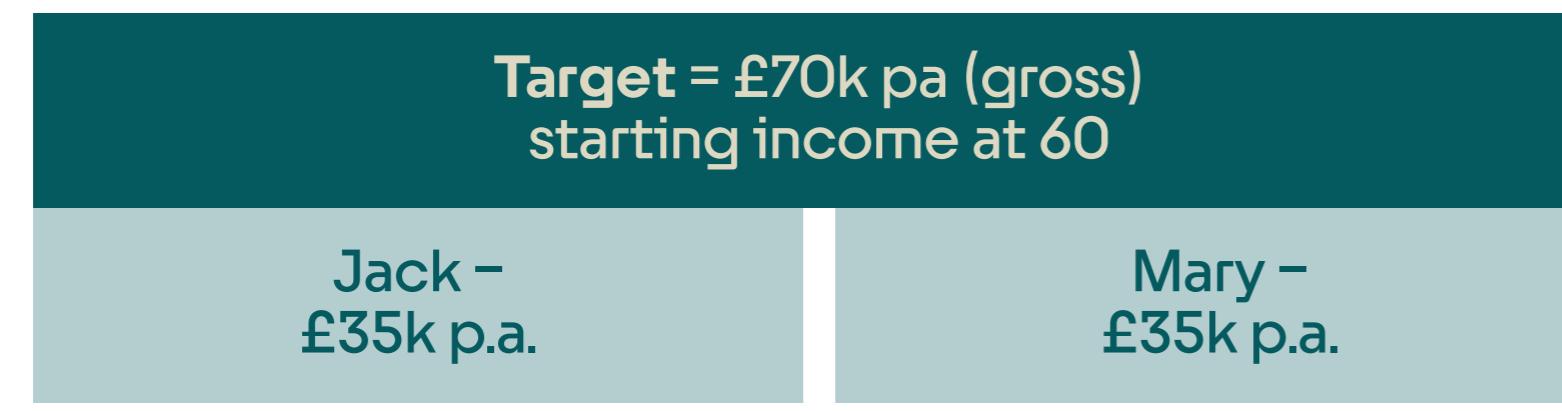
PruFund*

*Accessed through the Prudential Retirement Account.

50–60 yrs old
Run up to retirement

Stage 1: Starting with the income goal in mind

What should they allocate to PruFund?



Starting with their income goal in mind, work backwards from 60 to 50 to work out how much to allocate to PruFund today to achieve their retirement fund. And a guarantee for later life...

ESSENTIAL

Prudential Guaranteed Income Plan
Max Income

Target income **£12,400** pa for 7 years
→ Fund required at 60 = **£75,000***

LIFESTYLE

+

PruFund Growth

Target income **£22,600** pa for 15 years
escalating at 2.5%
→ Fund required at 60 = **£270,000****

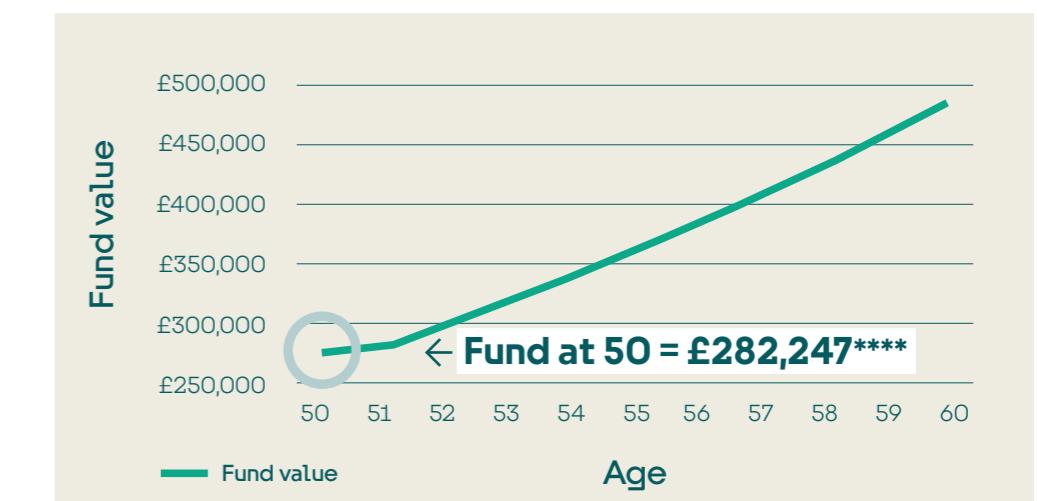
Prudential Guaranteed Income Plan
Lump Sum

Target income **£292,000** pa at 75
→ Fund required at 60 = **£136,000*****

DISCRETIONARY

Multi-Asset

Total required at 60	
Jack – £481k	Mary – £481k



Investment detail

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60–75 yrs old
Active retirement

Jack & Mary aged 60

We're excited to be retiring...

They achieved their target savings but now want to make sure it will last.

Retiring at 60 they don't have any form of secure income.

Having received a salary all of their working lives, they want to maintain financial security whilst also having flexibility within their retirement.

...but we're concerned about how we fund retirement...



...we want some peace of mind that we can enjoy today but plan for tomorrow.

