



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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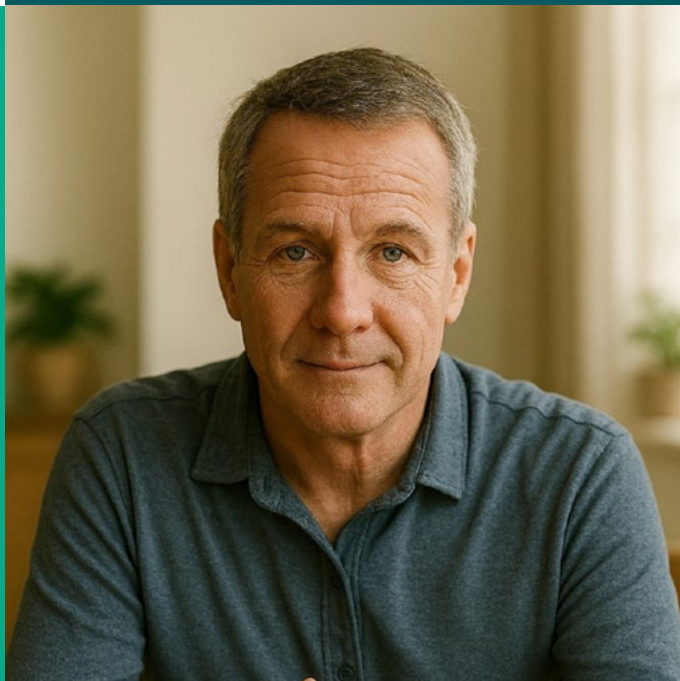
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# Meet Jack and Mary



Jack (50)



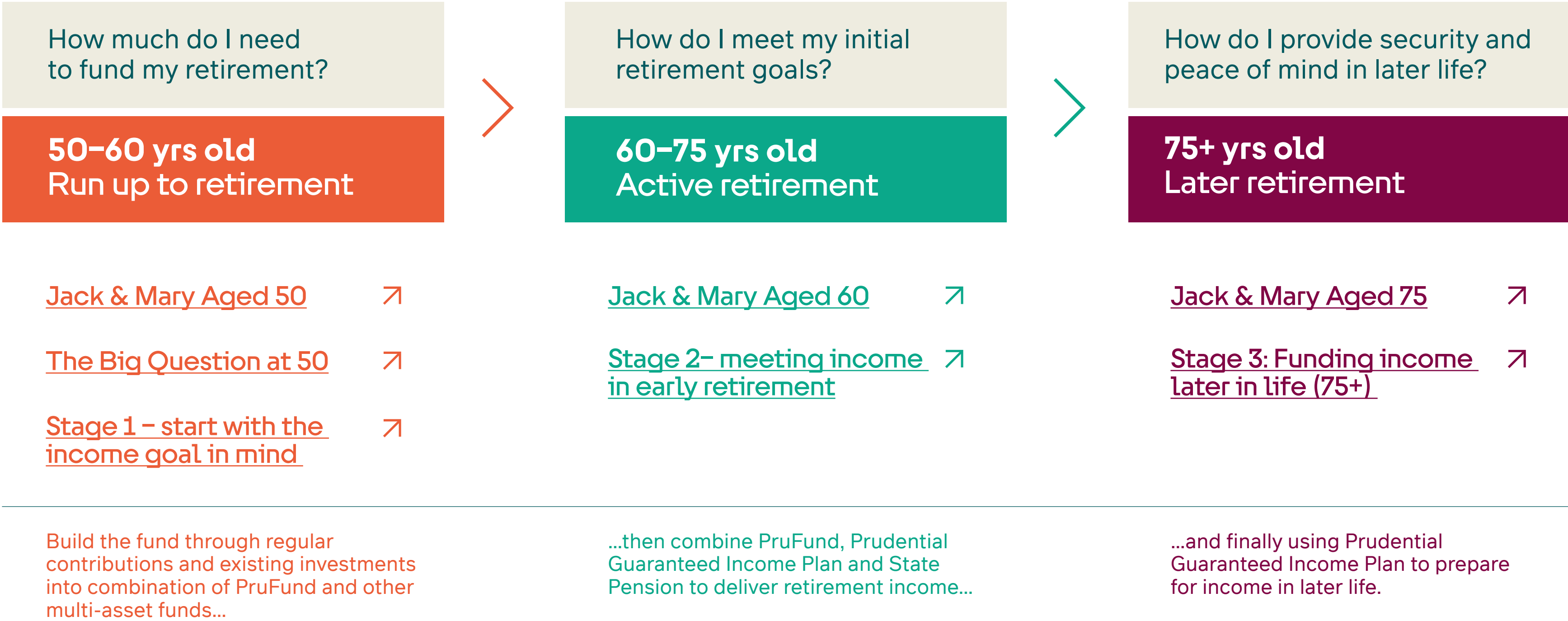
Mary (50)

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.





