Planning ahead for your retirement

Video transcript

Hello and welcome to this webinar on Planning ahead for your retirement. My name is Rebecca Dodd and I'm a pensions consultant from Mercer.

The aim of today's presentation is to help give you a better understanding of how you can plan for retirement and the retirement options that you might have, even though you may be a few years away from it.

You might not have thought much about your retirement and taking your pension benefits yet, but we'll look at a few things to consider to start you off. For example, when would you like to take your benefits and will taking them at a particular age impact how much you'll receive? So should you take all of your USS benefits at the same time or just take some now and some later? And will that impact what will be paid on your death to your loved ones?

Another question might be what will your benefits look like? So would you prefer for more tax-free cash or would you rather a higher guaranteed income payable for life? How might your benefits be taxed in payment? So you might be taxed on the monthly pension income that you receive depending on the total level of your income.

And some of these decisions will be determined by what pension and other income sources you have and what lifestyle you'd like to have in retirement. So what you can afford and how much income you think you'll need. And whilst much of this will be very personal to you we'll look at next what those different options are so that then you can use that information as you plan for your retirement.

This webinar is therefore focused on members who are planning ahead and giving you guidance on information you should or you could gather and tools that you can use. For members who are already ready to access their pension benefits in the next 12 to 18 months, you might prefer watching the **Approaching retirement** webinar, which is more detailed and sets out the USS retirement process itself.

For today though, to help with your planning this is what we're going to go through. Firstly, I'll give you a brief overview of what different benefits USS provides and then go through a reminder of how USS works so you can see how your benefits are building up. And then we'll have a look at when you might take your USS benefits and what your USS benefits might look like on retirement. We'll look at some of the calculators and tools that you might find helpful with your planning to better understand what you have from USS and what you could have at your retirement date. And finally, we'll cover some general guidance on key things to think about as part of any retirement planning.

Here we'll go through an overview of your USS pension. A pension is a simple way for you to save for your future, and USS is your workplace pension, which means that you and your employer can pay in.

When you pay in to USS, you'll build up benefits in the Retirement Income Builder. That's the defined benefit (DB) part of USS, and that'll provide you with a guaranteed income for life when you retire. USS will also provide you with a one-off tax-free cash lump sum, up to certain limits, on retirement of three times your pension.

In addition to your Retirement Income Builder benefits, you'll build up savings in the Investment Builder, which is a defined contribution (DC) part, if you earn above a certain level known as the salary threshold. You'll also build up benefits in the Investment Builder if you choose to make additional contributions or if you transfer in a pension from elsewhere.

There is some flexibility with your benefits and savings, both in terms of when they can be taken and also in what form. If you become ill and are no longer able to work, you may be eligible for early retirement, where your USS pension might start earlier. USS also provides benefits when you die, whether that's before or after retirement. And if you die whilst paying in to USS, these benefits are known as life cover.

Your contributions to USS are generally paid tax-free, which means you do not pay income tax on your pension contributions. You can if you want to, top up your savings in USS by paying additional contributions, which could also benefit from tax relief. And any additional contributions that you pay will go into the Investment Builder, the defined contribution (DC) part of USS. And finally, all the benefits that you receive from USS are paid in addition to any benefits you might receive from your State Pension.

With USS, you'll be able to view your Retirement Income Builder benefits and any Investment Builder savings that you have in My USS, which is your secure online portal. You can access My USS from the USS website at uss.co.uk on any device. So your laptop, your tablet or your smartphone.

Here we'll take a look at how your benefits and savings in USS can build up.

There are two main types of pension benefit in the UK; defined benefit (DB) and defined contribution (DC), and USS has both these types of benefit. Defined benefit (DB) means that your benefits on retirement are based on a predetermined formula. And in USS, the pension you build up depends on the salary that you earn each year up to a certain threshold, the years that you've been working, and a pension build up rate. The pension you build up is not directly connected to how much you or your employer's paid in; what matters is your formula. The defined benefit (DB) part of USS is called the Retirement Income Builder.

