



PLANNING FOR A GOOD RETIREMENT

with Simon Bruce, Partner at White Bruce

It is appropriate that as this series of articles, entitled Time to Plan, is coming to an end that I should be writing about retirement. These days retirement is seen with a greater sense of hope and excitement than perhaps it was 40 or 50 years ago. On the whole people in their sixties now are physically and mentally fit and still retain some expectation that their lives for the next couple of decades can be exciting and fulfilling.

But just like any transition that we have made in our lives before, it can be frightening and bewildering.

I am a firm believer that planning performs a multitude of functions. It enables us to put our thoughts in order, it gives us the chance to discuss our hopes and fears with those that we care for, by so doing it can eliminate some anxieties that are unfounded, and it can provide a structured list of things to get done.



Simon Bruce

Some people thrive in an unstructured work. If you are one of those people then perhaps this article is not for you, but if you are curious about how a left-brained person would go about this challenge then please read on.

The term “Good Retirement” is highly subjective. I believe that one of the great joys of getting to this point in one’s life is that the next stage can be viewed as a blank page, just waiting to be coloured in by you. So just like any other project it is definitely worth taking your time to consider your personal circumstances, focus on what you enjoy, who you like to spend your time with, and what you appreciate in your life. For many people that means being with family, remaining connected with your community, making a contribution to the wellbeing of others, and de-stressing your life. For others it provides a chance to discover new cultures through travel, make new friendships and spend time in ways that had not been a possibility before.

How you want to go about your retirement is something for you to sketch out and plan with those close to you. As always with planning, the more time you give yourself the better the experience is likely to be.

Because everyone’s lives and circumstances are different there is no “one size fits all” approach to planning for retirement. But there are some common bases which I urge you to think through. Some of those bases will require the assistance of technical experts, such as lawyers and accountants. Professionals can provide advice and experience, connections and solutions, but the ambition and vision for the future has to come from you, the reader.

So what are the common bases that I believe need to be sorted out? I believe that there are three that are most pressing, being your income, your assets, and your time or timing.

For many people income in retirement takes the form of a pension, provided by the State and/or an external pension plan. It may be that you currently have savings and investments that provide an income stream, but you need to consider how robust the income stream is, and how much regular attention it requires from you. In brutal terms, the income from your pension needs to be sufficient to support you and your dependents for many years to come. Will you have the capability, skill and mental capacity to manage those investments and savings as you turn 80 years old? Do you have the experience to structure your sources of income to counter the effects of inflation over the next 25 to 30 years? We might live in a low inflation period now, but who knows if that will be the case by the time you reach 85? So in simple terms, make sure you have a secure income stream that will cover you and your immediate dependents core expenses, namely shelter, warmth, food and clothing.

The second base is your assets, or wealth. Throughout your life your financial focus has probably been on growing your assets. The likelihood is that if you were to continue in that manner without undertaking any Inheritance Tax Planning, then the event of your death will trigger an IHT liability which your estate executors will have to pay within six months. Of course, that assumes you have written a Will in the first place. If you die without a Will then the Probate Court is responsible for settling your affairs and distributing your assets according to a prescribed process. Will writing is the first step in planning the distribution of your wealth as much in your life, as following your death. Depending upon your business arrangements and property holdings there are important tax opportunities that may affect your tax planning. Once again it is the technical experts who are best placed to advise you, but they can only offer that advice if you know what you want to achieve. Planning beyond your life, or legacy planning, is more than just a financial exercise. Many farmers will want to pass on their farm to one of their children. But if you have more than one child, which one? Perhaps all your children could run it as a partnership, but then what happens if they are unlikely to be able to work as a team? Once again a combination of judgement, discussion and advice from trusted friends and professionals will help you form a decision as to how to proceed.

The third and final base is your time. Time is perhaps our most precious resource. No-one knows how much time is left on our own individual clocks, and frankly it is not worth dwelling on that question. I suggest that using our time responsibly, creatively and wherever possible with a sense of joy, makes for a good retirement. Making space in our lives so we can experience simple pleasures is not a lesson we were taught at school or college. By the time we start working it is so often something that we have completely forgotten about. A constant and unending stream of tasks to be done and problems to be fixed can be exhausting and overwhelming. Retirement is a period when you can be released from the need to achieve, the constant drive to get things done. You can start to set your own agenda, and hopefully do more things that you want to do rather than have to do.

I hope that you have found this article, and my previous two, thought provoking and informative. I would be very happy to discuss your own particular questions in more detail. If that is of interest to you please contact me at simon.bruce@whitebruce.com or via twitter [@simonthebruce](https://twitter.com/simonthebruce)