



# How will you achieve your lifestyle goals?

## Podcast transcript

### Speaker 1

Welcome to our first podcast from USS members. Today our members will be talking about how they are planning and saving for retirement and what they are aiming for when they retire.

Today on the panel we have Michael, a lecturer at Ulster University, Wanda, a research fellow in health services research, Yuanyuan Huo a senior lecturer at the University of Surrey and Simon a HR Manager and information analyst at a Russell Group University.

So, first question for you Simon. We shared some information on what the PLSA estimate you need as a couple when you retire. This ranges from £17,000 a year for a basic level of retirement to £31,000 for a moderate retirement and 50 for a comfortable retirement with more luxuries.

Based on these estimates, Simon, what are you aiming for when you retire?

### Speaker 2

Well, when I looked at the document I found the higher end was completely out of my reach at the moment, the lower end I thought, hopefully if the state pension remains as it is for now ish and increases at that kind of rate, then we're halfway there already, so that that seems a bit more attainable, but the standard of living would have to take some cutbacks to live on that money.

With regards to the moderate income, that seemed a little more attainable, but I think we'd still have to have a few things go in our favour to get that far, but hopefully it won't be too far away from that. I think we would we still have to cut back and think about where we're spending our money a lot more seriously than we currently do and our income is not quite as fixed as it is with a pension.

So, my opinion really was that the high end was completely crazy, we don't go on three European holidays a year as it is. The moderate one I think was a nice life, but maybe there could be somewhere slightly lower than that was where we would be probably aiming for at this stage in our lives.

### Speaker 1

Based on these target retirement incomes, it seems clear to me that the State Pension isn't going to be enough on its own and saving in a pension is going to be more important than ever. So, Wanda one for



you maybe, what advice would you give members that hadn't given much thought to saving in their pension and planning for the future?

**Speaker 3**

Start giving thought ASAP.

I mean, it would depend on their life stage I guess. But if it were a younger member, a younger colleague, I would say just don't delay. Seriously, start thinking about it because if you don't, you might end up having some serious regrets.

I hadn't applied myself to thinking about or doing earlier in my life, such as saving and saving more alongside my USS and maybe taking advantage of the opportunities to make additional contributions or what have you. Now I regret that I hadn't maximised on those opportunities, but I think it's very difficult if you're in an earlier stage of your career to imagine your life, you know 10, 20 to 30 years down the line, but I'd say it's never too soon to seriously start thinking about a robust savings model because it's not going to go to waste either way, it's not going anywhere, it'll be yours at the end of it, you might just have to wait.

I think it's very, very important.

**Speaker 1**

So next question then, I'll put this one to you Michael. Has your attitude to saving in a pension changed from when you were younger?

**Speaker 4**

The short answer to your question is yes, it did change massively when I got married and had the children and I have been saving fairly diligently really, since the first child was born and that's 20 years ago.

**Speaker 1**

Are you using the Investment Building and things as well?

**Speaker 4**

I am, massively and I'm a big fan. Well the tax relief is phenomenal. I mean because I do it under salary sacrifice, I am getting 32% tax relief, so for every £1000 you get in, it effectively only costs me 600 quid, so I actually make a fairly large additional contribution every month because it's a no brainer. You know, if I'm putting in 1000 pounds, it's cost me £680.

The funds have done well over the last four or five years. OK, so, that may not always be the case, but at a 32% start, where else do you get a return of a £1000 on an investment of £680.



**Speaker 1**

Well, you've touched on this with your answer really Michael, but it is interesting how members are saving towards retirement outside of making the normal contributions to the scheme.

So that's perhaps a question I can put to the panel. Can I put that question to you actually Dr Yuanyuan Huo?

**Speaker 5**

OK for retirement income.

First, the defined benefit part. The DB part of USS.

And I'm also contributing to the defined contribution part. The DC part of US and this DC pot I voluntarily contribute 10% of my salary each month.

Besides these two I am also investing in a LISA, lifetime ISA, which I can contribute £4000 a year and the government will put £1000 a year into it and the money I can withdraw after 60.

**Speaker 1**

So, bearing in mind that you are making additional contributions to the Investment Builder.

**Speaker 5**

Yes.

**Speaker 1**

Are you planning to, obviously the investment has different flexibilities, like you can retire early, or you can take the cash early and things, do you think that's going to be part of your plan or are you going to take it all at your normal retirement age?

**Speaker 5**

Ok, to be honest, I am thinking of early retirement, for example, retire at 60 or something but I don't know whether it will be possible but since I have a child, it's very difficult to predict.

**Speaker 1**

OK, final question then, this one could be for you Wanda, what's on your bucket list when you retire or what's the first thing you're going to do when you retire?

**Speaker 3**

Gosh. Well I'm not going to say, you know, spend some of my drawdown on a flash car and go on a round world cruise.



No, those are not on my bucket list at all. If you'd have asked me that when I was in my 40's, I might have said something along those lines, so it's interesting how perceptions change over time.

I think at top of my bucket list. Uhm, that's really hard to answer. I think the first thing is to have a rest. I feel I've been working very hard through the pandemic and we've all had to adapt to new ways of working, and I think there will be a persistence of some degree of those new ways of work and I, I feel that I actually, I'm looking forward initially to having a little bit of a rest and having a gentle time doing some gentle things. Few days out. Maybe a brief little holiday just to actually absorb the fact that I will have retired.

**Speaker 1**

Great thanks Wanda and thanks everyone here who got involved today for our members. If you want to find out more about planning for retirement, visit our website where you've got a range of resources and information to support you.