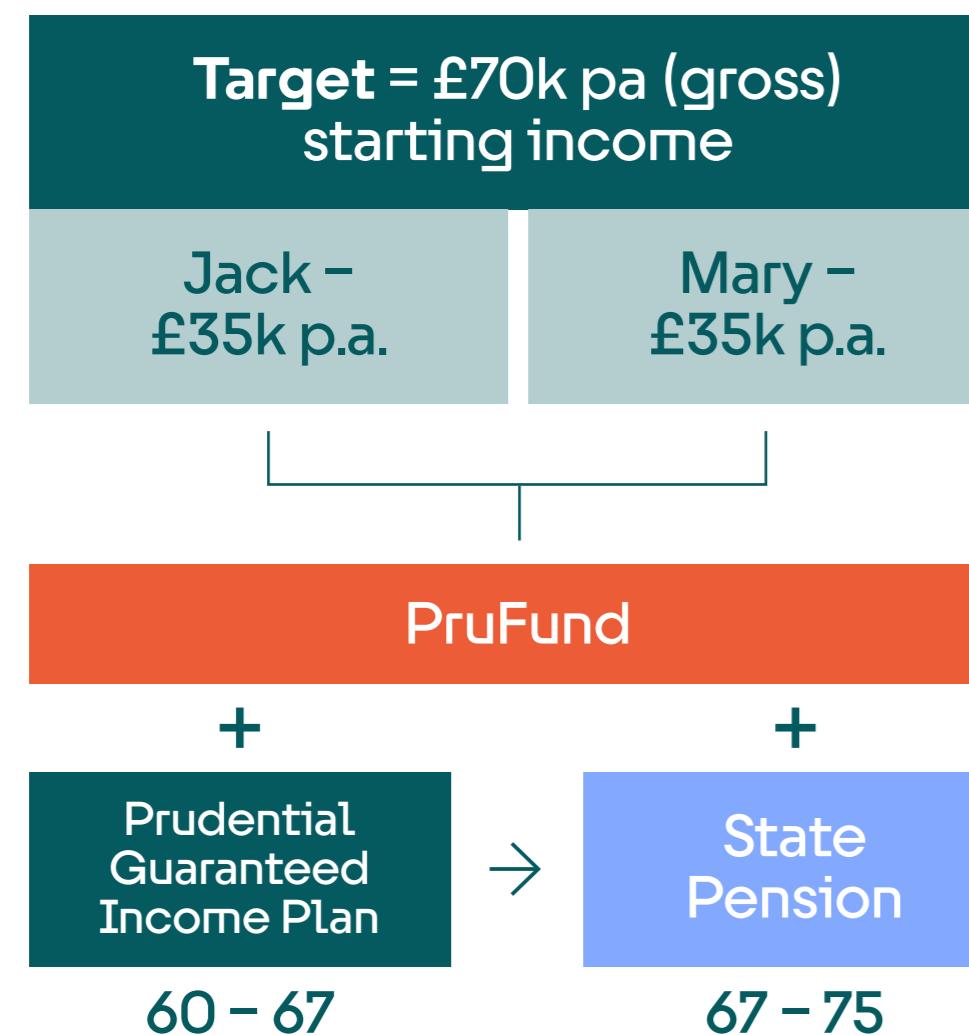
The aim still is to fund £70k pa net — £35k each.

Their priority is to cover basic essential expenditure every month.

They're keen to have an active and exciting retirement but are concerned about longevity and future income.

Stage 2: Meeting income in early retirement (60 - 75)

Funding Active Years of Retirement



Investment of c.£136,000 into Prudential Guaranteed Income Plan Maximum Lump Sum option (15-year term) provides enough funds at age 75 to continue income for another 10 years.