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

+

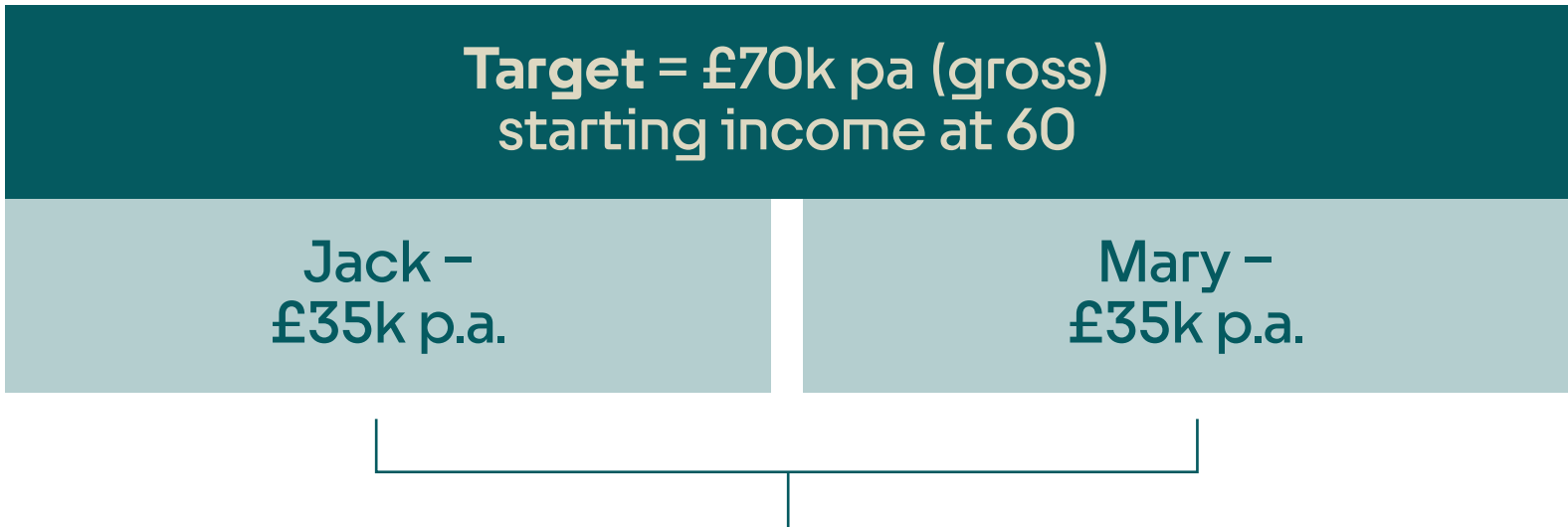
PruFund\*

\*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...

Investment detail

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ESSENTIAL

Prudential Guaranteed Income Plan  
Max Income

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

+

LIFESTYLE

PruFund Growth

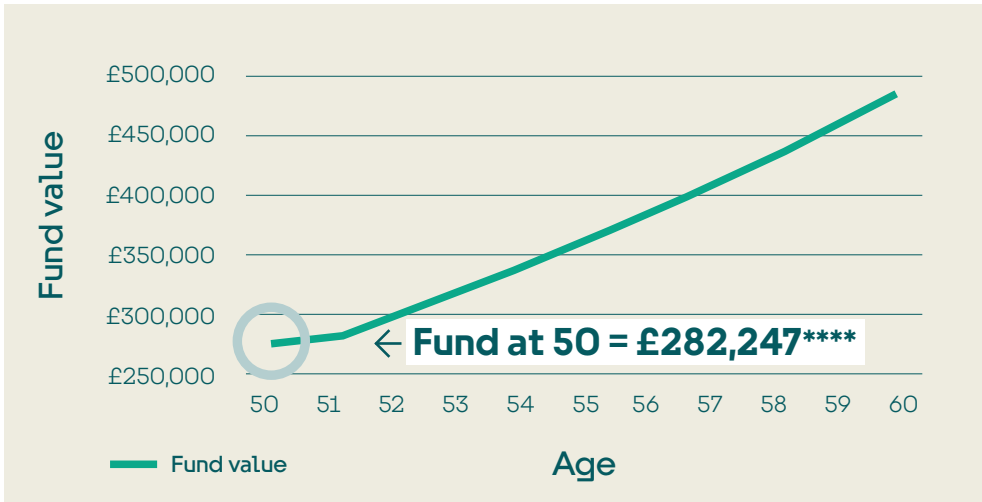
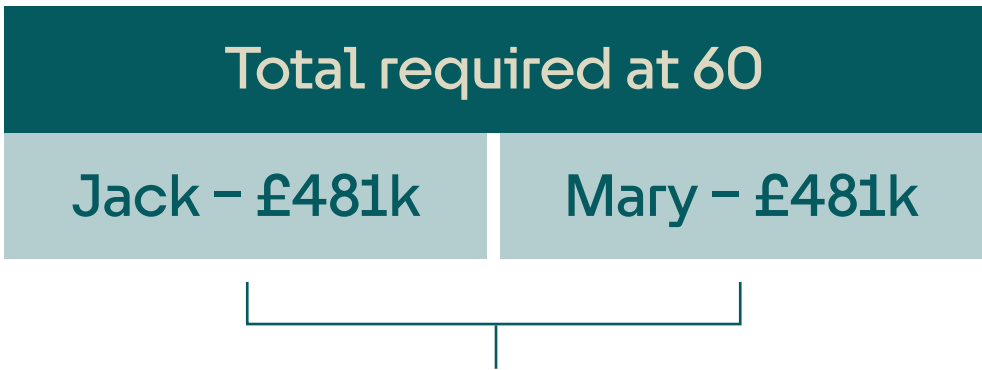
Target income **£22,600** pa for 15 years  
escalating at 2.5%  
→ Fund required at 60 = **£270,000\*\***

Prudential Guaranteed Income Plan  
Lump Sum

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

DISCRETIONARY

Multi-Asset





60–75 yrs old  
Active retirement

## Jack & Mary aged 60

We're excited to be retiring...

