

Approach letter: early retirement

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Dear [Client name]

Planning for early retirement

Are you thinking of retiring early? You don't have to be 65 to start taking the benefits from a pension fund, but if you do take them at a younger age you may lose out on further investment growth or suffer an early retirement penalty.

As an alternative, an international investment bond could be the ideal way to fund the time between when you want to retire and when you start to draw your pension. This is a lump sum investment and some of the key advantages are:

- Between now and when you retire, your investment will grow largely free of tax, apart from withholding tax, which applies to the dividends on some assets.
- You can take money out of the bond by cashing in segments and you can offset income tax on the profit against your personal allowance.
- You can also make withdrawals of up to 5% a year (of your original investment) without paying any immediate tax, up until you've taken out the full amount you put in.
- When you start drawing your pension, you can stop taking money out of the bond and leave it to grow, to provide money for the future or an inheritance.
- You can have a wide choice of investments and you can switch between them without incurring any capital gains tax on profits.

You should remember that the value of an investment may fluctuate and is therefore not guaranteed. You may not get back the full amount of your investment.

The above is based on our understanding, as at March 2010, of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation (and any tax reliefs) depends on individual circumstances.

Expert advice

If you would like some expert advice on these issues and whether an international bond could be suitable for you, please give me a call on xxxxx xxxxxx to book an appointment or complete and return the coupon overleaf.

Yours sincerely
[IFA name]

Name Telephone number

Please contact me to arrange an appointment to discuss my investment options. I would like to know more about:

- how I could plan for early retirement
- how I could pay less tax
- how I could take regular withdrawals from my investments

The best time to call me is in the daytime/evening (*delete as preferred*)

on (*preferred day*)