



**ASSURED RETIREMENT**  
HELPING SECURE YOUR FUTURE



**The Cash Retirement Account is very flexible and can work for different people in different ways. The example below shows how the account could be used in practice. It is shown for illustrative purposes only and is not based on a real life case.**

**Helen is approaching 60 and wishes to use a mixture of pension income products to meet her needs.**

Helen has a final salary pension that at age 60 will provide a gross income of £1,146 per month, increasing in line with inflation. In addition, she has accumulated £210,000 in a Personal Pension fund. She has a mortgage of £28,000 but no other debts, is in good health and does not have any dependants.

Helen requires a total income of £1,400 per month after tax and her final salary pension will provide £1,100 after tax. Helen wishes to retire with the certainty that her retirement income will last, irrespective of how long she lives, so she decides to buy a lifetime annuity with part of her Personal Pension. She requires a gross level monthly income of £375 per month, which after tax will provide the additional £300 per month that she needs. After searching the whole market, the best purchase price for this annuity is £102,021, so she uses £136,028 of her fund to provide tax free cash of £34,007 and £102,021 for the annuity purchase. Helen then uses £28,000 of her tax free cash to repay her mortgage.

Helen transfers the remaining £73,972 of her Personal Pension to a three year, Assured Retirement, Cash Retirement Account and takes a tax free cash lump sum of £18,493. She has a number of specific requirements: she wishes to purchase a new car; she plans to make a trip to Australia in six months' time to see her brother; her daughter is getting married in 12 months' time and she wishes to contribute to the wedding costs and Helen also wants to satisfy her dream of visiting China in two years' time to see both the Great Wall of China and the Terracotta Warriors.

She uses her remaining tax free cash and the tax free cash lump sum of £18,493 from her Cash Retirement Account to fund the purchase of a new car. She specifies a variable, annually in advance income of £4,000 in year one, £8,000 in year two and £5,000 in year three. The £4,000 payment (£3,200 after tax) is payable at outset and used to fund her trip to Australia in six months' time, the £8,000 payment (£6,400 after tax) is payable in 12 months' time and is used to contribute to her daughter's wedding costs and the £5,000 payment (£4,000 after tax) is payable in two years' time to fund Helen's dream holiday to China.

Helen's Protected Maturity Amount of £40,636 is available at the end of three years and she intends to reinvest in another Cash Retirement Account to supplement her income in the period leading to her becoming entitled to her State pension.

Helen will have used the Cash Retirement Account to provide a variable level of income that meets her specific needs, over a fixed period of time, with the benefit of a known Protected Maturity Amount, something that cannot be achieved with either a lifetime annuity or the normal type of Drawdown that has the uncertainty associated with investing in stock markets.

#### **IMPORTANT NOTE**

**This case study is shown for illustration purpose only and is not based on any real life example. It is intended to highlight how the Cash Retirement Account could be used in practice to meet individual client's pension income needs. You should not take, or refrain from taking, any action based on this information. Tax treatment can change and depends upon your circumstances. Please remember that taking money out of a pension will impact your standard of living later in retirement. This information is not advice and if you are unsure about the suitability of an investment, you should seek Independent Financial Advice.**

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**Assured Retirement Limited is authorised and regulated by the Financial Conduct Authority.**

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