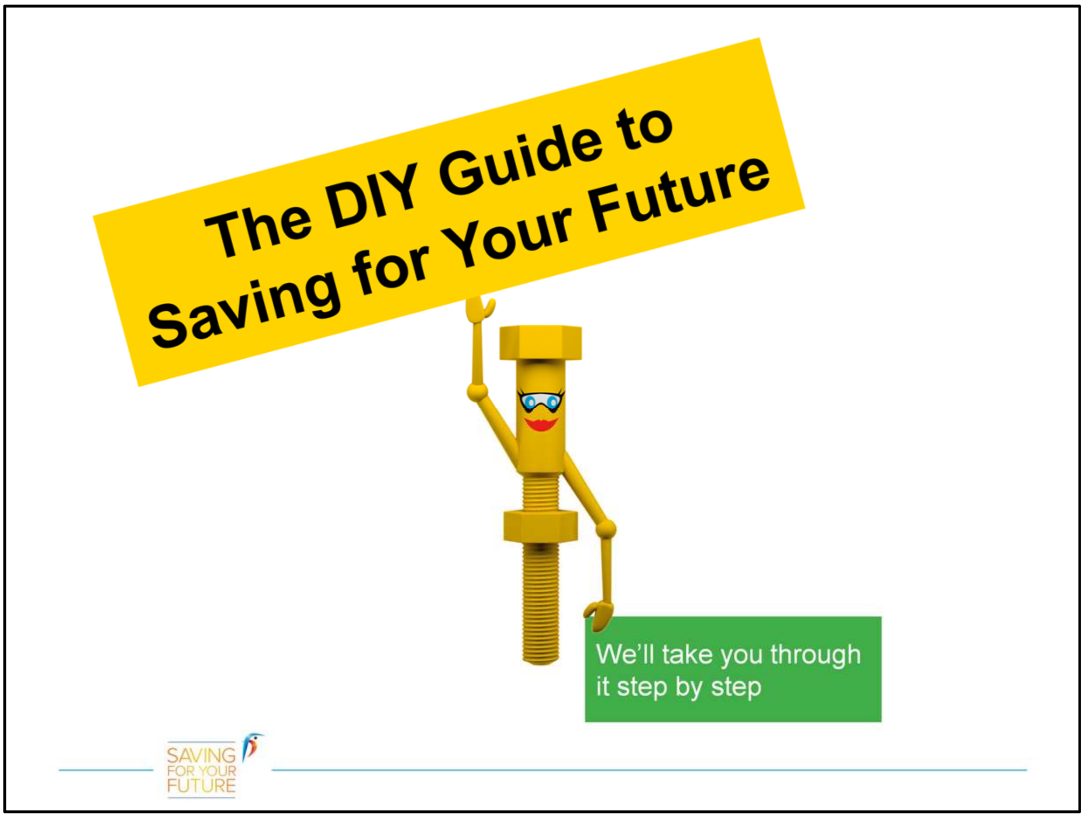
Welcome to the Saving for Your Future DIY Guide to Saving for Your Future.
This module is aimed at:

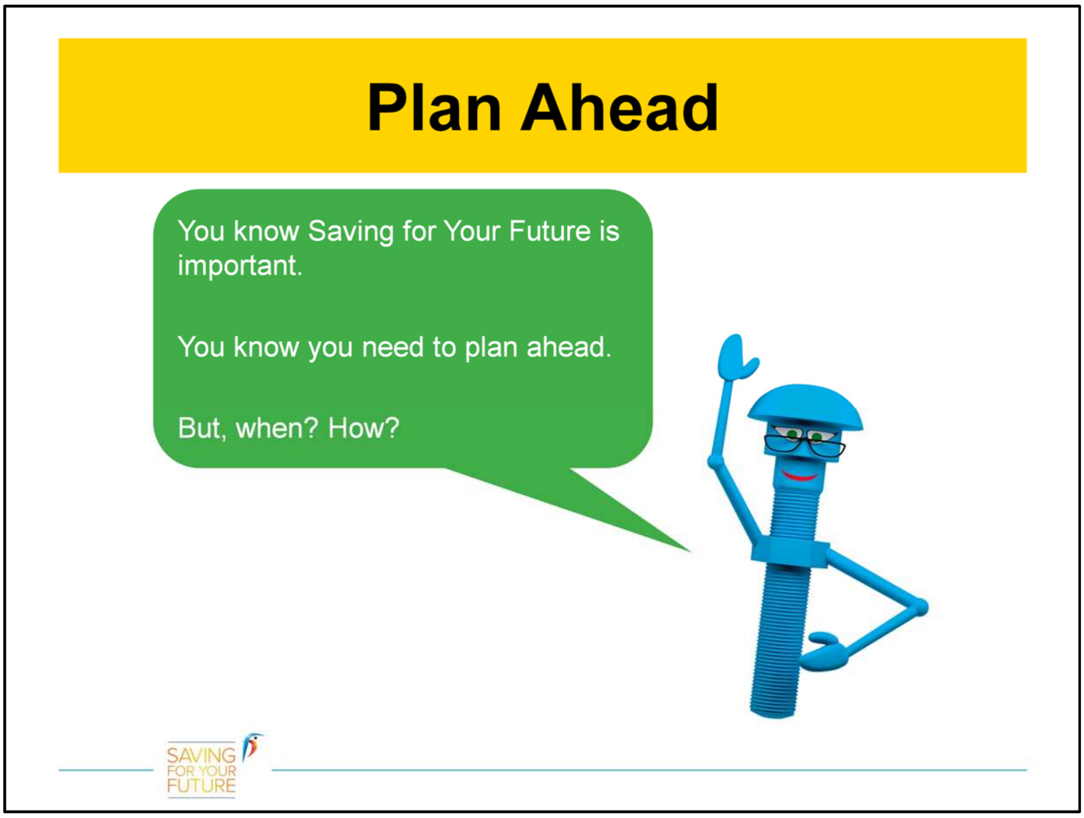
1) The new employee population
2) The current non-member population.