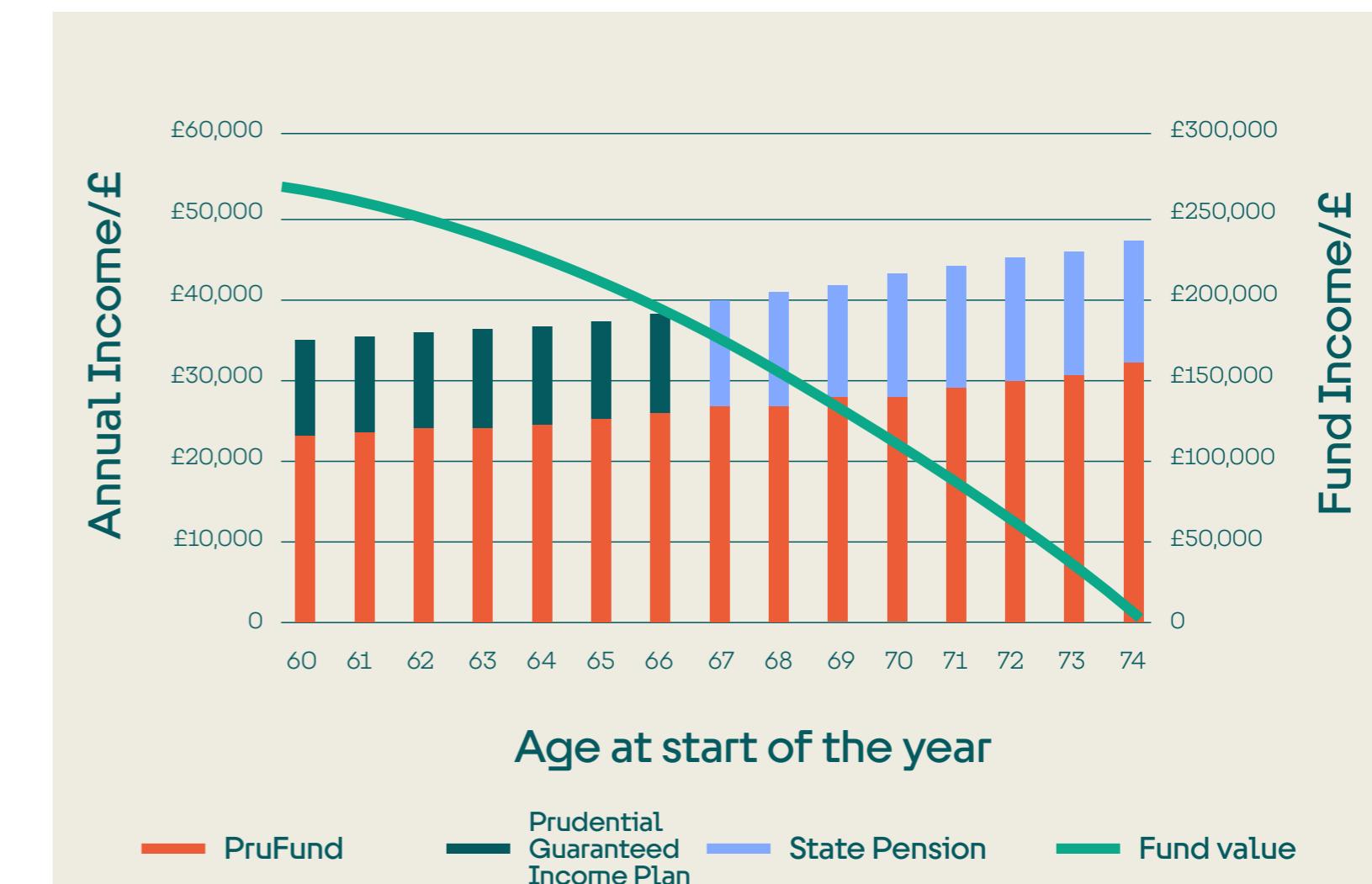
Total Required per Client:
£345,000

Total Income Received per Client:
£489,000 (gross)

Provides **£22,600** pa (gross) until 75 with escalation covering lifestyle spending
→ Starting fund per client: **£270,000**

Provides **£12,400** pa (gross) until state pension age (67), covering essential expenses
→ Cost per client: **£75,000**

Income vs. Fund Value



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75+ yrs old
Later retirement

Jack & Mary aged 75

We've had a great
retirement so far...

The last 15 years were
great, but now they're
starting to slow down.

As they look to the future,
they're more cautious.

Their main concerns are
health and future care.

They're also starting to
consider passing wealth on.

...but as we start to slow down,
we're worried about what's next...



...will we have enough money
to look after ourselves?

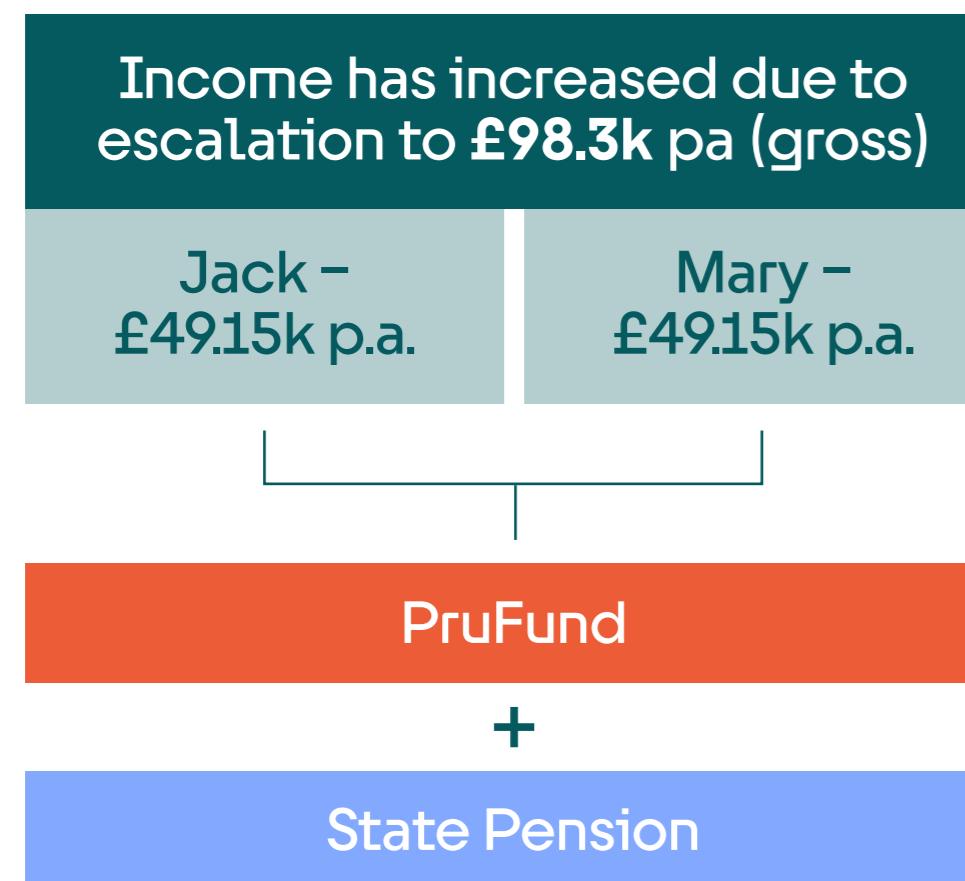
They're feeling more
risk averse.

