

Printable Self-Employed Retirement Checklist



Approaching retirement? Here's a self-employed friendly checklist to guide you. Simply print it out and tick each box once you've considered the point.

What age would you like to retire?

- ☐ Will you be entitled to a state pension? If so, at what age will you be able to claim it?

You can check if you'll be entitled to a state pension. If you are, you can also find out when it will be payable and how much you can expect to receive. This information is available in the Plan Your Retirement Income section of the gov.uk website. Or call the Future Pension Centre (0800 731 0175) to get a BR19 application form to submit a paper request. If you're self-employed, you can still receive the state pension. It is still based on your National Insurance contributions. These come from Class 2 (profits below £6,845) and Class 4 (profits over £12,570). However, Class 4 does NOT count towards State Pension.

- ☐ Can you make any voluntary contributions?

You can use the State Pension forecast service on the gov.uk website. This will show whether there are any gaps in your National Insurance contributions. If you do you may be able to make voluntary payments to top up your state pension. The forecast service will tell you how to do this. It will also tell you whether topping up your National Insurance contributions will increase your state pension. This isn't always guaranteed.

- ☐ Do you have any existing personal or past employer pension/s?

You may have:

- A personal pension that you set up yourself, such as a SIPP or a stakeholder pension.
- A workplace pension from a previous employer, before you became self-employed.
- A pension linked to any part-time or short-term roles you've held.

It's important you locate your pension/s and find out how much they are worth. You'll also need to work out when you will be able to access the funds. You should be able to find this information on your pension statements. Or, if necessary, request it from your provider/s.



☐ **Have you lost contact with any of your personal or employer pension providers?**

If you've paid into pensions in the past but no longer have the providers' contact details, don't worry. You can use the Government's Pension Tracing Service on the gov.uk website to help you find them.

☐ **Do you have any other savings and/or investments?**

When you're self-employed, you don't benefit from automatic employer pension contributions. This means your wider savings and investments can play an even more important role in your retirement planning. Add up any savings and investments you hold that could support you in later life such as:

- Cash savings (e.g., easy access or fixed term accounts).
- ISAs (Cash ISAs, Stocks & Shares ISAs, Lifetime ISAs).
- Other investment accounts or portfolios.
- Premium Bonds.
- Property or other assets you intend to use for retirement income.

Include these in your retirement plans to get a clear picture of what you already have in place and what you may still need to save.

☐ **Are you entitled to any benefits?**

Whether you're self-employed or not, you may be entitled to Pension Credit at state pension age if your income is low. This is a two-part, income-related benefit designed to top up your weekly income. You can check your entitlement on the Pension Credit section of the gov.uk website.

What kind of lifestyle would you like in retirement?

☐ **What will your budget look like?**

Create a realistic budget based on how much you think you will spend in retirement. Think about your typical monthly and annual costs. Remember that some expenses such as heating may rise as you get older. Include essential, non-essential and irregular costs to understand the income you'll need in retirement.

☐ **Do you have any debt?**

In retirement your income may be lower so any debts might make up a higher proportion of your expenses. It may be a good idea to pay these off in advance of retirement.

☐ **Will your property play a role in your retirement?**

Think about whether you plan to move for a change of lifestyle in retirement. You should also consider whether you may need to downsize or release some equity from your home.



- ☐ **Are you planning to take regular holidays, or will you have any other large outgoings?**

Consider how often you'd like to go on holiday in retirement. You should also consider any other large irregular costs you might incur. Make sure these are considered in your budget.

What pension options are best for your needs?

- ☐ **Which of the following pension options are right for you?**

- *Pension drawdown – After taking any tax-free lump sum you could choose to re-invest the remaining amount. This can be placed into funds designed to provide you with a regular income. This income isn't guaranteed so you will need to monitor the performance of your investments.*
- *Cash in your fund(s) – You can take your whole personal pension as cash. Normally, you can take 25% as a tax-free lump sum. The rest will then count as taxable income. So, you should consider the tax implications. You should also think about the possible impact on any state benefits you are currently receiving or will receive.*
- *Annuities – You could use your pension fund(s) to buy an income. This can be guaranteed for a specific length of time or for the rest of your life.*
- *A mix or none at all – You don't have to choose just one option; you can opt for a mix of the above or leave your pension(s) invested.*

- ☐ **Will you want to take a tax-free lump sum?**

No matter which pension option you choose you will normally be able to take up to 25% as a tax-free lump sum.

- ☐ **Do you have a partner you need to consider?**

Check if your partner has their own retirement provisions. If not think about how you might need to structure your retirement income to take them into account. For example, you may wish to buy a joint life annuity. This would provide them with an income for life, even after you've gone.

- ☐ **Do you want to leave something behind?**

You may have adult children or grandchildren you'd like to help financially. For example, you might want to support them with a house deposit. So, you might want to consider retirement options that will allow you to leave something behind. You could also look at using part of your tax-free lump sum.

Would you benefit from free guidance?

- ☐ **Have you had a free Pension Wise appointment?**



You may be entitled to a free Pension Wise appointment through the government's Money and Pensions Service. The appointment will last around 45 to 60 minutes. Pension Wise will explain your pension options and the tax implications. They will also give you next steps to take. It's best to gather all your pension information before the meeting. This means you'll have it on hand and can make the most of the time available to you. You can contact them on 0800 138 3944.

Would you like to compare annuity quotes with no obligation?

☐ **Do you know how much annuity income you could receive?**

You can compare pension lifetime annuity rates from all providers in the open market with Annuity Ready. By completing the online form, you can see how much annuity income you could receive. You can then adjust your options to see their effect on your income. You'll discover if Annuity Ready can find you a higher annuity rate than your current pension provider.

This checklist is a guide to help you plan for retirement. Seek advice from financial professionals for personalised recommendations based on your individual circumstances.