Planning ahead is vital to your future financial wellbeing. A little time spent now will help you enjoy yourself in later life.

The aim of this “DIY Guide to Saving for Your Future” is to help you think about looking ahead to when you want to stop work and start enjoying more recreational time and consider where your income will come from. It will also help you think about the things which could go wrong, for example ill health or redundancy.

The DIY Guide is not designed to take the place of professional financial advice.



It’s never too early to start planning. In fact, the sooner you start looking ahead to that time, the better your chances of being financially secure and comfortable in later life.

The reality is that most people will only stop working when they can afford to do so. When you’re older wouldn’t it be better to be working because you want to, and for the fun of it, and not because you have to?

The tools you’ll need for this job are:

- PC or laptop
- Some sheets of lined paper
- Pen and pencil
- Calculator

You’ll find access to the internet important because there is a lot of very useful information available on line. You’ll also find the word processor helpful if you need to write off for statements and figures, and the spread sheet function will help with collating the figures.
If you’re not confident with these programmes why not ask someone to help you?

Step 1:
Three important questions

Ask yourself…

- What will I need to live on when I stop working?
- What income will I receive after I stop working?
- When do I want to stop working?

Don't forget to check your State Pension age and that you may have to pay income tax.

SAVING FOR YOUR FUTURE

There are three steps to this DIY plan.

Start by asking yourself these three questions. You need to do this so you have a clear idea about what your objectives are.
Write the answers down on a sheet of paper so that you can refer back to them as you go through this module.

It is important to start your DIY plan by calculating approximately how much you will need to live on when you stop working.

Think about how much your current lifestyle costs and review your current finances. You can use the budget planner to help you here.

Think about which of these things you **have** to pay for e.g. heating/lighting, food, council tax, transport, accommodation (will your mortgage be paid off/ will you still be paying rent?) etc.

Then think about your luxuries i.e. holidays, hobbies, entertainment (e.g. the Sky box) etc. and how much they all cost – use the budget planner again.
Ask yourself some difficult questions e.g. what'll happen if I'm ill or injured (or my partner). Might I need care in the future?

Use the on-screen link to access our budget planning tool.

2. What income will you receive after you stop working?

Are you likely to have any of the following when you retire?

- A pension from the Kingfisher Pension Scheme
- Any other company pensions
- A State Pension
- Savings (ISAs or bank and building society accounts)
- A part-time job
- Anything else (e.g. inheritance).

Remember your income in later life may come from a number of sources. If you have you worked for other employers in the past you may have other pension plans to take into account. Have your National Insurance details to hand when contacting pension and customer service departments as this will make things easier.

Look at all your savings together when planning ahead and try and find out whether any of these savings or pensions are guaranteed

3. When do I want to stop working?

Things you need to think about when you want to stop working.

You could choose to stop working as early as you want but remember:

- You will only start to receive your State Pension from your State Pension Age, and
- The earliest age you can retire from the Kingfisher Pension Scheme is age 55.

Also remember you can choose to continue to work and still receive your State Pension and Kingfisher Pension Scheme pension and finally you should think about when all your other retirement income is likely to come into payment.

Once you have considered all of the above you can then consider when you can realistically stop working.

It’s very important to be realistic when planning ahead for your future. You need to consider how much money you’ll need to live on and where your income will come from.

Be aware that your circumstances may chance over time, and you may need to revise your plans.