At this stage they value clarity
and access over flexibility.

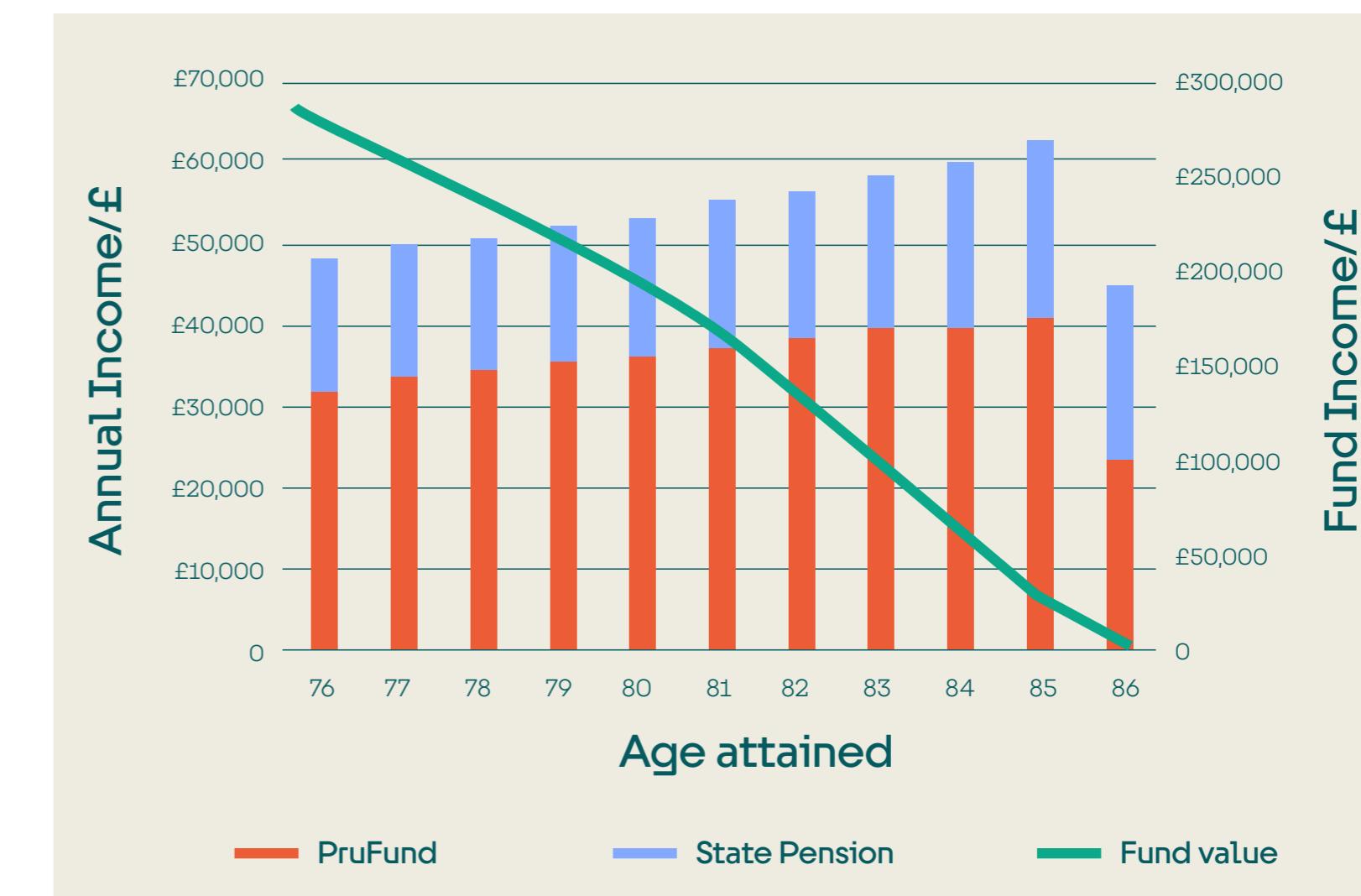
Dignity, independence
and legacy are their
main focuses.

Stage 3: Funding income later in life (75+)

Funding Later Years of Retirement



Income vs. Fund Value



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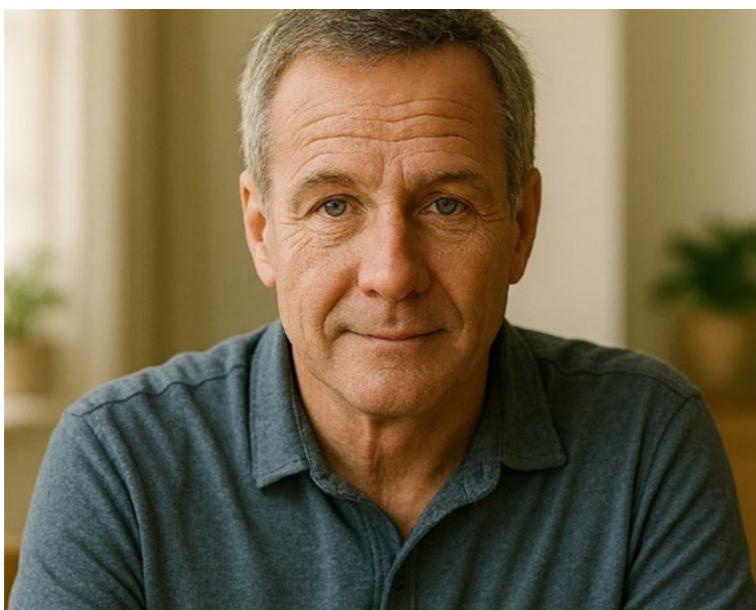
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Dealing with the excess

What about the excess?