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

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

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.



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

Their priority is to cover basic essential expenditure every month.

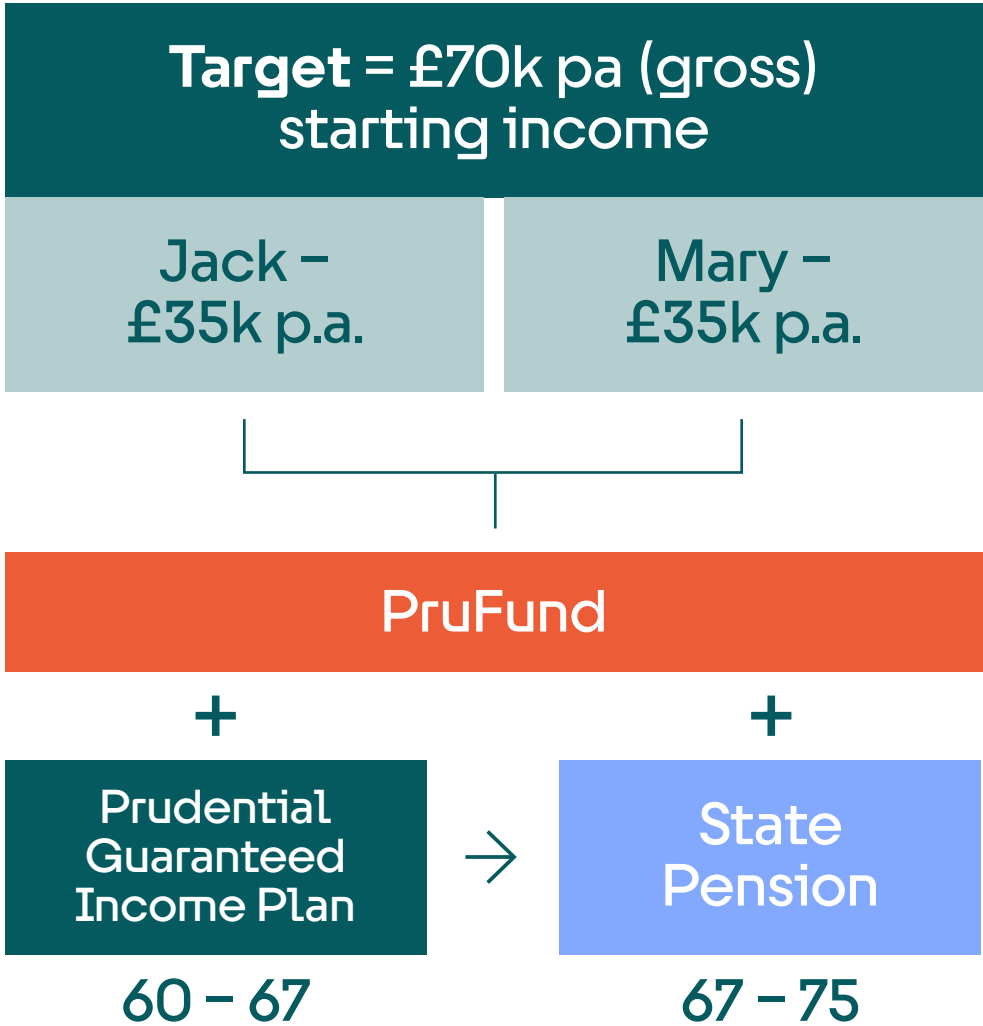
They're keen to have an active and exciting retirement but are concerned about longevity and future income.