There's also a defined contribution (DC) part of USS which is called the Investment Builder. In a defined contribution arrangement, any money paid in by you or your employer goes into your pot. Then at retirement, your benefits are based on the value of your pot of money, so it's completely dependent on how much has been paid into your pot and how it's grown over the years. In general, you tend to have more flexibility in how and when you can take defined contribution savings.

In the defined contribution part, the Investment Builder in USS, you can choose where your money's invested, if you wish to, from a range of investments that USS offers or USS can invest these for you. But for the defined benefit part, the Retirement Income Builder, it's USS that makes those investment decisions on behalf of all members so that you receive your specific level of benefit. I'm going to have a look at these in slightly more detail now.

In USS, everyone builds up Retirement Income Builder benefits or defined benefits on their salary up to the salary threshold. The salary threshold from 1 April 2025 is £71,484. If you earn above the salary threshold, then you'll also build up Investment Builder savings, or defined contribution Savings, on your salary above that threshold. If your earnings fluctuate around the salary threshold, any contributions to the Investment Builder section stop and restart as is appropriate automatically.

Just having a closer look at the Retirement Income Builder. In the Retirement Income Builder, you build up a block of pension equal to a 75th of your salary for each year that you're a member of the scheme. And the salary used in this formula, though, is only up to a maximum of the salary threshold, which is currently £71,484.

So you build up a block of pension for each year or part year that you're paying into the scheme. Then annual increases are applied to the block of pension between the time that it's earned and the time that it's eventually paid and these increases are currently linked to the Consumer Prices Index, or CPI, measure of inflation, up to certain limits. If you add all those blocks together with those annual increases, we get your total annual pension. And you'll also get a tax-free cash lump sum of three times your total annual pension, which is a one-off payment paid at the point of retirement, paid in addition to your annual pension.

You can exchange some of your pension for a higher tax-free cash lump sum on retirement and vice versa, so you could even take no tax-free cash and take a higher pension for life. But you make that decision when you come to retire. Then, once in payment, your pension will increase each year. Again, these increases are currently linked to the Consumer Prices Index, or CPI, measure of inflation, up to certain limits. So that you can keep track of how much you're building up, you'll receive details from USS each year in an Annual Member Statement, which can be accessed on the member portal, My USS.

Having a closer look at the Investment Builder. If you're earning above the salary threshold, then 20% of the value of your salary above this threshold is paid into your Investment Builder. This comes from the contributions that you and your employer are already paying in to USS and it's at no further cost to you. The contribution rate you pay is 6.1% of your total salary.

In this section, we're going to have a look at considering when you might take your benefits. You can start to draw your Retirement Income Builder benefits or your savings from your Investment Builder from the minimum pension age, which is set by the government. The minimum pension age is currently aged 55 but it is rising to age 57 from April 2028. To take your benefits from your Retirement Income Builder, you need to retire from your job fully or take flexible retirement, which is where you reduce your hours and take a proportion of your Retirement Income Builder benefits whilst continuing to work.

But there's more options when it comes to your Investment Builder savings. You do not have to take your Investment Builder savings at the same time as your benefits from the Retirement Income Builder, and you do not have to retire from your job or even cut down your hours. You can take your Investment Builder savings earlier than your Retirement Income Builder, as long as you've reached the minimum pension age. Or you might retire from your job and take your Retirement Income Builder benefits but leave your Investment Builder savings invested. You can then choose what to do with them later.

But let's just focus first on the different times you might take your Retirement Income Builder benefits and the impact that might have on them. The various types of retirement in USS are normal, early, late, flexible, and ill health retirement. It's important to consider the age at which you take your benefits as this will impact what level of benefits you receive. The Benefit Calculator on My USS can be used to get an idea of what these different options might look like for you and we'll have a look at each of these options now.