Both Jack & Mary have more funds already than they need to allocate to PruFund at 50



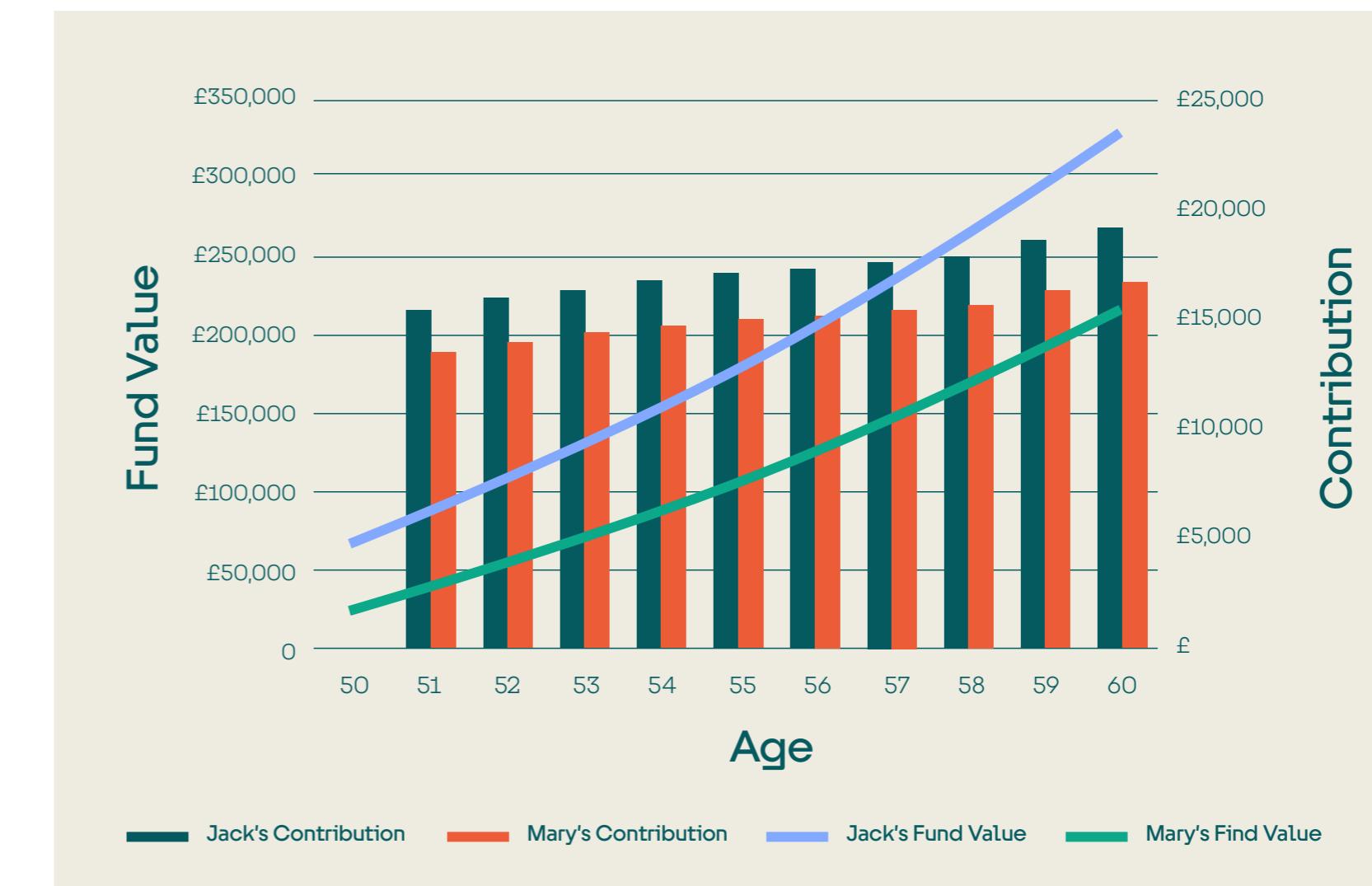
Jack (50)

- Has an excess fund of £67,753
- Is contributing £15,300 pa*



Mary (50)

