

Retirement planning: three key financial questions, answered

Michael Copeland, Dental Regional Manager for Wesleyan Financial Services, reveals sought-after financial nuggets when it comes to life after work for dentists.

Research from Wesleyan Financial Services revealed that the biggest short-term financial priority for dentists was saving for their retirement, with 40% saying that this was their priority over the next 12 months.

Further to that, three-quarters of the respondents were looking to make changes to how they work over the next two years – which included reducing hours or increasing their private provision, taking on new or different responsibilities. In relation to this, over a quarter of respondents said that they didn't know how these changes would impact their pension, and 35% were unsure about the specifics of what they were going to do to mitigate the impact.

These findings revealed there might be a significant number of dentists that might be vulnerable when it comes to their retirement planning.

Michael Copeland was interviewed on the most common retirement questions financial advisers are asked.

What do dentists need to consider most when it comes to retirement planning?

MC: The key for me, and I say this to my dental clients all the time, is having a plan. Interestingly, I was flicking through LinkedIn, and sometimes you see those inspirational quotes that pop up on your feed. One said something like, 'An idiot with a plan can beat a genius without a plan', and it's so true.

Yes, dentists' plans need to be able to shift and flex when necessary because life's never simple and straightforward, but they need to have a solid finish line in sight.

Then, the next step is understanding as a dentist, whether they work purely in the NHS and rely on an NHS pension, are purely private with a personal pension, or a little bit of both, whether the plans that they have in place meet their goal.

If they don't meet their goal, then they only really have three choices. Firstly, they're going to have to work longer because

they're not going to be able to meet their retirement goals. Number two is they have to almost realign their expectations and accept that their income is going to be less than perhaps they hoped it would be. Or, number three, they sit down with a specialist financial adviser, and work out what they need to address the shortfall and put plans in place.

If dentists were looking to sit down with a financial adviser on retirement planning, what can they expect?

MC: Any adviser who's worth their salt should be able to take all the complexities of a career in dentistry – the NHS pension, various income streams and external factors, such as the McCloud judgement, and provide a dentist with a clear picture of where they currently stand in their retirement planning.

We offer a full and bespoke retirement service, including whether dentists are planning for retirement, in the actual process of retiring, or in the enjoyment phase of their retirement. We produce a bespoke report for our dental clients which will analyse all existing pension arrangements, whether that's NHS, private, or a combination of the two, and we project those benefits not only to their selected retirement age, but we'll give a dentist a two-year snapshot view either side.

For example, if a client says to me, 'Michael, I'm looking to retire at 60', the report will actually give them a window view of ages 58, 59, 60, 61, and 62, so it gives them that ability to see, if things do flex and change, what the impact of that five-year window is.

It's comprehensive enough to factor in whether they take different scheme benefits at different ages. It will take into account if they've done any scheme pay elections for annual allowance and their lifetime allowance charges and factor in any lifetime allowance protections that they might have in place.

It factors in the McCloud judgement, which a lot of dentists are still finding really difficult



to wrap their heads around, as well as actuarial reductions and even divorce, separation and the impact that can have on your pension.

Is retirement planning for dentists different from other professions?

MC: It is. Each dentist's retirement journey is completely unique, and there is no one size which fits all.

For a dentist to try and unpack this financial planning area on their own, I'm expecting a dentist to be able to calculate, for example, the impact of an annual allowance reduction or the impact of an actuarial reduction alongside many other personal and external influences.

Dentists also have many career avenues to go down – practice ownership, specialism, working primarily in NHS or private etc. These details all impact what they can expect in retirement.

I think it's really important that we, as dental financial specialists, are able to take retirement planning off dentists' shoulders so that they can feel confident they're making the right choices. Giving the pension details in an easily understandable language informs and helps them to shape their future landscape.

Find out more about Wesleyan Financial Service's retirement support at www.wesleyan.co.uk/campaigns/nhs-pension-assessment.