Normal retirement is where benefits are taken at your Normal Pension Age. The Normal Pension Age is currently age 66 for those still contributing to USS. And it's the age at which your Retirement Income Builder benefits become payable in full. At your Normal Pension Age, you'll get the benefits that you've built up to that date and your pension will become payable for your retirement, for life, alongside a one-off tax-free cash lump sum.

Just to note though, the Normal Pension Age for USS changed in October 2020 from age 65 to age 66, and that was in line with the government's increase in the State Pension age at that time. But this only applies to the benefits building up after October 2020.

But you do not have to wait until your Normal Pension Age to take your benefits though, and you might decide to take early retirement. The earliest age that HMRC usually lets people take their pension benefits is from that minimum pension age which is currently age 55, but it is rising to age 57 from April 2028. And you can only start taking your pension in full as long as you retire completely from your job with a USS employer. If you do start taking your pension early though, then your Retirement Income Builder benefits might be reduced for early payment because they'll be paid for a longer period than expected.

Alternatively, you might want to keep working and contributing to USS after age 66 and take late retirement. You can continue to contribute and delay taking your Retirement Income Builder benefits up to age 75, if you still pay in to USS. This age limit does not apply to any Investment Builder benefits you have though. Now, once you decide it's time to retire, your benefits might be increased as they'll be paid to you from a later age than expected.

Flexible retirement is where a member keeps working and just takes some of their benefits. As long as you reduce your hours and salary by at least 20% on a long term basis, you can take up to 80% of your USS Retirement Income Builder benefits via flexible retirement. But the reduction in hours and salary does not have to match the percentage of pension that you're taking.

But there are some rules to follow for flexible retirement, including reducing your working hours and salary by at least 20%. And these hours should not increase in the following 12 month period. A maximum of two flexes can be taken totally no more than 80% of your Retirement Income Builder benefits. And after you've taken two flexes, or the full 80% of your benefits, your next step will be full retirement with all your remaining Retirement Income Builder benefits. And you will need to retire then from your USS eligible role in full.

Finally, whilst it's not something any of us can plan for, you might be able to take your USS benefits under ill health if this applies to you and you meet the criteria. If you want to know more about these different retirement options, there's more information on the USS website.

So what we've just looked at there is when you might take your Retirement Income Builder benefits. But when it comes to taking your Investment Builder savings, you do not have to take them at same time as your benefits from the Retirement Income Builder, and you do not have to retire from your job or even cut down your hours. You can take your Investment Builder savings earlier than your Retirement Income Builder as long as you've reached the minimum pension age. Or you might retire from your job, take your Retirement Income Builder benefits but leave your Investment Builder savings invested. You can then choose what to do with them later.

Here we're going to look at your options in terms of pension and cash amounts. This is important because in order to be able to prepare for your retirement, you need to understand how you can take your Retirement Income Builder and Investment Builder benefits, so what your benefits might look like.

There are a few different ways you can access your USS benefits, with more options if you also have Investment Builder savings. We'll look at taking the maximum tax-free cash from USS and taking the maximum pension from USS. And both these are options whether you have Investment Builder savings or not. Having Investment Builder savings mean that you can access these either at the same time as taking your Retirement Income Builder benefits, or earlier, or later. And we'll look at the different options available for accessing these benefits. But we'll start with taking your Retirement Income Builder benefits and your Investment Builder savings at the same time.

To show you how things work, here's an example of someone who's been a member of USS for some years and has Retirement Income Builder benefits and Investment Builder savings at retirement. Our example member here has a Retirement Income Builder annual pension of £15,000 a year, and under the USS rules they get a tax-free cash lump sum of £45,000, which is three times the annual pension. Our example member also has an Investment Builder pot of £20,000.

Now based on your own benefits, there's a maximum level of tax-free cash that you can take. Under the HMRC tax rules, you can take 1/4 of the overall HMRC value of the benefits as tax-free cash. For those of you that want to know how to work out the overall HMRC value of your benefits, it's just 20 times pension plus any cash that you're entitled to. The amount therefore depends on your Retirement Income Builder benefits and your Investment Builder pot. USS will work out what the maximum tax-free cash amount is for you though at your retirement date.

