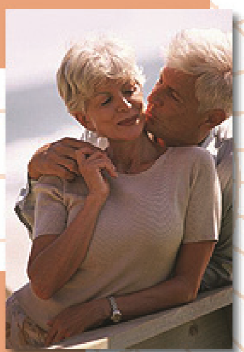
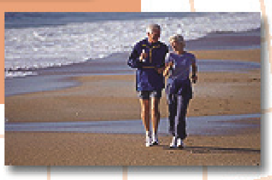
Retirement Planning

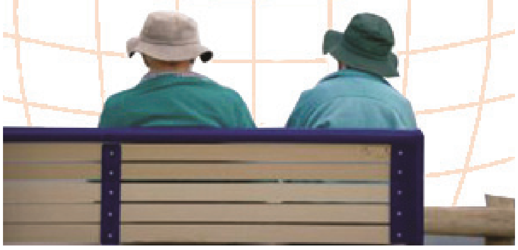
Delaying your pension planning will have a significant and dramatically negative effect on your potential retirement income. Find out how you can protect yourself today from this 'cost of delay' by using the offshore advantage to maximise your investment returns.

Don't be a retirement statistic. Start your Retirement Planning now in a way that will neither restrict your investment freedom today, nor limit your lifestyle freedom in retirement.

As our life expectancy increases, so, too do the number of years that we can expect to spend in retirement. Soon many people may well spend more time retired than they did in work…if they can afford to!







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Introduction

Why do so many of us constantly push the thought of Retirement Planning to the backs of our minds? Reluctance!

We feel reluctant:

- To save for an event that seems so far off
- To commit to an inflexible pension scheme
- To put a large portion of our current income out of reach for the long-term

However, with regards to Retirement Planning: Putting off until tomorrow that which you could get done today will end up costing you very dearly, as the following graphic illustration shows.

The cost of delaying your pension planning is illustrated here based on the desire to achieve a fund of **£1,000,000** at the age of **60**, using a typical Offshore Retirement Plan with a net annual return of **5%**. (table below)

Considering the cost of delay, don't you think it's time you look at the bigger picture and find out which options are available to you as an Expatriate?

In the next section, we uncover the common myths surrounding Retirement Planning and attempt to provide you with a fair indication of what you can realistically achieve toward fulfilling your retirement goals.

Age*	Years Of Investment	Monthly Payment	Total Cost	Cost of 1 Yr Delay	Fund**
30	39	£1,349	£485,640	n/a	£1,000,000
31	29	£1,438	£500,424	£14,784	£1,000,000
40	20	£2,640	£633,600	n/a	£1,000,000
41	19	£2,873	£655,044	£21,444	£1,000,000
50	10	£6,981	£837,720	n/a	£1,000,000
51	9	£8,216	£887,328	£49,608	£1,000,000

*Age at the next birthday, at the outset of the Retirement Plan.
** Fund assuming 5% per annum net return.

Popular Retirement Myths

Myth #1: I'm too young to worry about Retirement Planning…

Every month you delay your retirement savings planning, you significantly reduce the value of your future potential Retirement Fund. Or, to put it another way, every month you delay your retirement savings planning, you significantly increase the amount that you need to invest tomorrow to achieve the same level of retirement income than if you'd started today.

A case in point: If a 25-year-old and a 35-year-old were to start saving to retire at the age of 55, and the 25-year-old invested £300 a month towards retirement, the 35-year-old would have to increase his contributions to £803 a month to achieve the same potential returns.

You may well feel that retirement is a long way off. But if you look at it in terms of how many 'pay days' until retirement, you see that it is not very far away after all.

Current Age	# of Pay Days Until Retirement	# of Pay Days After Retirement
30	360	300
40	240	300
50	120	300

The table above, which assumes retirement at the age of 60 and mortality at 85, illustrates how quickly - and significantly - the number of pay days decreases as you age.

Myth #2: There's always the state pension…

Are you continuing to pay contributions to your state pension scheme while living abroad? Regardless, it may prove to be a losing battle.

You are not continuing to pay? This could reduce or wipe out your entitlement.

You are continuing to pay? Any pension that the state pays is almost certainly not going to keep you in the kind of lifestyle that you will want in retirement.

State pensions may not even exist when you reach retirement age, and the age of retirement for state pension entitlement will most certainly rise.

Most state pension schemes are not funded, meaning that the state pensions paid out this month are paid from money collected by the Government this month. Over the coming years, the workforce worldwide will get smaller at the same time we are set to live longer. Therefore, fewer workers will be funding an increasing number of state pensions.

What if future governments reduce or stop state retirement benefits? Do you really want to be dependant on the state?

Surely the ONLY person you can truly rely on is yourself.

Myth #3: As a married woman my husband's pension will provide for my retirement…

It's a difficult and bitter fact to accept: In the West one marriage in two ends in divorce, and one second marriage in two ends in divorce. So how do you know that your husband will be there to look after you?

Isn't it naïve not to accept a women's right for financial independence, especially in this day and age - and especially in retirement?

In addition, only about 20% of all women receive an adequate pension. Therefore many are approaching retirement without financial security.

That a woman's earnings tend to be less – often far less - than a man's, means that they will have potentially lower pension benefits as well. On top of that, up to 50% of working women don't have a company pension plan and still depend on their husband to support them in retirement.

A woman is currently less likely than a man to receive an adequate pension, and is therefore exposed to a greater risk of not having enough money to live comfortably in retirement. And, as women on average live longer than men do, so too do they often have to survive longer on less money.