60-75 yrs old  
Active retirement

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

## Funding Active Years of Retirement



Total Required per Client: **£345,000**

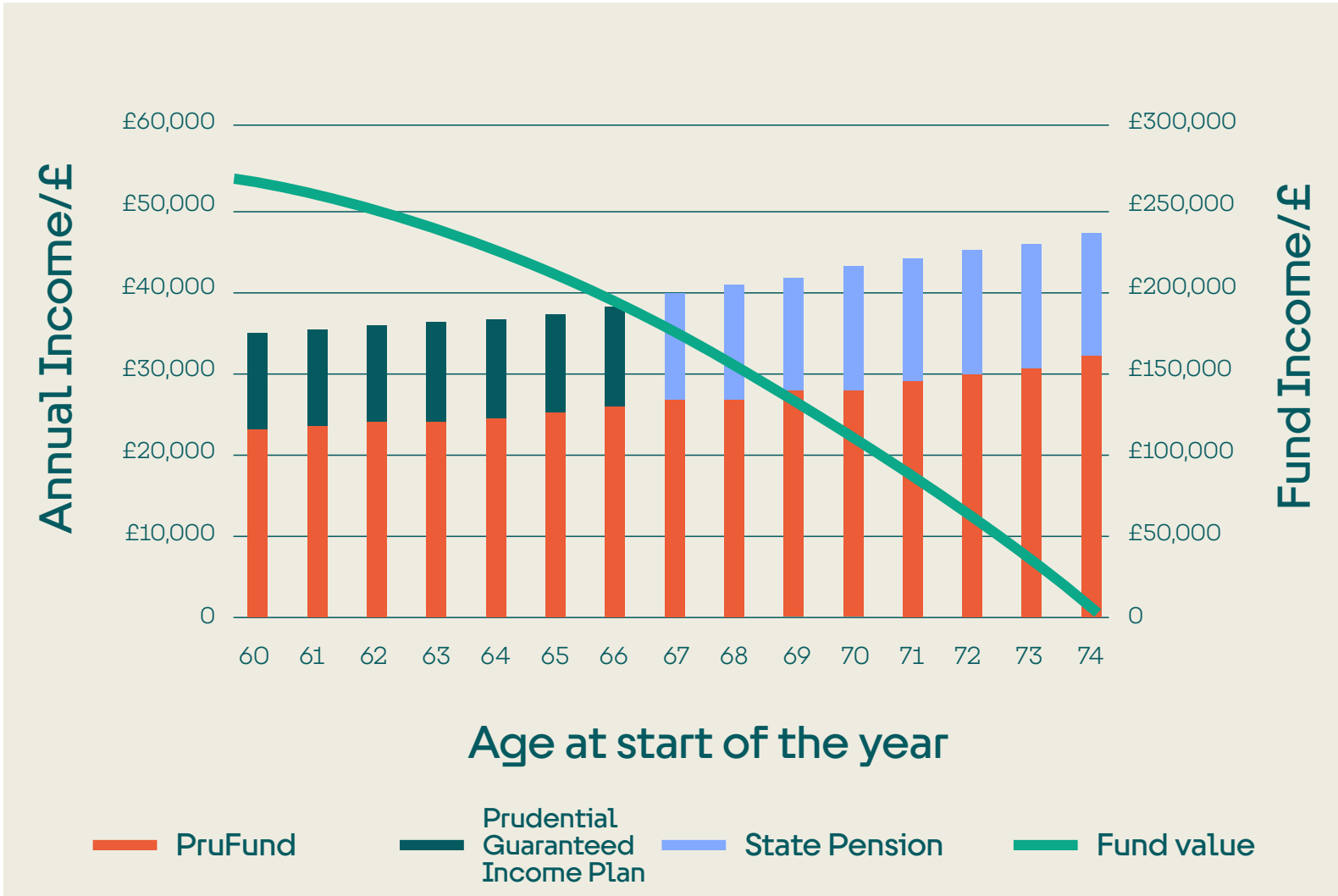
Total Income Received per Client: **£489,000 (gross)**

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**

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.

## 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.

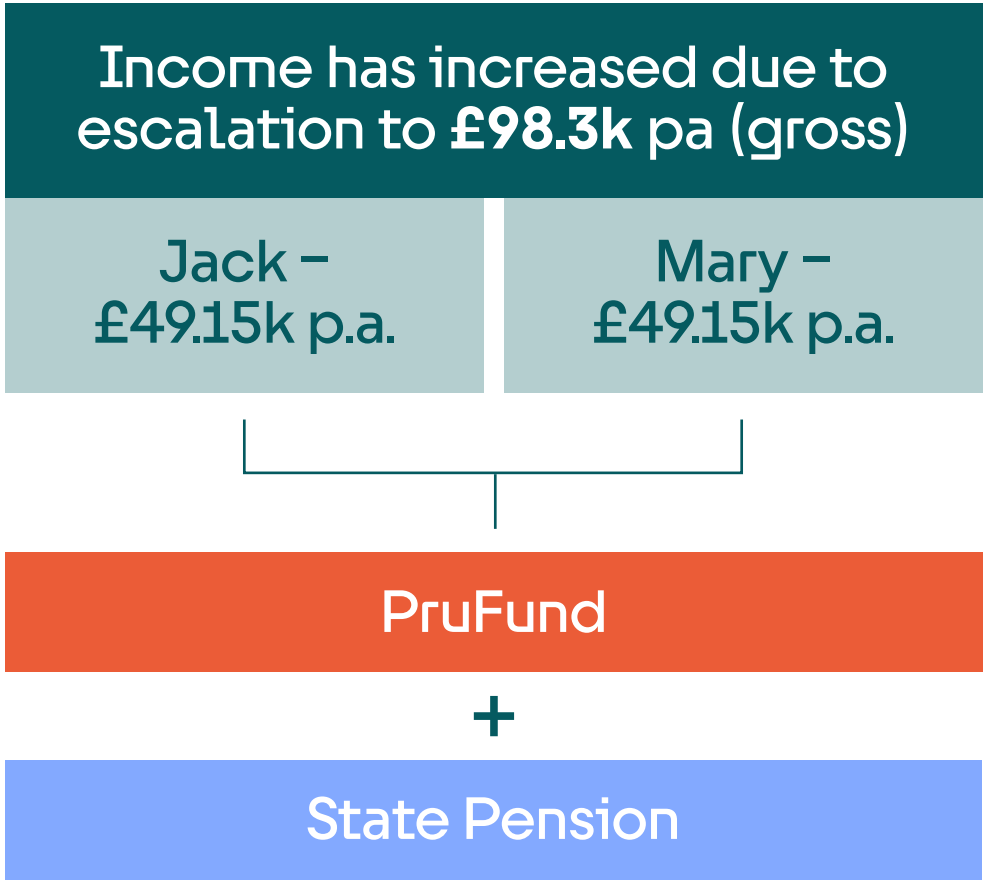
At this stage they value clarity and access over flexibility.