The maximum tax-free cash will generally be some amount higher than the standard tax-free cash amount of three times the pension from the Retirement Income Builder. In this particular example, looking at the member's Retirement Income Builder and Investment Builder benefits, the maximum tax-free cash amount for this member, given their overall benefits, will be just over £90,000.

If you fully retire and take all of your benefits from your Retirement Income Builder and Investment Builder at the same time, USS allows you to combine your Retirement Income Builder and Investment Builder benefits together, where possible, to be able to use your Investment Builder part as tax-free cash, up to the maximum tax-free amount allowed under HMRC rules, given your benefits.

For our example, we'll move the Investment Builder savings across to be combined with the Retirement Income Builder tax-free cash. Our member would be able to use their entire £20,000 Investment Builder pot as tax-free cash here. This is because when combining with the standard amount of tax-free cash from the Retirement Income Builder plus the Investment Builder pot, it's still within that maximum tax-free cash amount available for this member.

However, combining your Investment Builder pot and your Retirement Income Builder cash might not always be within the maximum tax-free cash allowed by HMRC. So you might not be able to take all of your Investment Builder tax-free; it depends on the overall level of your benefits. But for this example though, they've decided to combine their Investment Builder pot with their Retirement Income Builder benefits, so now they're up to £65,000 in tax-free cash. There's still room to take even more tax-free cash though, because the member is still below that maximum amount in this case. If they did want to take more tax-free cash though, they'd have to give up some annual pension in exchange. It's also possible instead to exchange some or all of your Retirement Income Builder tax-free cash for extra annual pension.

Just to note, in most circumstances though, it's not possible to buy extra pension in the Retirement Income Builder with your Investment Builder pot. Buying additional pension from Investment Builder is only available if you have Money Purchase AVCs with Prudential, including any that you would already switched into the Investment Builder.

Just going back to those standard benefits again here. Just to note that when taking your Retirement Income Builder benefits, you cannot take your pension and one-off tax-free lump sum at different times. However, if you do not want to, you do not have to take all of your Investment Builder pot at the same time as you take your Retirement Income Builder benefits.

When you choose to take your Investment Builder savings, there's four main ways to do this. You can of course take your savings at the same time as your Retirement Income Builder benefits as a tax-free lump sum up to certain limits, as we've just described.

If you do not want to though, you do not have to take all of your Investment Builder part at the same time as you take your Retirement Income Builder benefits. That might be because you want to access your Investment Builder savings before you retire. Or it might be because you did not take some of your Investment Builder savings when you took your Retirement Income Builder benefits.

So if you want to take your Investment Builder benefits separately, you could take some or all of your Investment Builder pot as a cash lump sum. Or you might want to leave your Investment Builder savings invested until you're ready to use them. And if you do not take all of your Investment Builder savings, they would pass on to your beneficiaries after your death. Or you could transfer your Investment Builder savings to another provider outside of USS to access other ways of using your pot of money.

We're going to have a look at taking your Investment Builder pot separately from your Retirement Income Builder benefits now in a bit more detail. If you've got an Investment Builder savings pot, one option available to you is to draw it out as a one-off cash sum, or make a series of withdrawals of cash. These cash sums are known as Uncrystallised Funds Pension Lump Sums, or UFPLS for short.

To take cash payments from your Investment Builder separately from your Retirement Income Builder benefits, you just need to be at or above the minimum retirement age, which is currently age 55 but rising to age 57 from April 2028. If you're taking cash payments from your Investment Builder pot separately from your Retirement Income Builder benefits in this way, you would only be able to take up to 1/4, or 25%, of each cash payment tax-free, subject to HMRC limits. The remainder would be taxed as income. Just to note that your Retirement Income Builder pension, or any other pension is classed as income.

It's really important to note though, if you take your Investment Builder pot as cash at the same time as your Retirement Income Builder benefits though you might be able to take more than 1/4 of your Investment Builder pot as tax-free. Whether you'd be able to do that or not will depend on the level of your Retirement Income Builder benefits compared to the value of your pot at retirement and your individual circumstances.

