

Helping your employees maximise their retirement income

Jelf Retirement Income Finder





Welcome to the Jelf Retirement Income Finder

Some of your employees will look forward to life after work and the freedom it provides. Others will regard it as a cliff edge, moving from a place of familiarity into somewhere uncertain and without familiar routine.

As their employer you are in a great place to provide the necessary support and help them make the most of their choices when making the transition to life after work.

Most people use their pension savings to buy an annuity - an insurance policy that gives them an income for the rest of their life. Buying an annuity is a major financial transaction and the annuity market is huge and complex, so it's not surprising that many people avoid thinking about it by simply buying the annuity offered by the insurance company they built up their pensions savings with.

That's not always a good idea, as there's usually a better annuity available – one that suits their circumstances and preferences, and importantly gives them a bigger income.

Jelf Retirement Income Finder makes it easy to find the right annuity. We talk to your employees to help them find out what they need, and help them understand their options, including:

- ◆ Do they want to include any financial dependant in the contract?
- ◆ Would they like their income to keep pace with inflation?
- ◆ Could they get an enhanced annuity because of poor health?
- ◆ Do they want to take some of their pension as a lump sum?

Then we search the market for them, to get the best possible deal.

As a result, your employees can be confident that they've got the right financial solution in place, and that they'll be getting the most out of their pension savings. This is great news for you too. It shows you care about your employees and it provides them with a benefit they can continue to enjoy for the rest of their lives, long after they have left the company.

Why shopping around is so important

When buying something large and expensive like a new car or TV, most people shop around for a good deal.

But when it comes to buying an annuity – a transaction that cannot subsequently be unwound and which uses the pot of money an individual has spent decades building up – a high proportion simply accept the annuity they are offered by their pension provider. They may be locking into a lower income for life than they need to, for example:

Highest annuity quote	Lowest annuity quote	Gap	Percentage difference	Cumulative difference	
				Over 15 years	Over 30 years
£2,342 p.a.	£1,985 p.a.	£357 p.a.	15%	£5,351	£10,703

Based on an individual aged 60 with a £50,000 pension fund, single life, non-smoker, no increases in payment and no guarantee – 12/05/2015.

By exercising their Open Market Option to shop around in 2014 using the Jelf Retirement Income Finder, the average increase in annuity was **18% - £410 each year.**

All-time low

Annuity rates have been steadily declining over the last decade. While the individual is locked in to a rate and can't change, a positive feature of annuities is that they do provide a guaranteed level of income for life, and if it is this certainty that is needed, shopping around becomes even more important. Securing even a moderately small improvement in the annuity rate offered can make a significant impact over time. In retirement an extra £35 or £50 per month can make a big difference to someone's lifestyle.

Whole of market

The final part of the jigsaw is to search for the best rate amongst as many annuity providers as possible. The Jelf Retirement Income Finder searches the whole market because no single provider will ever give the best rate for all types of annuity. They will all vary their rates as their underlying commercial and competitive pressures change, so a provider that offers the best terms today won't necessarily be best tomorrow.

There is always something new in pensions for businesses to keep an eye on

Now auto enrolment is launched, the Government is turning its attention to ensuring employees get the best possible income when they retire. This increases the likelihood that shopping around for annuities will become an area of increasing regulatory scrutiny. Pension providers and trustees could come under pressure to ensure information and support is available to individuals to help them get a good annuity deal at retirement.

Pension Freedom has also introduced wider choice about how an individual can access their pension fund.

With regulatory changes like the abolition of the default retirement age, employers continually need to evolve the support they provide when their employees are facing retirement.

The average size of a pension fund used to buy an annuity is £45,656.

Source: Association of British Insurers, Q1 2014. Estimates are based on the fund used to purchase an annuity, i.e. after any lump-sum available from the fund has been taken.

How much does the Jelf Retirement Income Finder cost?

There is no fee payable

There is no fee payable by you or your employee for the Jelf Retirement Income Finder, because when an annuity is purchased we receive commission from the chosen annuity provider. The amount we receive is disclosed up front in any annuity quotations we provide. If for any reason the annuity purchase does not go ahead there is still no fee. Also your employee is not committed to any additional services, newsletters or follow-up calls.

The service includes:

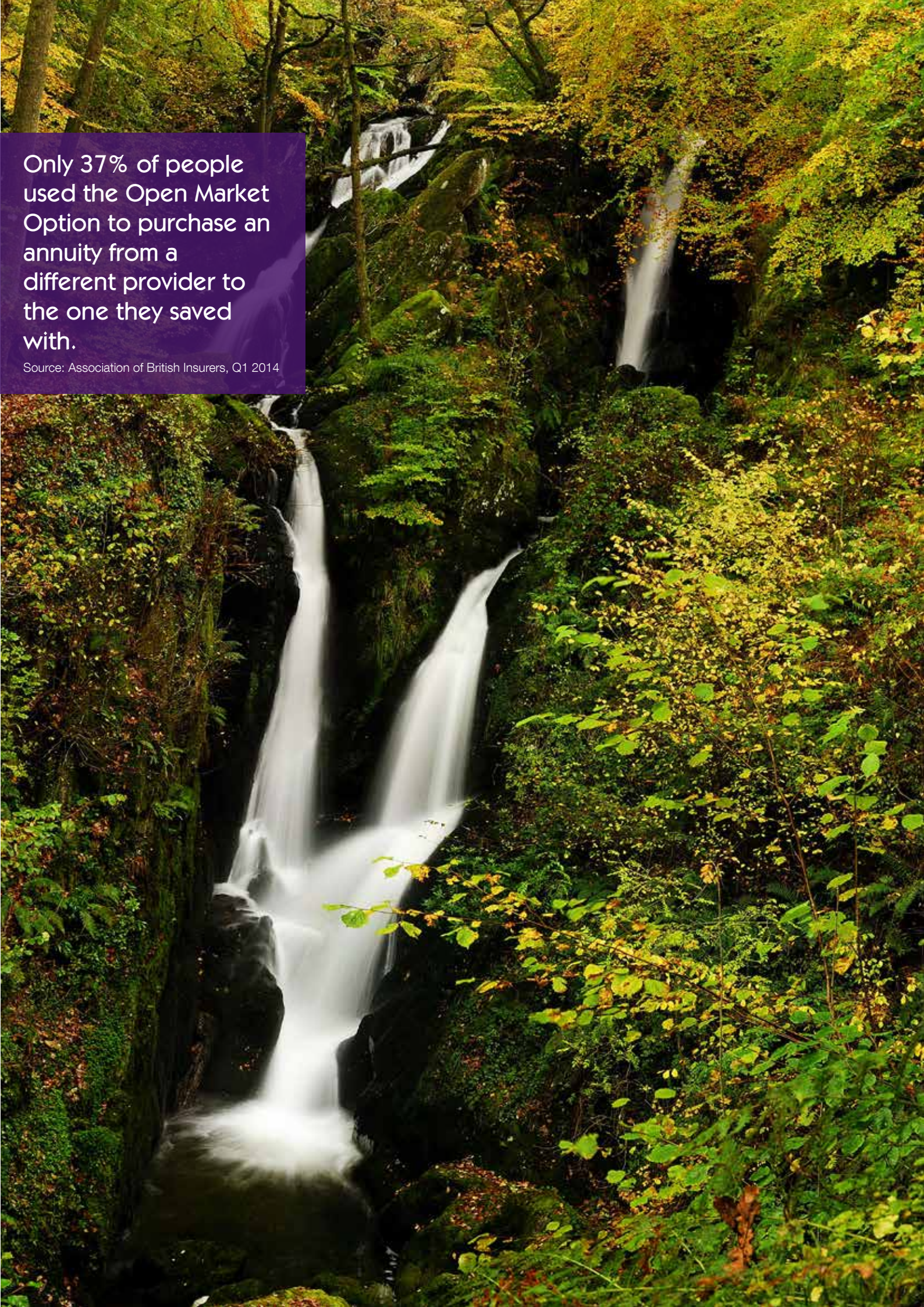
1. **Fact finding** with your employee on the telephone to find out their precise circumstances, objectives and preferences.
2. **Information and support** on the annuity options available.
3. Searching the annuity market to find the **highest annuity rate** available at that time and with the individual options they have selected.
4. Providing all necessary **paperwork**.
5. **Liaison** with the annuity providers.
6. Provision of an **online facility** where employees can model how their various options will potentially affect the amount of their annuity, using up-to-the-minute annuity rates.
7. The service described above provides information and support that enables individuals to make confident choices about their annuity purchase; **it does not provide advice on which annuity is the most suitable**.

If advice is required

Individuals might need advice if, for example, they have a large pension fund, complex financial planning requirements, wish to investigate alternative methods of providing an income in retirement, or were a member of a pension scheme which might have guaranteed annuity rates.

If your employees feel they need advice we can refer them to Jelf Financial Planning which has a team of fully qualified, specialist financial planners who are able to provide in-depth retirement planning advice. This service is subject to a fee that will be quoted in writing once the amount of advice and support they need has been assessed, and it can be taken from their pension fund if they prefer.

Jelf Financial Planning can also offer your employees a wide range of financial planning services including advice on investments, pensions, mortgages, estate planning and life assurance.



Only 37% of people used the Open Market Option to purchase an annuity from a different provider to the one they saved with.

Source: Association of British Insurers, Q1 2014



By exercising their Open Market Option to shop around in 2014 using the Jelf Retirement Income Finder, 68% qualified for an enhanced annuity.

Further benefits of the Jelf Retirement Income Finder

Enhanced annuities

At first glance it may seem odd but poor health is good news where annuities are concerned. If someone has suffered from a condition like diabetes or raised blood pressure, or is a smoker, this can adversely affect their life expectancy which means their annuity won't have to be paid for so many years. This is why the provider is willing to offer an 'enhanced annuity'.

Individuals might not think they qualify but they lose nothing by giving the necessary information and then leaving the annuity providers to decide. Our approach is that everyone should be assessed to see if they qualify for an enhanced annuity.

Can we use Jelf Retirement Income Finder if Jelf does not advise us on our pension scheme?

Absolutely, the Jelf Retirement Income Finder is a stand-alone service which can work very well alongside your current broker, adviser or scheme administrator for the benefit of your employees.

Treated with care and respect

Once we are in contact with your employee, you do not need to be involved in the process in any way. We will deal with them directly.

Individuals can build up their pension pot from various sources and the Jelf Retirement Income Finder is able to secure the best annuity for them using the consolidated value of these sources, not just the part they might have built up in your current company pension scheme.

Great employers know that they need to offer great benefits. That's part of how they attract the best people. It also helps to retain and get the best out of them.

That doesn't just mean the basics, like a good pension scheme and some life assurance. For great employers, it means making sure their people are well looked after throughout their working life, and beyond.

Contact details

www.jelfgroup.com

To find out more about the Jelf Retirement Income Finder and how it can help your business and your employees, please call us on **0333 321 0370** or email benefits@jelfgroup.com

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