Dignity, independence and legacy are their main focuses.

75+ yrs old  
Later retirement

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

## Funding Later Years of Retirement

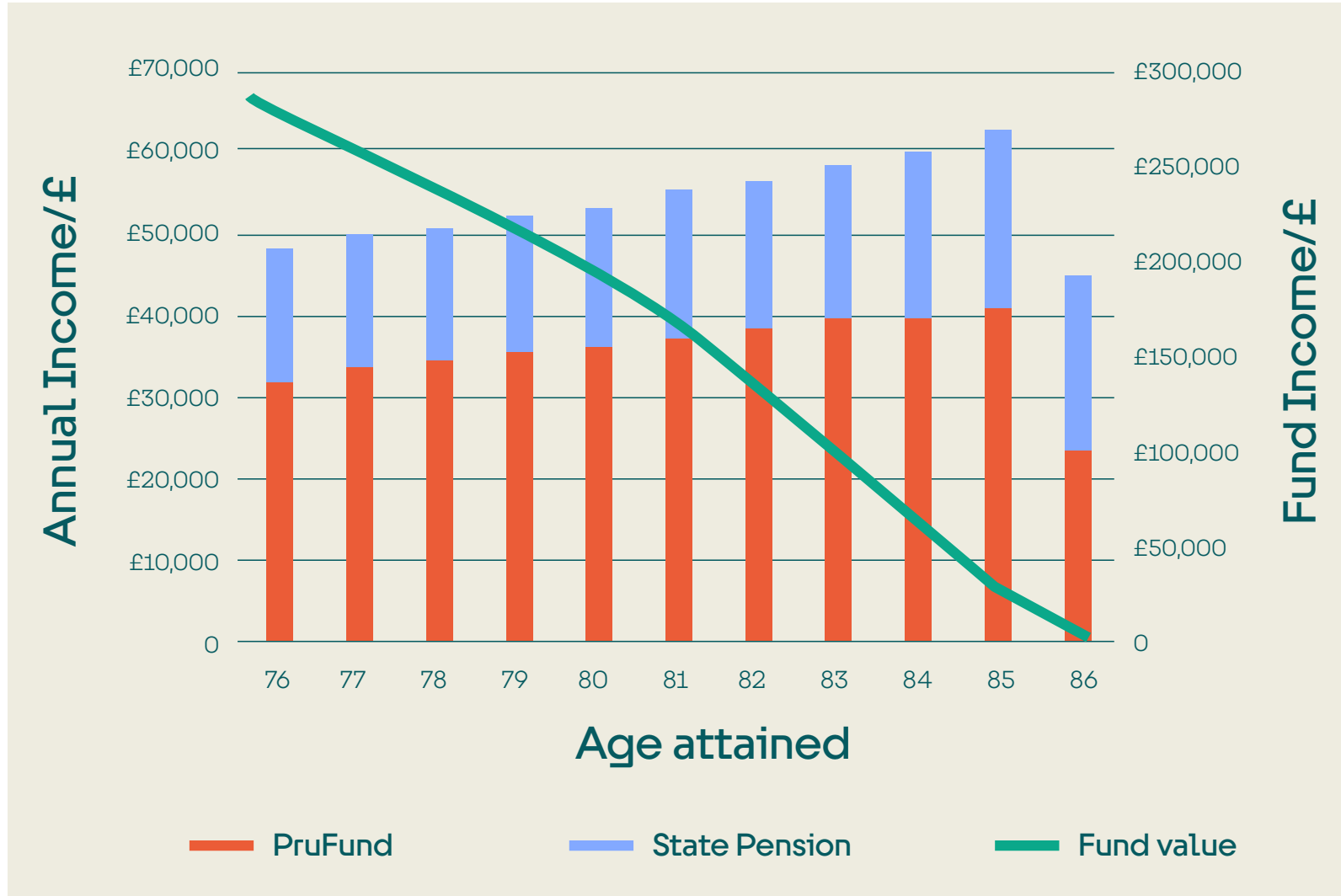


Prudential Guaranteed Income Plan Max Lump Sum Option Pays out: **£292,000**

Total Income Received per Client: **£391,000** (gross)

Provides **£32,900** (gross) pa until 85 with escalation covering lifestyle spending

## Income vs. Fund Value



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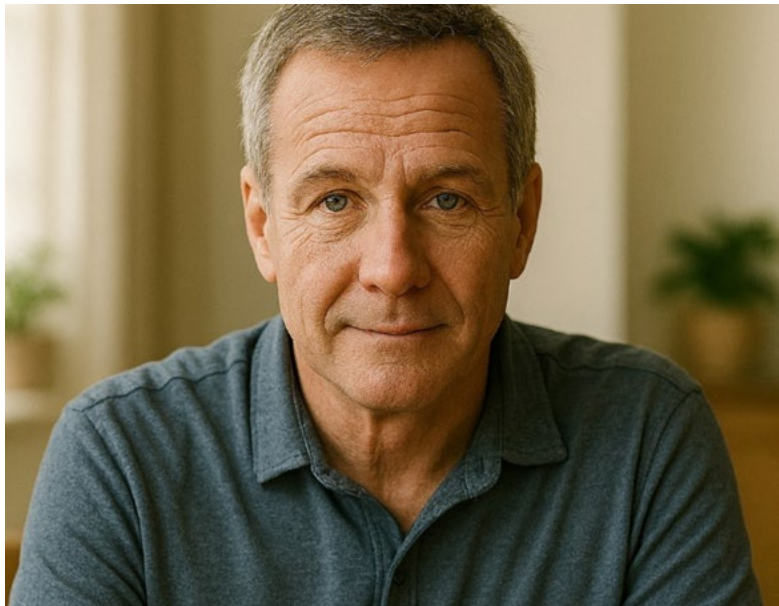
M  
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Dealing with the excess