Step 2:
Gather the information

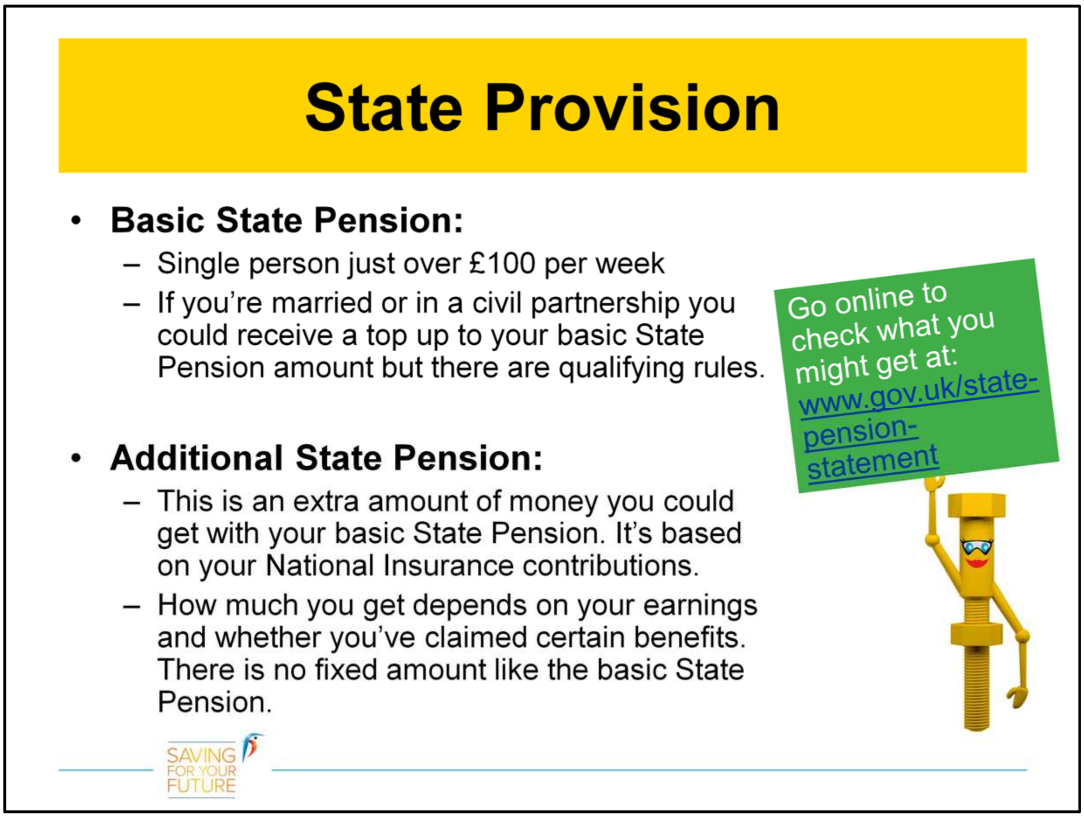
- If you're in the Kingfisher Pension Scheme, contact the Scheme administrators for details of your benefits.
- Contact previous employers – if you can't trace some of them, use the Pension Tracing Service (PTS) at www.gov.uk/find-lost-pension
- Ask for a 'benefit statement' or 'retirement illustration' – to include your projected benefits at retirement age. Remember, the scheme's retirement age may be different to when you want to retire. Ask for alternatives.
- Money purchase scheme illustrations may be optimistic if based on 'assumed growth rates'. Check what these are and be realistic.
- Don't forget your State Pension!

SAVING FOR YOUR FUTURE

Gather together all the information about your pensions and savings. List of all the pensions and savings products you have. Make a note of the contact details for the pension departments and customer service numbers.

If you have a lost pension, contact the Pension Tracing Service.

Use the on-screen links to access the service you need.

