WORKPLACE PENSIONS

Financial Wellness

Living for today & planning for tomorrow

If we've learned anything from the last couple of years, it’s three things: enjoy the good times when they come around, hug your loved ones when you can and get financially prepared for the more challenging times.

Taking steps to plan for your financial future in positive and negative scenarios can be tough. Just paying bills, eating, and keeping a roof over your head may take up a lot of your monthly income.

Then there are important longer-term goals like saving for a house deposit and, of course, putting money away for retirement and making sure you have savings for when you need them.

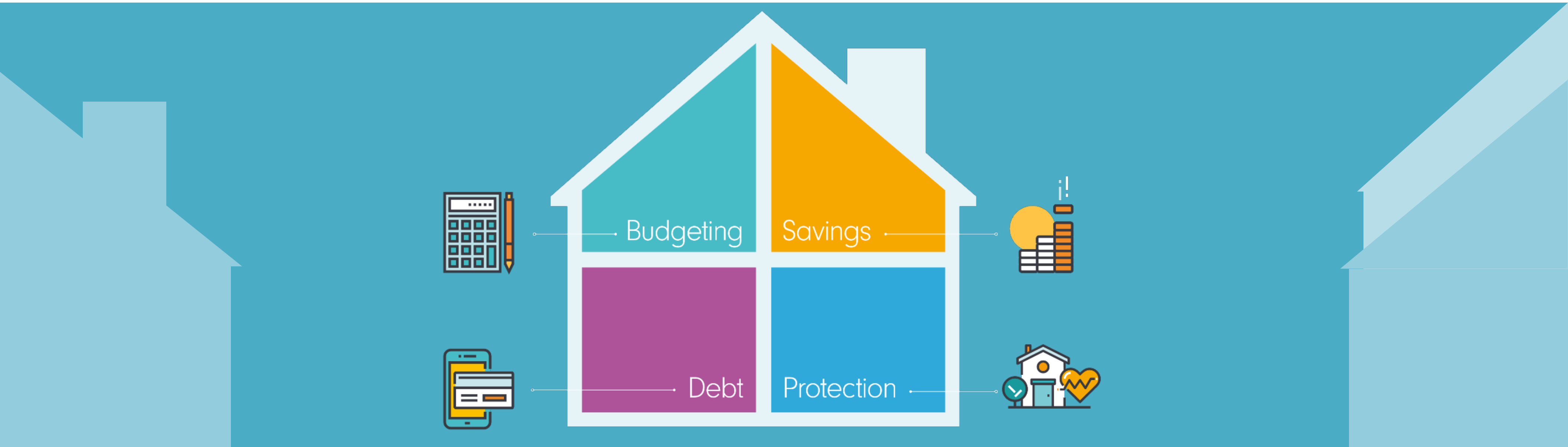
Striking a balance can be a struggle. If you could use a little help, here's a quick guide to enjoying life without sacrificing your financial wellness.

Create a financial plan

Think broadly at first: start with your goals. There's a good chance you know some of the things you want to work on. The tricky part is often taking the first step.

To make the process manageable, it helps to think of your finances in sections—and then set small goals for each. For instance, we like to start with four domains: budgeting, debt, savings, and protection.

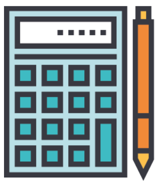
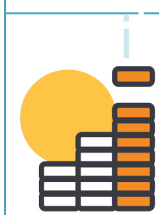
You can check your financial wellness score in these domains with our interactive financial wellness tool.



Start small - setting small goals on your way to the larger ones can help with your long-term motivation and get you financially fitter.

Make each domain strong - they are all interconnected and if one piece of your financial foundation is unsteady, it may not take much to throw off your entire plan.

Where to start – this will depend on your unique situation; including where you're starting from and where you want to go in the future. You could be starting out, hitting your stride or looking to maximise your money.

	Starting out	Hitting your stride	Maximising your money
 Budgeting	• Spend less than you earn	• Track your spending • Plan for short-term goals	• Spend no more than 50% of your income on essential expenses
 Debt	• Pay off credit card debt	• Pay off high-interest loans • Improve your credit score	• Make sure you are getting the best deal on your mortgage
 Savings	• Make the most of any matching pension contributions your employer offers	• Try to save at least 13% for retirement, which includes employer contributions • Invest appropriately for your age, time horizon and risk tolerance • Think about saving for children going to university	• Review your investments annually • Maximise tax-advantaged retirement savings • Explore tax-efficient investing
 Protection	• Put aside £1,000 in contingency savings • Assign beneficiaries to your retirement account • Look into life assurance if you have dependents	• Save 3–6 months' expenses in contingency savings • Look into critical illness and income protection cover	• Make a will • Start planning for inheritance tax • Consider other insurance needs • Assign a power of attorney for health & welfare and property & financial affairs

Make your plan a reality

Knowing what needs to be done is half the battle. But you may also want some strategies to help put your plan into action.

For instance, not everyone is a natural saver—it can be a challenge to manage day-to-day spending or pay off debt. So, mastering your budget could help you free up more money to save for the future and help pay down credit cards and loans. If you're able to, increasing the amount you save by as little as 1% can have a huge impact over time. You can see the power of small amounts with our interactive tool.

A strong foundation of budgeting, debt management, saving, and protection can help you achieve big, long-term savings goals, like retirement or funding a child's education. But investing is a key component in a long-term plan as well.

When you joined your company's pension plan, your contributions were probably invested into a 'default investment'. These are designed to be broadly suitable for most people. However, you may want to adopt a different approach that suits your specific situation. The good news is that you can. Log into PlanViewer to review your investments and pick and choose exactly where your money is invested.

Investing in a mix of stocks, bonds, and short-term investments may help your money grow and potentially get you to your goals faster than saving alone. But it does take time—that's why getting invested as soon as possible is often one of the first steps in a financial plan. An investment mix tailored to your goals and time frame, your financial needs, and your feelings about investment risk can help find the balance between risk and reward that's right for you.

Monitor & manage

The financial planning process never really ends—it should be ongoing. After putting your plan into action, it may be useful to check in at regular intervals to gauge how much progress has been made. You should be able to find out where you stand now relative to your goals and see what else needs to be done. As your life changes, your plan can change too. Any big developments like getting married or divorced, having a baby or adopting, or a change to your employment could require updates to your plan.

Reviewing your investments is an important component of this step as well. After all, markets change and may result in you taking on more risk than you are comfortable with—or not enough. A good rule of thumb is to review your asset mix and investments at least annually, and make adjustments as needed.

Plan for the future and live in the moment

Organising your full financial picture may take time but it's worth it. Before you begin, it can seem overwhelming. Taking action and working through the process one step at a time can help you feel in control and confident that you're making the most of your money.

Important Information – The value of investments can go down as well as up, so you may get back less than you invest. Withdrawals from a pension product will not normally be possible until you reach age 55, which may change to 57 in 2028. This is not a personal recommendation for any investment or action. If you are unsure of the right approach for you personally you should contact an authorised financial adviser.

Is your financial wellness score as good as it can be?

Get your Fidelity Financial Wellness score for budgeting, debt, savings and protection, in just a few minutes.

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