With USS if you're going to take these individual cash payments, you can take up to four cash payments each year from your Investment Builder pot. And each payment though must be a minimum of £2,000 each, unless you're taking your entire pot to finish off your cash payments. Also there's no charge for taking these cash payments with USS.

You do need to be aware of though that taking cash from your Investment Builder in this way that's not tax-free might push you into a higher tax band. So it's especially important to consider if you take the whole pot as cash in one go separately from your Retirement Income Builder benefits. Also taking any cash payments from a defined contribution (DC) arrangement, such as the Investment Builder, before you retire, can restrict the amount you can pay into a defined contribution arrangement going forward. This is known as the Money Purchase Annual Allowance (MPAA) and more detail can be found on this on the USS website.

There's some other things that you can do with your Investment Builder savings, but you'd need to transfer your Investment Builder savings out of USS to another provider in order to access them. And you can transfer your Investment Builder savings at any time, even if you're still building up benefits with USS. You might want to do something such as providing a flexible retirement income, which is also known as flexi-access drawdown, or just drawdown.

Drawdown is a way of leaving your savings invested and building up investment returns but taking money out to provide an income for you to live on until the pot runs out. Or you might want to buy an annuity, which gives you a regular guaranteed retirement income for the rest of your life. Or you just might want to be moving your Investment Builder savings to a different provider to USS. It's your choice if you want to transfer out your Investment Builder savings.

Alternatively, you could choose to leave some or all of your Investment Builder pot invested in USS. You can take cash payments at a later date, you can choose to transfer all of your Investment Builder pot to another pension arrangement at a later date. Or you can leave some or all of it to be paid to your loved ones when you die.

I'll just mention here though that in the Autumn 2024 Budget, the government announced that from 6 April 2027, most unused pension funds and death benefits will form part of a person's estate for inheritance tax purposes. So if you're considering leaving some of your benefits to your loved ones or think you might be impacted by the changes announced, we do recommend that you seek independent financial advice.

Finally, in this section, a word of caution. We've discussed that you can take your Investment Builder savings earlier with or after your Retirement Income Builder benefits. So before, at the same time or after you fully retire. If you take any cash payments from your Investment Builder savings before you fully retire, or transfer your savings out to another provider, it might result in a reduction to your life cover and ill health benefits. It would only affect these if any of your Investment Builder benefits were built up from your earnings though above the salary threshold.

And if you take a cash payment from the defined contribution scheme like the Investment Builder and that might be as a cash lump sum or a drawdown payment, it will trigger the Money Purchase Annual Allowance (MPAA). This is the total limit you and your employer can pay into defined contribution schemes each year on your behalf and still get tax relief.

It applies to all defined contribution (DC) schemes of which you are a member, including the Investment Builder, and any that you join in the future. For more information about this, please do visit the USS website. USS recommends that you seek guidance and/or take financial advice to work out what's best for you.

And if you are aged 50 or over, you might be eligible for a free Pension Wise call to discuss the options that you have with any defined contribution (DC) savings. Pension Wise is a government service from MoneyHelper that offers free, impartial pensions guidance about your defined contribution options, not specifically about USS benefits. And of course, there's lots of information on the USS website about how you can start taking your savings in the Investment Builder and you'll find this on the **using your Investment Builder pot** page.

Here we'll have a look at how to find out what you've saved with USS and what it might get you in retirement. We'll also have a look at how you go about saving more with USS by paying additional contributions, if you want to.

My USS is the main source to find information about your personal benefits and you'll find My USS on the USS website at uss.co.uk. It will show you what you've built up to date and give you access to the calculators to allow you to estimate what you might have at a future date. And so that you can keep track of how much you're building up, you'll receive details from USS each year in an Annual Member Statement, which can be accessed from **My documents** on My USS.

