This document is for Investment Professionals only and should not be relied upon by private investors.

Create your own marketing letters

To be used with our pension client guide

When creating your own pension prospecting letter for clients, why not make use of the sample wording below, in conjunction with our pension guide for clients. We have highlighted the benefits of investing in a pension from a client perspective, but remember that any recommendation to invest remains with you.

Please also note that it is down to each individual adviser firm to ensure that correct disclosure material has been provided to the client and that the final letter adheres to the regulations/guidelines laid down by the Financial Conduct Authority. The value of investments, and the income from them, can go down as well as up and your clients may get back less than they invest.

1 The importance of pension planning

Making sure you plan for your retirement is essential. If you don't, you could find yourself working for longer than you anticipate, particularly if you are affected by increases to the State Pension Age. A pension is designed to provide you with an income during your retirement and is split into two stages – saving and retirement.

While saving you should aim to increase the value of your pension as much as possible, and when you retire you can use the money you've saved to take a tax-free cash sum and to generate income – either by purchasing a guaranteed income for life, known as an annuity, or drawing a flexible income from your pension savings whilst leaving the rest invested, known as pension drawdown. With pension products you will not normally be able to withdraw your money until you reach the normal minimum pension age. The minimum age you can normally access your pension savings is currently 55, and is due to rise to 57 on 6 April 2028.

2 The advantages of investing in a pension

The government encourages you to save for your retirement by giving tax relief on pension contributions. For a basic-rate taxpayer, for every £100 saved, the cost to them is just £80 as the government puts in 20%. At present this benefit is even greater for people in the higher income tax bracket, although this may change in the future. This tax relief is a great help in building up your pension pot prior to retirement and means you are getting more for your money while you are saving. If you invest in a personal pension there is no capital gains tax on growth and no income tax on interest. Tax treatment and eligibility to invest in a personal pension depend on individual circumstances. All tax rules may change in future.

3 Finding the right pension for you

To make the most of your savings over the long term, you need a pension that offers a wide choice of investments, competitive charges and flexibility in both the saving and retirement phases of your life. I've found that this pension offers all these things, which is one of the reasons why I am recommending it to you.

4 Easy ways to change the investments you hold

With no set up, annual administration or initial charges, the only charges you will pay are an annual Service Fee of 0.25% (calculated against the value of the investments in your pension), an annual investor fee of £45, any fees you agree with us for the advice and services we provide you <,a DFM Ongoing Fee for the Discretionary Service managing your pension> and the ongoing charges for the investments you choose. There may also be a charge if you choose investments that have different buying and selling prices (known as dual-priced funds) or if a fund manager levies buy and sell charges, or if you buy or sell investments that are traded on an exchange, such as Exchange-Traded Investments.

< paragraph for clients with no other assets on the platform>

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5 Simple movement to different investments

What's more, if over time, we decide to change your investment options, the pension allows this to be undertaken quickly. Switches can be done at any time to adapt to the changing markets and your own goals. Furthermore, we also have the flexibility to redirect future contributions into different investment options should we decide this to be in your best interests. There may, however, be a charge if investments chosen have different buying and selling prices, known as dual-priced funds, or where fund managers may levy buy and sell charges. There are also dealing charges when buying or selling investments that are traded on an exchange, such as Exchange-Traded Funds, Investment Trusts of Equities.

6 Flexible contribution options

The pension offers complete payment flexibility. You can pay regular contributions by direct debit, such as monthly or yearly contributions, and single one-off payments. If you choose to pay regular contributions you can stop, reduce or increase them (within limits) without extra costs or penalties. This gives you the reassurance of knowing you can change how much you are contributing if your income or circumstances change. Additionally, if you have built up retirement savings with another provider, you may also transfer these in.

If you are employed, your employer may also pay into your account, as can other people such as relatives.

7 The option to hold cash within your pension

You can also hold cash within your pension which enables you to manage your contributions, investments and any fees more easily. This can also be used, if necessary, to shelter your savings from periods of stock-market volatility. In addition, if when you reach retirement you wish to take income from your pension, this will be paid from cash where possible. We can discuss how you wish to maintain cash within your pension account.

8 Flexible benefit options, more choice in retirement

In recent years, budget changes have had a significant impact on the decisions you face at retirement. These changes have provided greater flexibility and choice than ever before, putting you in control of your retirement. Put simply, anyone aged 55 (due to rise to 57 on 6 April 2028) or over can take as much of their defined contribution pension savings as they like – when they like. This is good news. It means we can now design a retirement plan that's right for you and right for your family.

You can choose from a combination of:

- lump sums (with 25% tax free)
- flexible retirement income using pension drawdown
- guaranteed lifelong income (known as an annuity)

We can discuss this in more detail and what options are suitable for you nearer your retirement age.

9 Passing on your pension to loved ones

A pension can also be a tax-efficient way of passing on your savings to your loved ones. If you die before age 75, your beneficiaries can receive your pension pot free of any tax subject to the Lifetime Allowance (LTA), as a lump sum or an income.

If you die after the age of 75, your beneficiaries will be taxed at their marginal rate if they take an income or lump sum from your pension pot.

10 Further information

I hope you find this information useful. Please take a look at the enclosed guide, 'Helping you grow your retirement income', which explains the details about the pension. If you have any questions before we speak again, then please contact me.

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