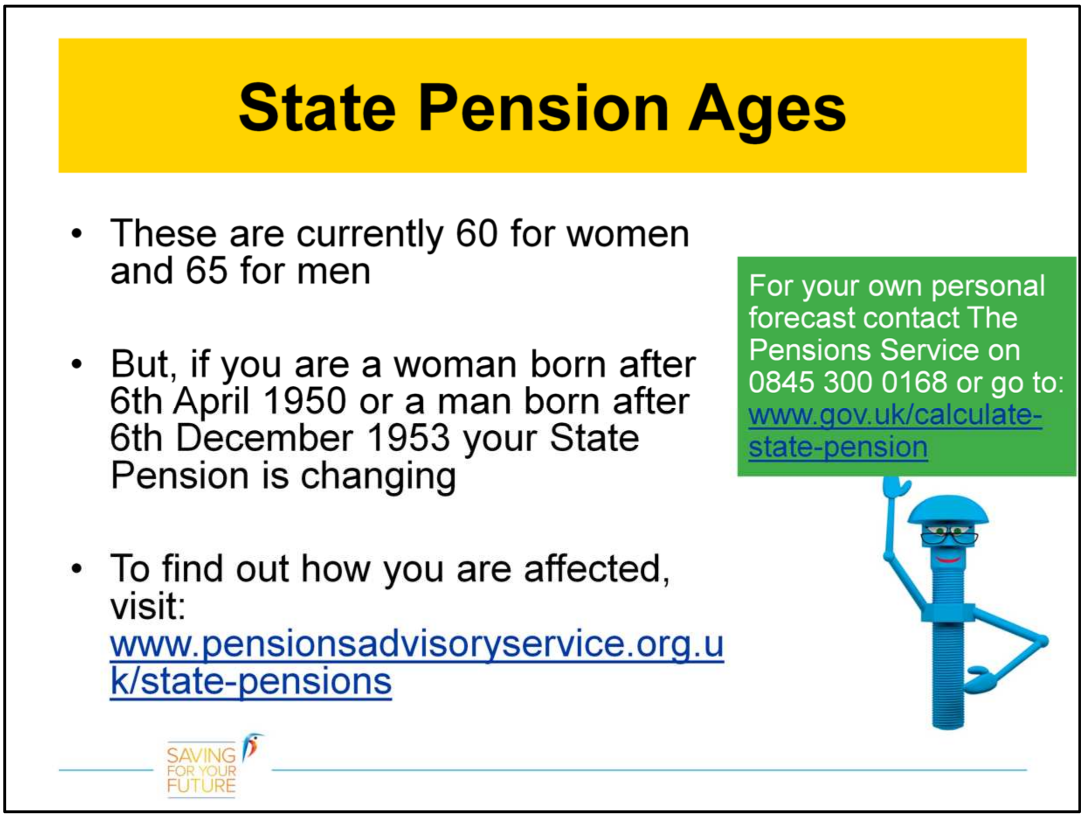


Remember the State Pension is made up of different elements:

The Basic State Pension (BSP) is payable from the State Pension Age (SPA) and is a flat-rate pension paid to anyone who has paid enough National Insurance Contributions or has enough credits when they reach their SPA. This is the earliest age you can draw your State Pension and your SPA is specific to your date of birth. Your State Pension Forecast will tell you when this is.

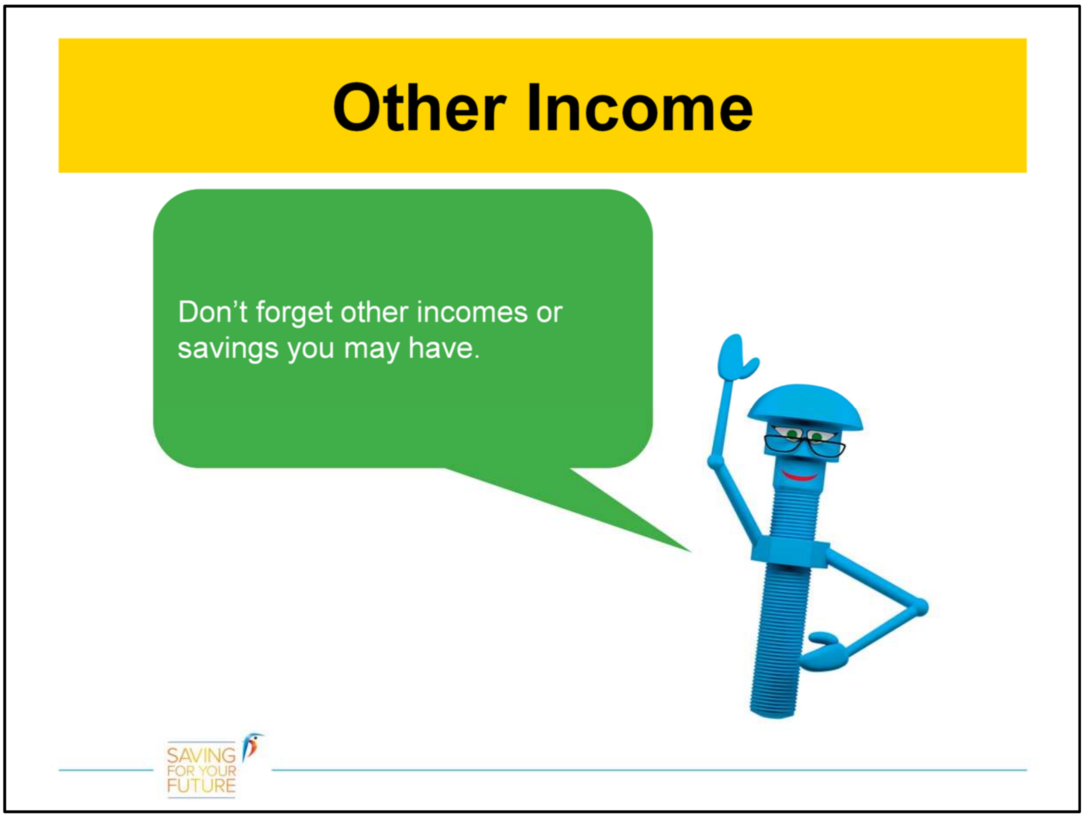
The Additional Pension (AP) (also known as **SERPS** or State Second Pension **– S2P**) is paid in addition to the Basic State Pension. This additional payment provides a top-up to the BSP.
The best way to find out what you're entitled to, and from what retirement age, is to get a State Pension forecast by going to the State Pension section of GOV.UK