Your Annual Member Statement lets you know what you've already built up in USS at the previous 31st March. But if you want to see what your benefits might look like in the future, there's the Benefit Calculator. And that can be found in the **calculators and tools** menu here.

The Benefit Calculator can be used to get an instant estimate of what you could get in the future and it can be helpful at various stages throughout your journey with USS. And it will be already prepopulated with some of your information. It can be used to estimate what your benefits might look like if you take your Retirement Income Builder benefits and your Investment Builder savings combined. Or you can use it to look at taking your Retirement Income Builder benefits or Investment Builder benefits separately.

It's possible to vary the pension and tax-free cash amounts. And if you're interested in learning more about retirement options and the retirement process, you could watch our **Approaching retirement** webinar.

For now though, we'll go into the projection tool here to show you what the Benefit Calculator looks like. Once you're in the calculator, if you scroll down the page, you can use it to make quick changes to your salary and the age that you want to retire at to see what impact that has on your estimated benefits. This will give you an idea of what your income might be at different retirement ages.

And you can see if that looks to align with what income you think you might need. You can also make further changes to look at the impact on what you might get by clicking this **View options** here. If we click into here, in here this is where you can model other things like making changes such as saving more by paying additional contributions, transferring in, leaving USS, taking a career break or taking flexible benefits. And you can see what impact those might have on your benefits.

Note that if you are modelling paying additional contributions or transferring in pension benefits from another scheme, they'll be added to your Investment Builder savings pot as part of the projections.

The Benefit Calculator will also let you see what combinations of pension and cash you might be able to take on retirement. The default projection shows the maximum tax-free lump sum that you can take but you can change this to see how taking less tax-free cash can affect your savings and retirement income. After you've considered what your benefits might look like, you might decide that you want to save some more.

And first of all, if you are thinking about saving more you can have a look in the **Contributions & Tax Calculator** to see what difference it might make to your take home pay by making additional contributions, because your pension contributions will be taken from your pay packet before you're taxed. So you'll only pay income tax on the remainder of your wage. There's some limits to this, but for most people, tax relief is available on contributions which can make contributions to a pension a tax efficient way of saving.

Then if you do decide you want to save more in to USS by paying additional contributions, you'll need to set these up in My USS. To set up additional contributions, you go into the **Investment Builder** menu here, because additional contributions go into the Investment Builder.

Once you're in the Investment Builder menu, go into **view or manage savings** and then you'll see any Investment Builder savings that you have. To set up paying additional contributions, scroll down the page to **manage your additional contributions**. We'll scroll down there and this is where you can see your options for additional contributions. You can pay monthly contributions, you can pay a one-off payment and in here, payments can be monetary amounts or a percentage of your pay.

Just to note though, you'll also see the option of The Match in here. The Match is just one way to make additional contributions to save more. You can choose to pay an additional 1% of your salary every month to the Investment Builder. If you paid The Match between October 2016 and March 2019, you would have received an extra 1% contribution from your employer as well. But from 1 April 2019, the employer element of The Match was removed. You can still choose, or you might still have The Match, but your employer will no longer match that 1%.

Your retirement income does not all have to come from your workplace pension. You might be eligible for a State Pension from the government too. And you might have other sources of income or savings that could be could supplement your retirement income. And you might want to take this into account as part of your overall planning, as it could form part of your income in retirement.

There's lots of things to think about for your retirement and much of it's going to be very personal to you. But I'm going to mention three key areas of planning today. Firstly, reviewing your finances, budget planning and target setting. In brief what I mean by reviewing your finances, it's looking at what you have.

Budget planning is about how much you think you'll need, and target setting is about when you might want to take your benefits and what actions you might need to do to achieve your target. I'm going to look at each of these now and show you where you can get some extra information to support your planning.

When reviewing your finances and thinking about what you have in the way of benefits, here's some things that you could consider. Do you know what benefits you've built up in USS and what you're likely to build up? You can find out by logging on to My USS to help you with that. Are you going to be receiving any State benefits and how much will they be? The full rate of State Pension is currently £230.25 a week, or £11,973 a year. However, your amount could be different.