# What about the excess?

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



## Jack (50)

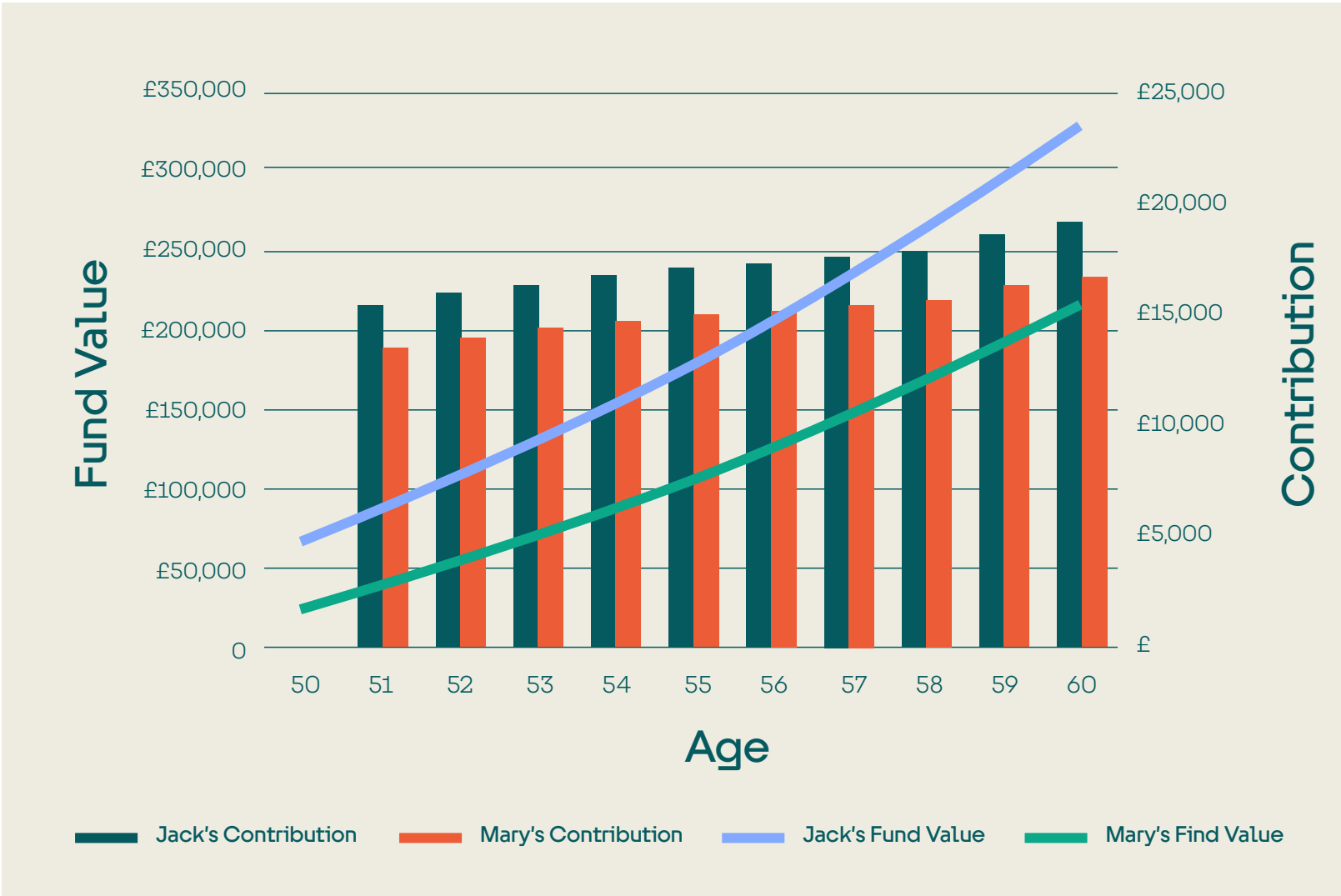
- Has an excess fund of £67,753
- Is contributing £15,300 pa\*



## Mary (50)

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

Multi-Asset Fund Excess



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# Creating Extra Income – Jack

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

Starting Fund  
£319,202 at 60

Multi-Asset Fund Excess

+

Target End Fund

Provides **£16,900** (gross) pa until 75 with escalation covering discretionary spending or gifting out of income

Leaves a target end fund value at 75 of **£200,000** to provide flexibility for later-life costs or intergenerational planning