Not So Popular Retirement Facts

At the state retirement age of 65, the average man will have some 19 more years to live and the average woman, 22 years. You will have to support yourself without work and, very possibly, without state income.

This means that you will spend 25% to 30% of your life in retirement.

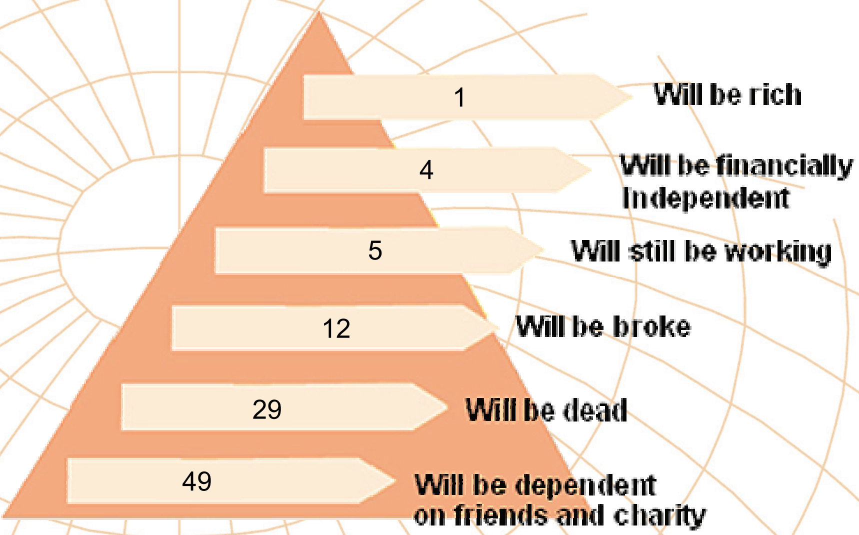
You will need substantial sums of money to support yourself in retirement in the manner to which you will have become accustomed throughout your life to date. Recent figures show that individuals aged between 25 and 44 are saving one-third of the amount they should be saving in order to support their current lifestyle in retirement.

In most countries you are forced to make your own pension provision if you want to have any chance of a comfortable retirement. The value of the government pension that you could once rely on is diminishing every year.

And last, but by no means least…

See below the graphic story of 100 young people now aged 25…and where they will be 40 years later at retirement.

Of those who live to retirement, 93% will be depending on friends, relatives and charity. Where will you be?



Ready to Start Planning?

As an Expatriate you are in a more privileged position than most. Chances are, you're enjoying a higher salary and extra benefits as a result of working away from home. Furthermore, Expatriates have greater freedom when it comes to making investment decisions: They are not necessarily restricted by the same regulations that domestic investors experience.

If you already had a domestic pension plan in place prior to working offshore, you may find that it is not as mobile as you are. And, switching from plan-to-plan as you move from country-to-country doesn't make sense. It can mean that the income you end up with in later life is fragmented and may be whittled away by foreign exchange costs, charges or even a cash-strapped government!

Sometimes, international companies will offer pension plans to Expatriate employees as part of their benefits package, but unfortunately this is nowhere near as common as it used to be, and therefore the onus is on you to provide for your own retirement.

What to Be Aware Of

When planning for retirement, ensure that you bear the following in mind:

- Your own personal circumstances are unique.
- Know that a good Offshore Retirement Plan should allow you to do the following without penalty:
    - Reduce contributions (normally after an initial period of one to two years).
    - Switch investments between different funds to respond to changes in the market, preferably including funds managed by other people outside of the institution zone.
    - Have the option of retiring when you choose.
    - Allow certain access to monies invested (again, after an initial period).
- Be realistic about how much you should be contributing.

Be sure to check that your prospective plan is suitable for your individual requirements, and allows for the penalty-free options listed above before committing to it!

How to Find the RIGHT Solution

Finding out on your own what each provider's best products are currently, and then hand picking the most appropriate one to suit your own personal needs and current circumstances, may seem like the best idea.

But how impractical is it?

Do you have the time to do this? Do you consider yourself an expert in offshore investments and pension planning? Where would you start?

Obviously, professional advice will get you the right solution, save you time and money and reduce your costs of delay significantly!

Pension Surrender

Cashing in a UK or Onshore pension is rarely the best option available to you.

If you have taken out an Offshore Pension Policy and you are unhappy with it, or want to take a break from paying into it, consider all of the options that are available to you before you decide on your path of action.

- Instead of encashment could you take a payment holiday?
- Instead of encashment could you change your investment focus?
- Instead of encashment should you to speak to a Financial Adviser to find out what options are available to you and which options are best for you?

You do not have to speak to the Adviser or brokerage that set-up the initial policy for advice. A good Independent Financial Adviser will be happy to assist you with any previous policies or investments that you may have.

Get Informed

If you haven't started your Retirement Planning, you want to check whether you need to do more, or you want to find out what you can do with policies already in existence – whether company pensions, personal pensions or offshore pensions - you need to act now.

As an Expatriate, you are in a privileged savings and investing position. Make the most of the options available to you while you can.

Find the right company to advise you about exactly what is available in the marketplace today. Find the right company to get the best solution in place for you sooner rather than later.

We can help you find an internationally focused independent Adviser who understands your circumstances and is best placed to advise you.

Contact us today with your questions or requirements and we will find an international, independent and experienced Adviser suited for your specific needs.

Why use the Offshore Investment Guide Team?

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Contact us by e-mail or via FAX using the form at the back of the guide.

Good luck with your Offshore Retirement Planning.

Confidential Contact Form

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