- Has an excess fund of £17,753
- Is contributing £13,500 pa*



Multi-Asset Fund Excess

Investment detail

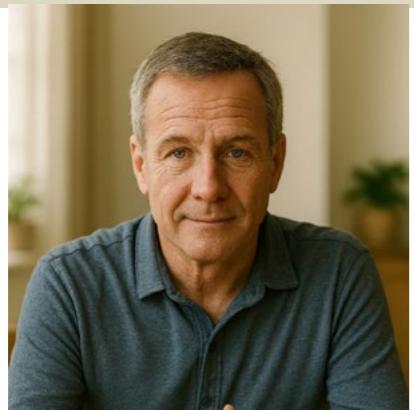
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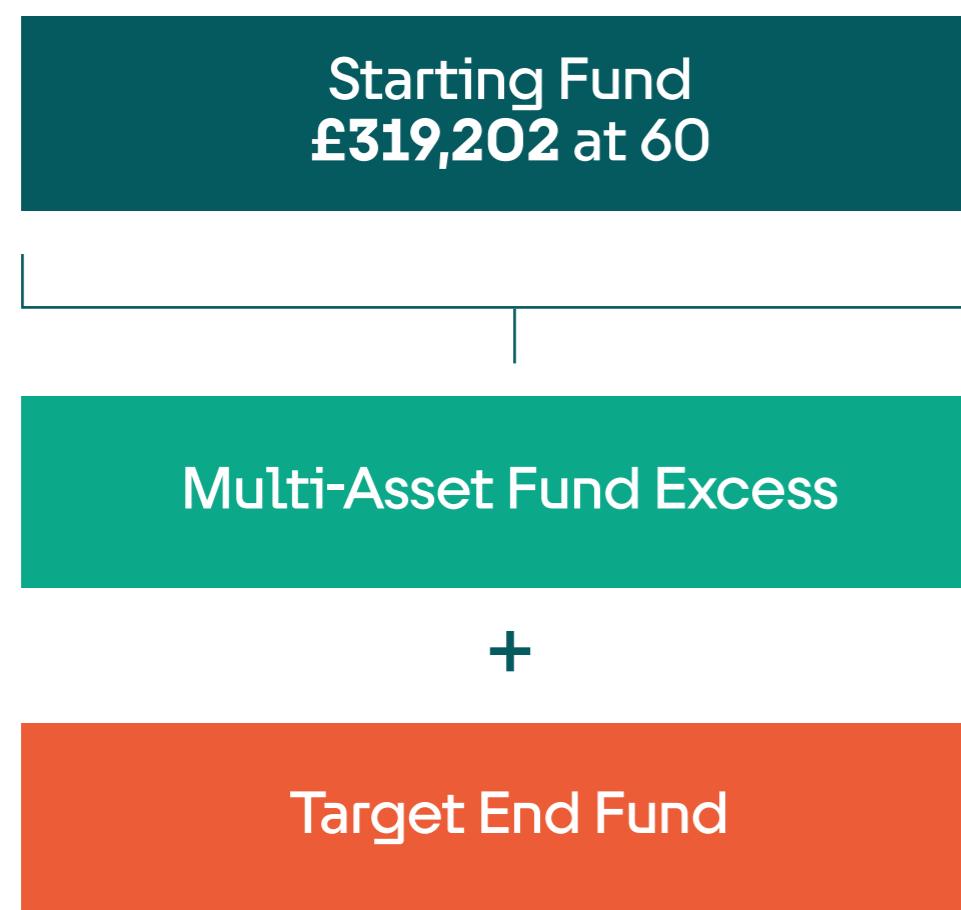
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Creating Extra Income – Jack

What extra could be paid each month, but with future-proofing?



Because the returns are not guaranteed, but variable, the amount drawn each year can be reviewed. More can be taken with outperformance, less with lower returns.