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

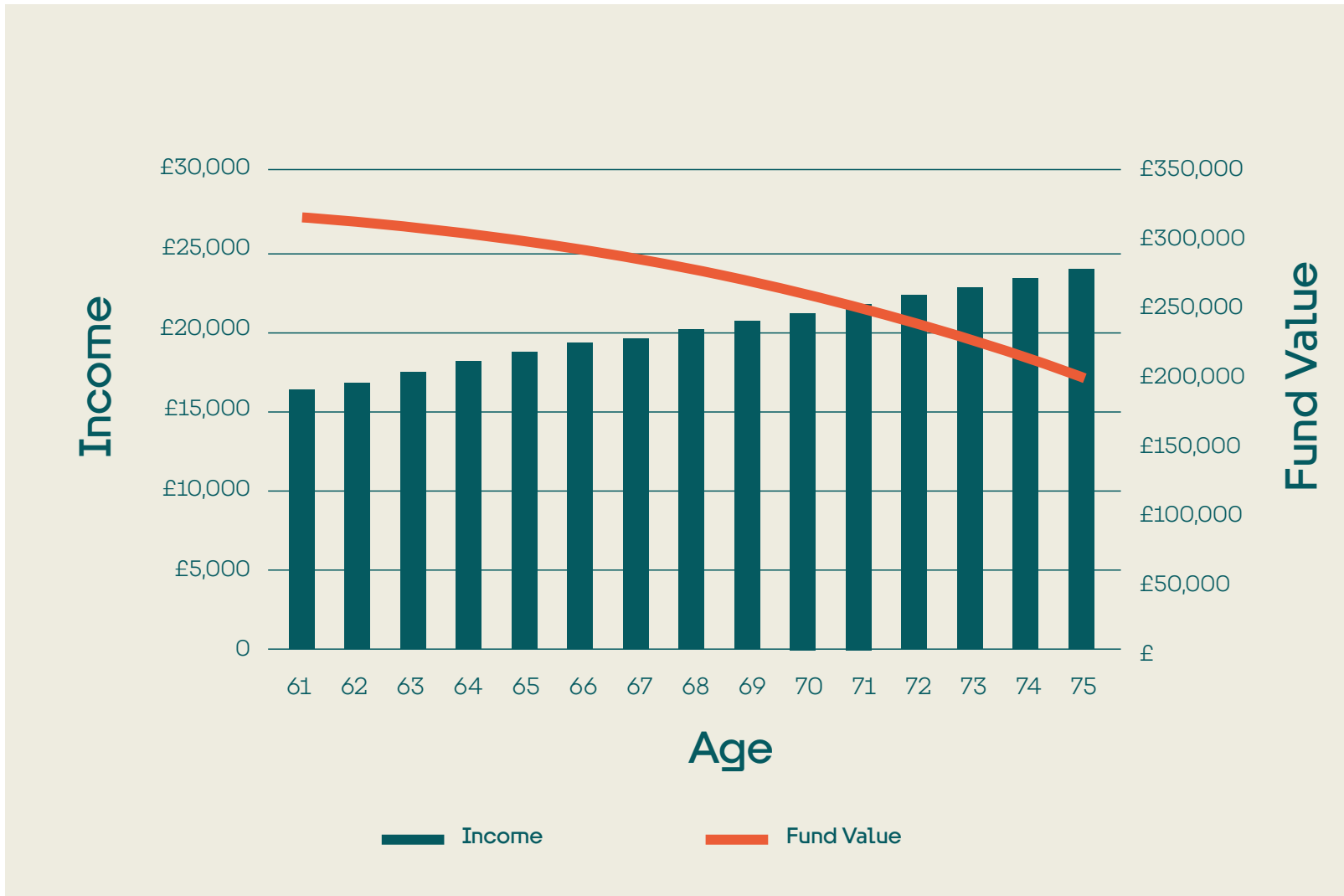
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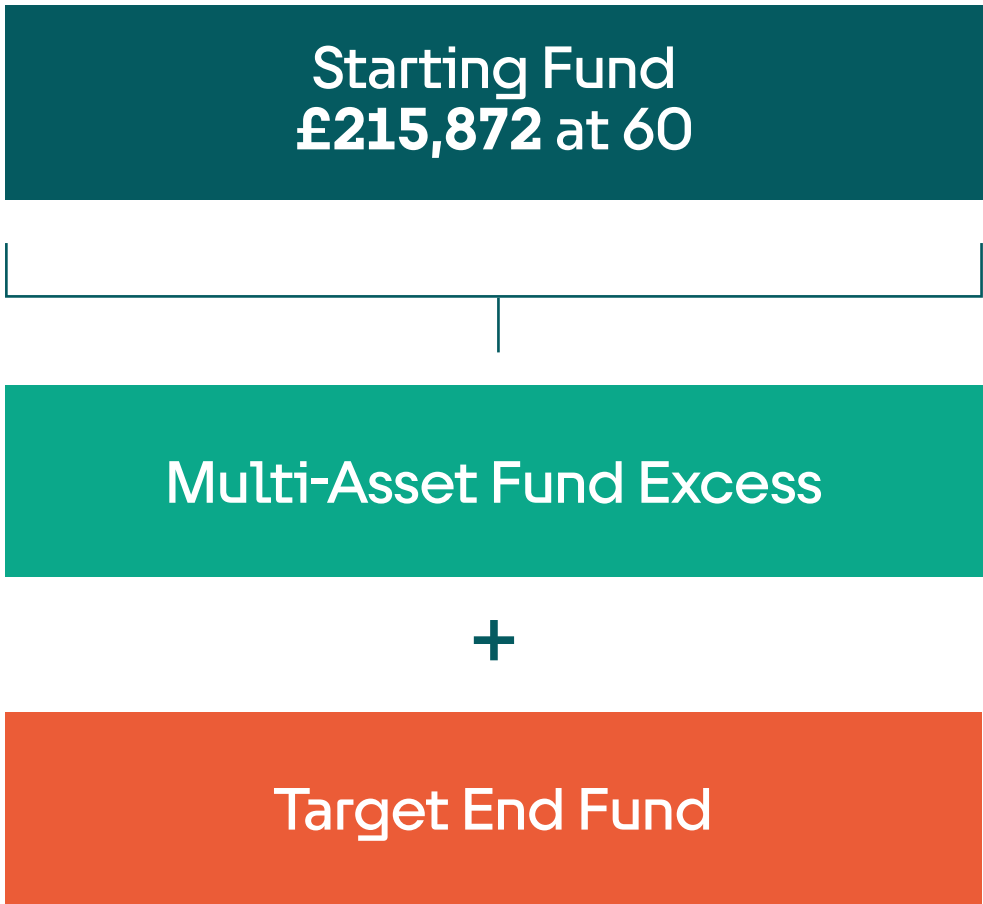
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# Creating Extra Income – Mary