Use the on-screen link to get your own pension forecast.



The State Pension Age is the earliest age you can draw your State Pension and your State Pension Age is defined by your date of birth. Keep up to date with the coming changes to the State Pension Scheme on GOV.UK and The Pensions Advisory Service websites

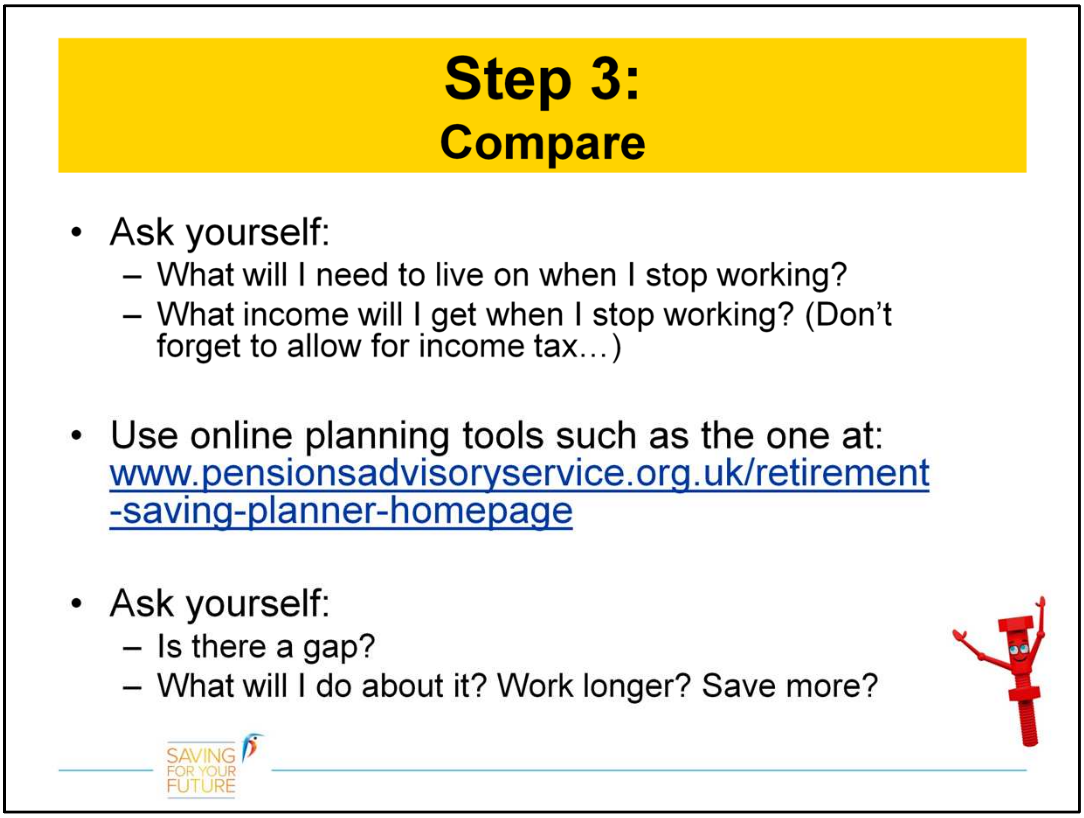
Once you have your forecast State Pension figure you can add it to the other amounts you have.



You may have other savings, for example building society accounts, ISAs/shares etc. These should also be taken into account as part of your Saving For Your Future plan but remember, they may not all be guaranteed, and you may have already earmarked those funds elsewhere for example repaying the capital on an interest only mortgage.

If you have a mortgage, check with your lender to see if you are on track to repay it and check the date you expect to make the last payment.
This is important because if the final repayment date is after you plan to stop working full time you will still need to make the repayments.