Investment detail

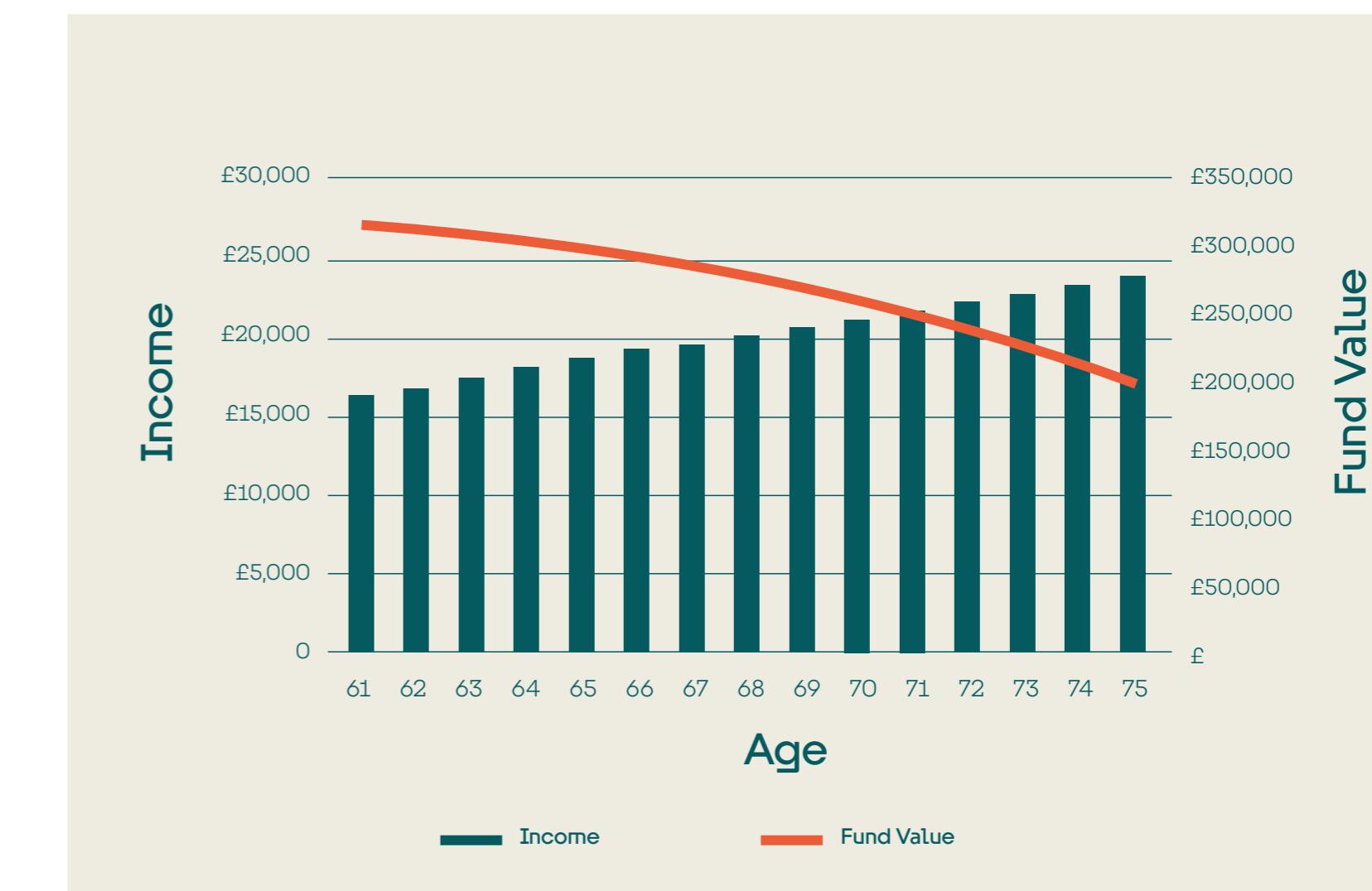
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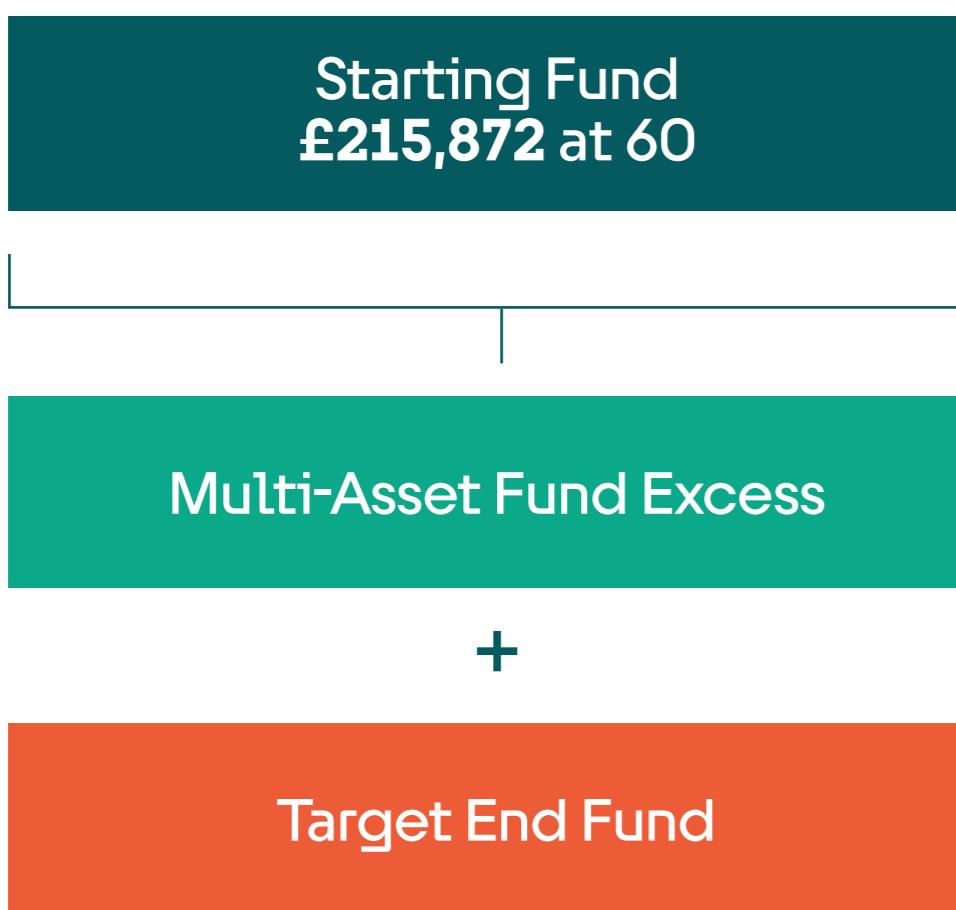
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Creating Extra Income – Mary

What extra could be paid each month, but with future-proofing?



Because the returns are not guaranteed, but variable, the amount drawn each year can be reviewed. More can be taken with outperformance, less with lower returns.