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



Provides **£8,700** (gross) pa until 75 with escalation covering discretionary spending or gifting out of income

Leaves a target end fund value at 75 of **£200,000** to provide flexibility for later-life costs or intergenerational planning

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

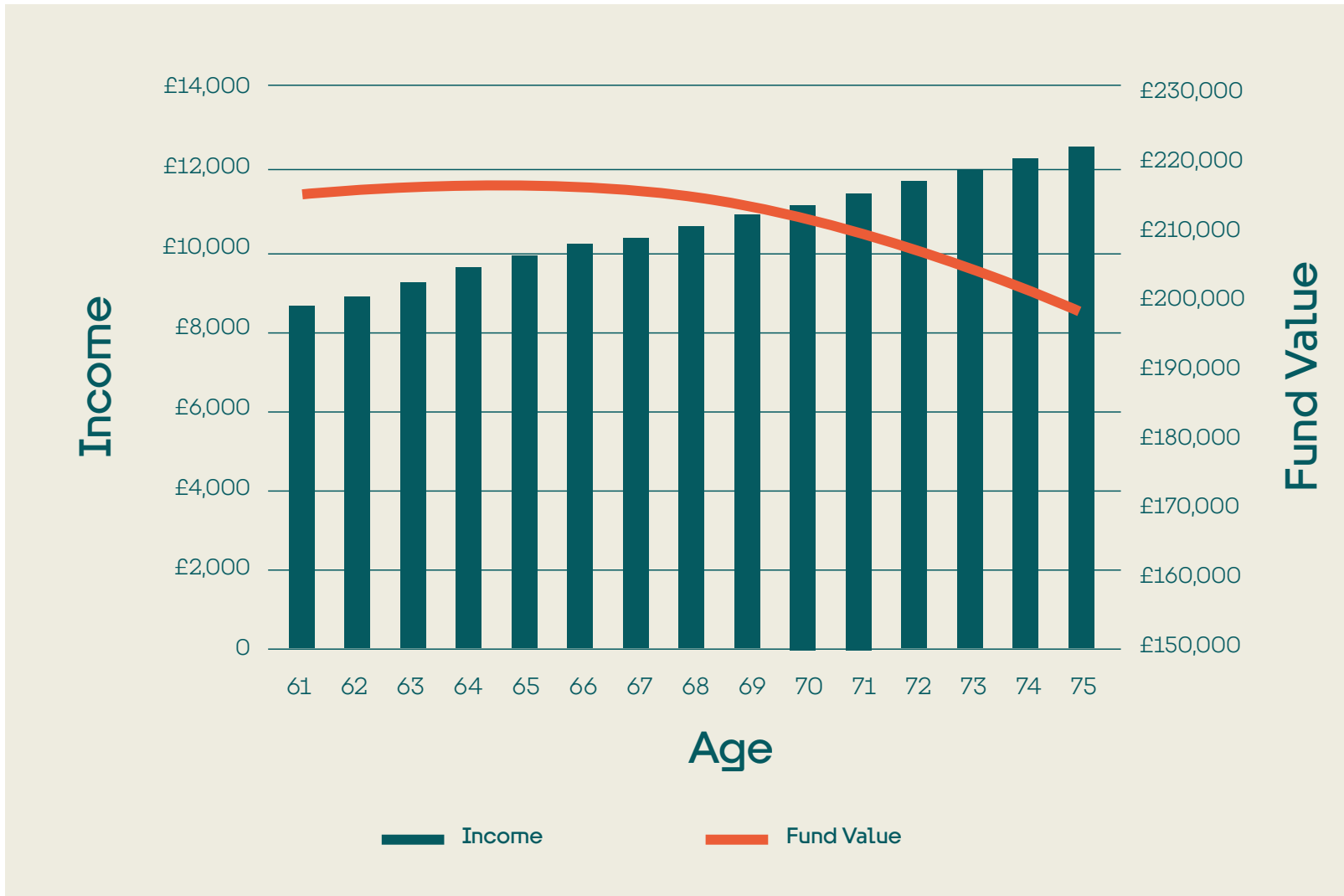
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# Planning for later life security and passing on wealth

## 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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