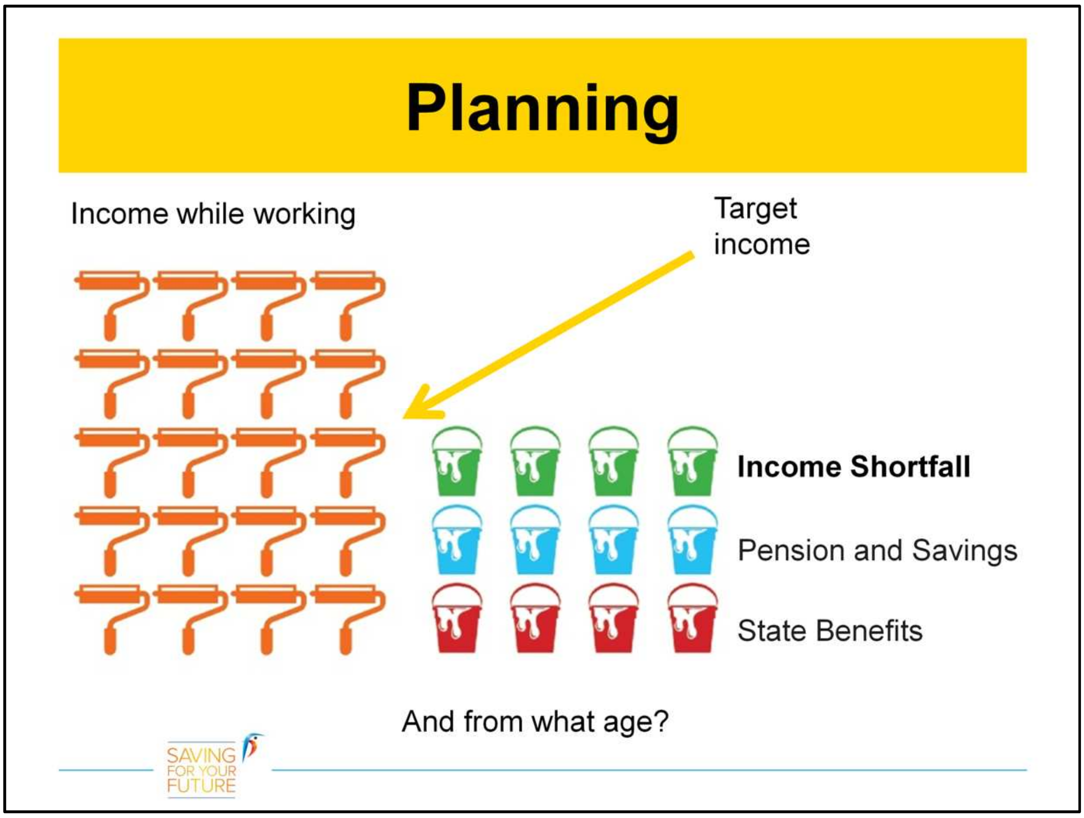
Use the on-screen links to access the service you need.



You should now have two totals:
1) the amount you will need to live on from step 1.
2) the total of all your income from pensions and savings from step 2.

If you are likely to have more income than you need that's great but don't be complacent! Things change so you will need to review your savings plans regularly to make sure you are still on track.

Make use of online planning tools such as the one shown on the screen. Use the link to access the tool.



If you are likely to have less income than you need (i.e. an income shortfall as shown in the graphic) then to do something about it now!

- If you are still employed by the Company, you could pay more into your Kingfisher Pension or save more into your other savings products.
- You could look again at how much you think you'll need to live on and work out what to cut back on – you can live without Sky!
- You could look at pushing back the date you want to stop working so that you have more time to make up the shortfall.

The solution depends on individual circumstances but the important thing is to start thinking about it now and plan ahead.

There are planning tools available to help you for example the one from The Pensions Advisory Service on the previous screen.