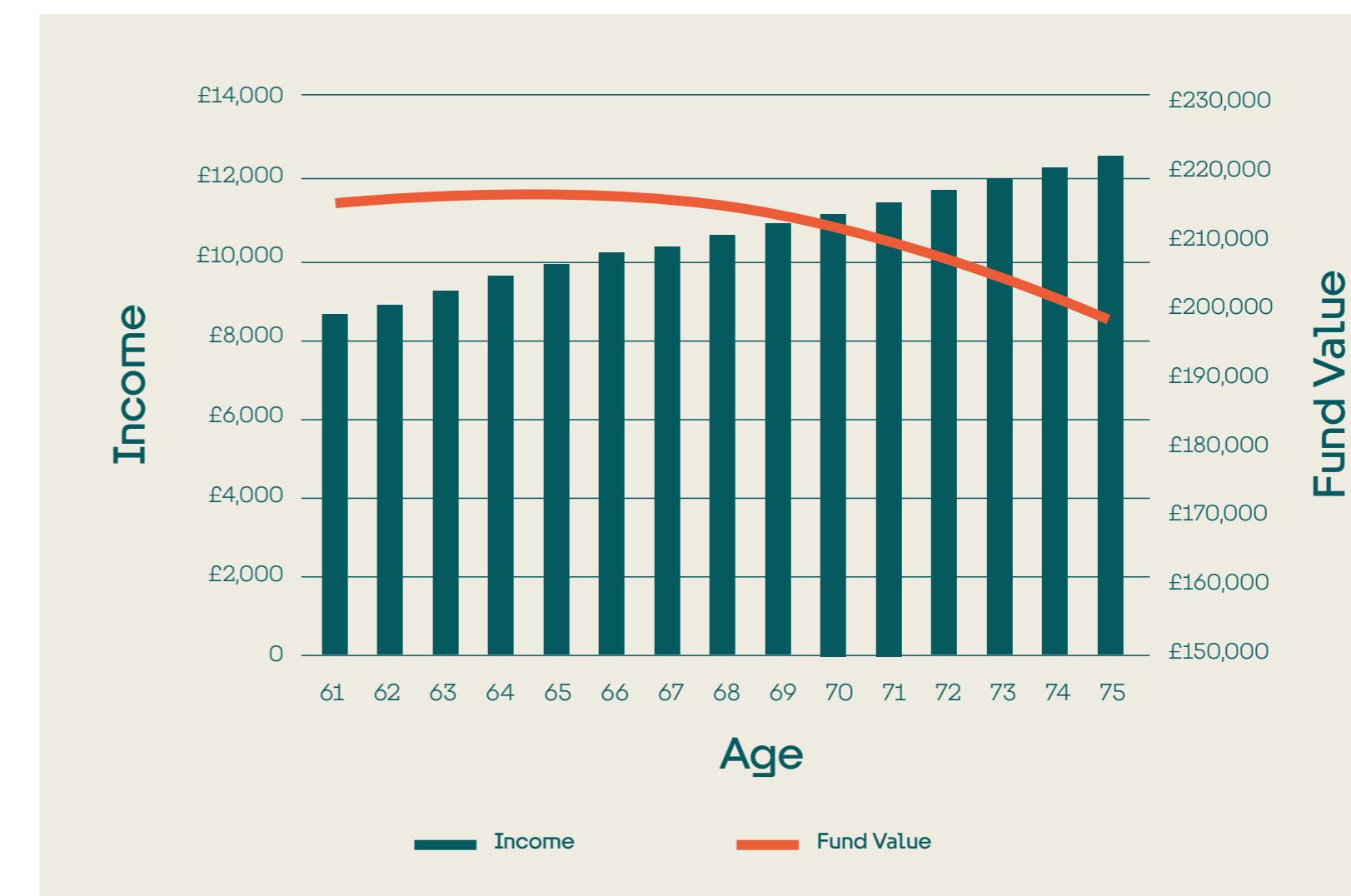
Investment detail

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Planning for later life security and passing on wealth

When is a good time to secure an income for life?

A key concern in later life is certainty and security over flexibility and choice.

By maintaining an element invested in PruFund within pensions, Jack and Mary retain some flexibility.

Utilising their excess fund to purchase annuities also gives them a secure, base income for the rest of their lives.

Crystallising the excess fund allows them to take a Tax-Free lump sum, which they can then gift into trust.

Jack's daughter, Ellie is married and has a son of her own.

Jack and Mary see this as a good time to setup a legacy for Ellie and her son.

Each crystallise £200k excess fund from their pensions, taking £50k TFC and using £150k to buy an annuity. They opt for a level, joint life annuity each.

This gives an annual gross income of **£13,285** with a 50% spousal benefit*

They each settle £50k into an offshore bond under a discretionary gift trust**

Use Excess fund to gift a lump sum to trust and balance to purchase annuity

Jack –
£200k

Mary –
£200k

Lifetime Annuity



Gift into Trust

* This represents the current best in market annuity rate for a joint life, 50% spousal benefit annuity on a level basis, paid monthly in arrears. Source of information: Money Helper annuity comparison tool. <https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/compare-annuities>

** They chose to settle two discretionary trusts for flexibility. The settlor's spouse is automatically a potential beneficiary of a single settled trust and this lives options should future circumstances change. For further information on this planning, please refer to your Prudential Account Manager.

Tax rules can change and the impact of taxation and any tax relief depends on your circumstances, including where you live. The current figures and rates are based on calculations as at November 2025.

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