Check your progress

There are lots of questions you can ask to help you understand what you need and what you are on track to have when you retire. Use this worksheet to check your progress.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| *Date:* |  | *My age now:* |  | *The age I want to retire:* |  | *No. of years until I hope to retire:* |  |

**Income in retirement:** Find out how much money you could have coming in when you retire

*Check a recent benefit statement for an estimate of your retirement income from the following sources. Make a note if the estimates are for different retirement ages.*

***What will your IBM pension be?*** £ a year

***Are you expecting pensions from previous employers?***   
£ a year from

£ a year from

£ a year from *Total:*£ a year

***Do you have any personal pensions?***

£ a year from

£ a year from

£ a year from *Total:*£ a year

***Are you entitled to a State Pension?*** £ a year

*You may need to request a State Pension forecast, which you can do online using the link   
on the ‘Check your progress’ page of the website.*

*Total estimated regular income*: £ a year

***Will you have any other income?*** £ a year  
*(e.g. savings, investments, workplace share schemes, property, inheritance)*

***If you are married, what income does your spouse expect to receive?***   
£ a year from all workplace pension schemes

£ a year from the State

£ a year from personal pensions *Total:*£ a year

**Expenditure in retirement:** Think about your spending in retirement

*Take a moment to work out your estimated living costs in retirement. A good starting point is to base this on your current expenditure, then take away anything you will no longer be paying (e.g. you may have paid off your mortgage by the time you retire).*

***Household*** *(e.g. food, mortgage/rent, council tax, utilities)* £ a year

***Travel*** *(e.g. car running costs, public transport costs)* £ a year

***Leisure*** *(e.g. holidays, evenings out, club membership, TV licence)* £ a year

***Financial dependants expenditure*** *(e.g. education fees, care costs)* £ a year

***Other*** *(e.g. clothing, gifts, home help/care costs or other regular expenditure not categorised above)* £ a year

*Total estimated regular expenditure*: £ a year

***Anticipated one-off costs*** *(e.g. house maintenance, replacing large household items or a car)* £

**Will it be enough?** Compare your estimated income and expenditure

* If your estimated income is **higher** than your estimated spending, it is important to ensure that you stay on track. So, regularly review your benefit statements and make a note of new costs and expenditure that arises. You may want to consider building up other savings for one-off costs or retirement activities, such as a celebratory holiday.
* If your estimated income is **lower** than your estimated spending, you may wish to consider paying additional contributions. You should think about how much you are paying in at the moment and whether you can afford to pay more. You can use the Modeller on the website to see what effect paying additional contributions, or even retiring earlier or later, could have on your IBM pension.

**Investments:** How are your pensions invested?

*If you have any defined benefit (final salary) pensions, this section doesn’t apply to those particular pensions. However, any Additional Voluntary Contributions (AVCs) you paid under those arrangements may have been ‘money purchase’ AVCs and you will need to review how they are invested.*

|  |  |  |
| --- | --- | --- |
| Name of pension | How my pension or AVCs are invested  (i.e. name of investment fund/option) | Type of investment  (e.g. equities, bonds, cash) |
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To understand whether you are invested appropriately, you need to find out how risky the fund is estimated to be. It is important that you refer to the pension arrangement’s literature – as each arrangement rates their funds differently. To understand the risk for your IBM pension, visit the ‘Risk’ section of the website.

As you approach retirement (generally in the five to ten years before you retire), it is important that you reduce the risk your pension savings are exposed to.

If you are invested in a “Lifestyle option”, there is an automatic switching process that will start to take place at a fixed number of years before your retirement. The aim of this automatic process is to gradually reduce the amount of risk your pension savings are exposed to as you near retirement and to secure the value that has built up. However, the process does not take into account actual circumstances (e.g. your changing retirement plans and the stock market), so you should check when the automatic process starts and, if you are approaching that point, consider if you are happy with this investment choice. If this is how your IBM pension is invested, visit the ‘Lifestyle in detail’ page of the website for more information.

If you are not invested in a “Lifestyle option”, you are responsible for your own investment choice, which will include deciding to move your pension savings into lower risk funds.

**What next:** Actions to think about

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| --- | --- |
| 🕿 | Use the Pension Tracing Service to make contact with previous schemes you’ve lost contact with. Ensure all your pension arrangements have your up-to-date personal details and beneficiary nominations. |
| 🗠 | Make changes to how your pension savings are invested, if appropriate. You can change your IBM investment choices online at any time – see the ‘Act Now’ section of the website. |
| **£** | Increase your contributions to the IBM pension plan, if required, by paying AVCs, ASCs or Matched Contributions. Further details about additional contributions are on the website. |
| 🗪 | Get advice about your pension savings by speaking to an Independent Financial Adviser. You can find a local adviser using the ‘Independent Financial Advisers’ page on the website. |
| ⌛ | Set a date for when you next review your pension savings. Check your benefit statements when you receive them, but have another review if your circumstances change or you are approaching retirement. |