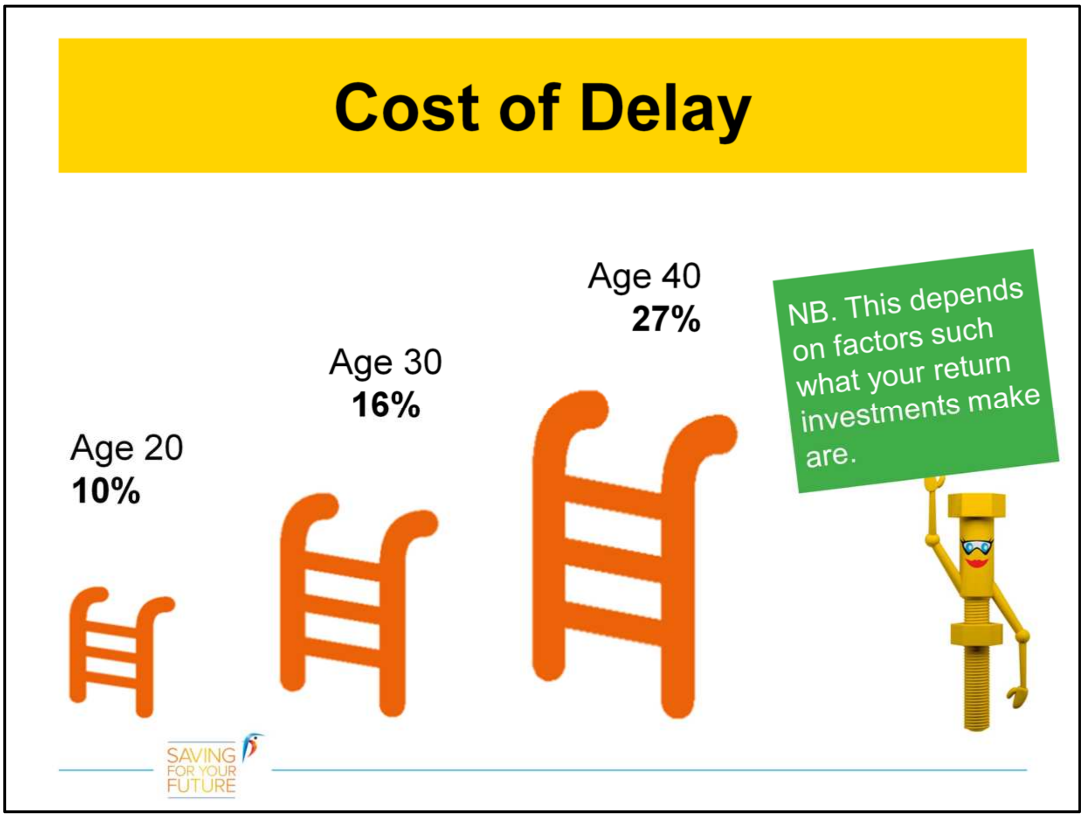
Cost of Delay

To achieve an income of half your pay at age 65, what percentage of salary should you be saving when you're:

- 20 years old?
- 30 years old?
- 40 years old?

SAVING FOR YOUR FUTURE

It's never too early to start planning ahead!



At age 20 you'll need to save 10% of your salary. But if you wait 10 years and start saving at 30, you'll need to contribute 16% for the next 35 years to achieve the same result.

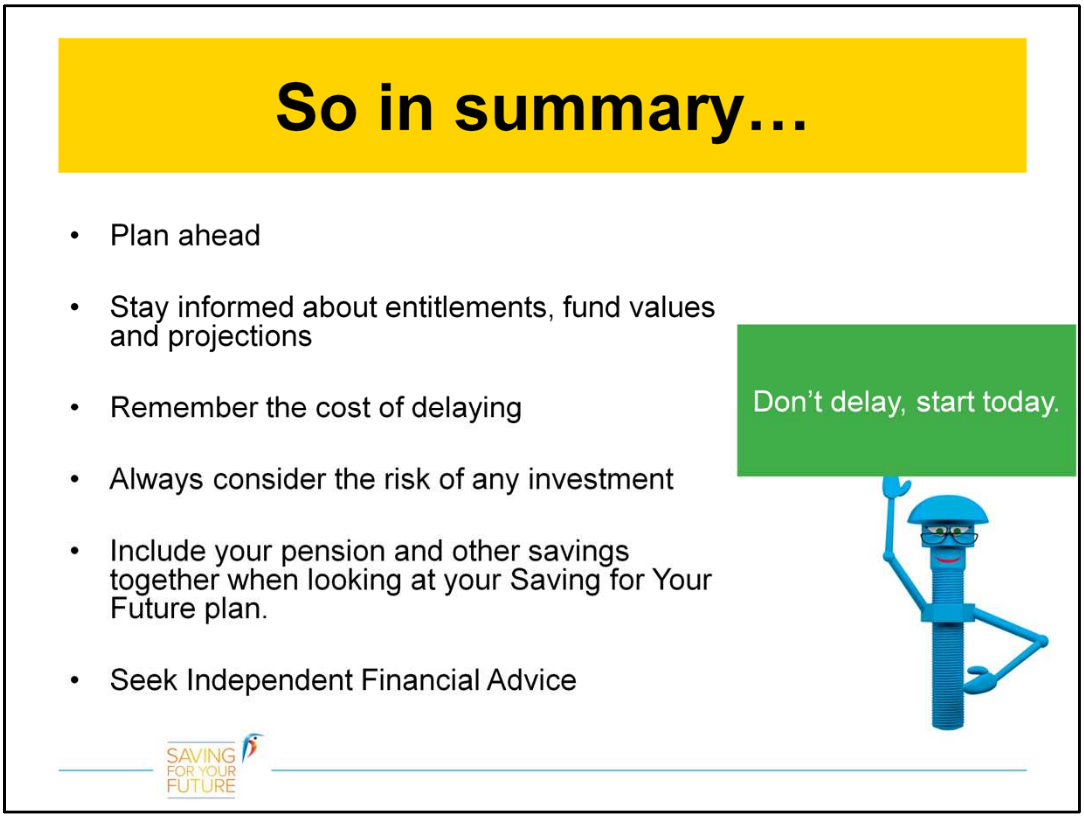
And if you don't start until 40, you'll need to contribute around 27% of your salary for your last 25 years of work – which might be when you can least afford it.