Another thing to think about, do you have any other pensions from previous employments or personal pensions? You would need to contact the administrators of any other schemes that you have that you were a member of to gather details of your benefit entitlement from them. Or if you are unsure on what you had, you can use what's called the Pensions Tracing Service. There's more information about that on the USS website.

What about any other income or savings that you have, such as property or investments? And if you have a partner, it's also important to consider what income, savings and pension entitlements they might have and when they may come into payment.

Next we're going to have a look at budget planning. A useful starting point for you might be to think about what sort of lifestyle you want when you retire. That could be anything from going on holiday a couple of times a year, to simply paying your bills and having an occasional treat.

The Pension and Lifetime Savings Association, or PLSA, has created these retirement living standards to give you an idea of what life could look like at three different levels of expenditure, with an overview of how spending habits might be covered. Everyone's retirement will be different though, and other costs might be needed to be factored in depending on your circumstances and living arrangements. You'll be able to access the Retirement Living Standards at www.retirementlivingstandards.org.uk.

I'll show you what those living standards look like, those living standards that PLSA use. What they do is they look at the amount of spend needed to provide a particular living standard. The minimum level of expenditure is estimated to be £14,400 a year for a single person and £22,400 for a couple. This level of expenditure is expected to cover your basic needs, with a little leftover for socialising and extras such as a UK holiday each year, dining out once a month and affordable leisure activities around twice a week.

A moderate level of expenditure is estimated to be £31,000 a year for a single person and £43,100 for a couple. This is expected to lead to more financial security and the flexibility to do more, such as an annual holiday abroad and dining out a few times a month.

Then a comfortable level of expenditure is estimated to be £43,100 a year for a single person and £59,000 for a couple. This is expected to offer opportunities for most spontaneous spending and luxuries with a foreign holiday and UK mini breaks each year, subscription to a streaming service and regular beauty treatments. These figures are the amount of expenditure estimated to be required to achieve a given living standard.

And finally looking at target setting. Once you've reviewed your finances, worked out what you have and how much you think you'll need, what's your plan to actually make it happen? It's important to think about when you want to retire. So will you have enough at the point that you would like to retire for your plans? And if not, could you consider the age that you plan to retire and whether you might take all benefits at the same time or over a period of time? You could consider further building up your benefits by paying additional contributions to help you reach your target, for example. Additional contributions could benefit from tax relief. Or you could build up other non-pension savings.

There's a number of tools and resources available on the USS website that you can use to help with your planning, including the USS Contributions & Tax Calculator. In the Contributions & Tax Calculator, you can factor in any additional contributions you're thinking of paying into the Investment Builder and estimate how much you'll contribute and how much you save in tax, and see how much you could save in National Insurance with salary sacrifice if your employer offers this.

And you can use the USS Benefit Calculator to help you estimate your USS benefits in retirement and see how your benefits might look if you access them at different ages, or use any of the flexible options with your Investment Builder pot, for example. You can use that estimate that you get from the USS Benefit Calculator alongside your State Pension forecast and other savings and income detail to help with your retirement planning.

You can also look at the government's Midlife MOT tool. What this tool does is it asks you a series of questions about your finances and budgeting plans, and provides guidance on potential next steps appropriate for your answers that you've given.

And if you are not sure what's right for you or you want to check your plans with someone, then you should think about taking independent authorised financial advice. USS does recommend that you seek guidance and/or take financial advice to work out what is best for you, and you can find out about more about guidance and financial advice on the USS website.

Finally, there are other things that might impact when and how you retire, and you might find other websites useful. The **Approaching retirement** webinar goes into more detail about your retirement options and the retirement process, which might be helpful for those members who are nearer to accessing their benefits. There's also a webinar specifically about **Taking savings from the Investment Builder**. And there's the **Tax and your pension** webinar, which provides information on how tax relief is applied to pension savings and when benefits might be subject to income tax.