This percentage of salary doesn't all have to come from you. Remember, your employer will contribute to your scheme as well, and the Government will also help by adding in tax relief.

Also remember that your State Pension will be paid on top of this amount.

Everybody's circumstances are different so if you feel you need professional help you should contact an Independent Financial Adviser.

Neither the Company nor the Trustee can give you personal financial advice. Without knowing all your personal details and without the specialist expertise required it is not possible to give advice specific to your circumstances.



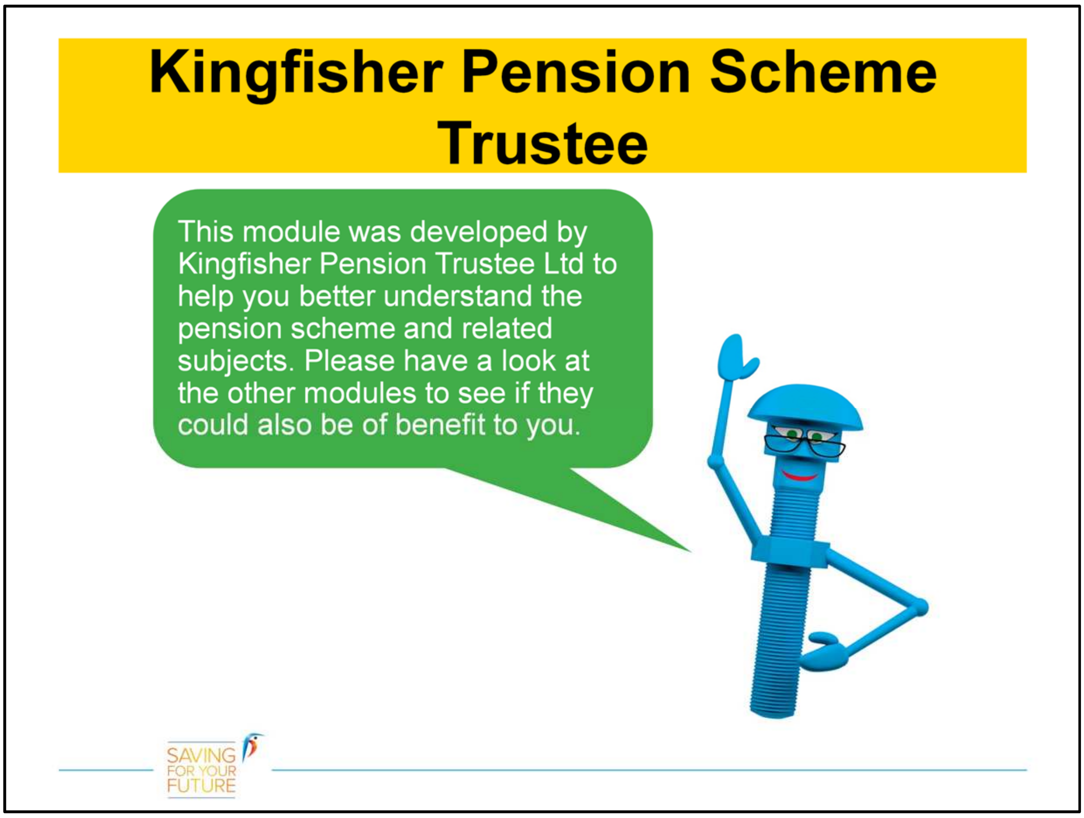
Planning ahead to provide income in later life is a responsibility that we need to take very seriously as we cannot rely on others to provide comforts in our old age.

Find out exactly what your employer's pension arrangements are and make sure you're getting the most out of them. Kingfisher Pension Scheme benefits are available on the Trustee website.

As with all financial products - make sure you understand the risk of any investment and review regularly to make sure your plans are on track.

Here are some important ‘phone numbers for you. Make a note of then in case you have any difficulty in accessing the information you need over the internet.

Use the on-screen links to access the service you need.



No additional notes required.