



What is the real value of a pension when it comes to divorce?

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Pension Valuations

- Pensions today
- Where did it come from?
- What is it really worth?
- The value of cash in divorce
- How much is enough?



Pensions Today

- Pension Freedoms
- Beneficiaries
- Defined Benefit and Defined Contribution
- £2,222,000,000,000
- The age of divorce

Where did it come from?

- Source of pension funding
- Business assets
- Invested inheritance



What is it really worth?

Defined Contribution

- Exit Penalties
- Market Value Adjustments
- Terminal Bonus
- Guaranteed Annuity Rates
- Loyalty Bonus



What is it really worth?

Defined Benefit

- Valuations based on scheme rules and certain assumptions
- Consider factors that could impact this
- Membership options

What is it really worth?

- Consider the benefits attached to each scheme
- What will be lost if transferred?
- Don't just split equally
- It could make sense to retain 100% of one pension but nothing of another.
- Who is responsible for lost benefits if the client hasn't received advice?

The value of cash in divorce

- Cash v pensions
- Tax and pensions
- Pensions for the future generations
- Tax free growth from the marital home

How much is enough?

- Do people know how much they really need?
- The risk of inflation
- Lifetime cash flow
- The value of advice



Conclusions

- Do clients really know what they have and what they are giving up?
- The real value of a pension is dictated by both the features of the plan and the client's individual circumstances
- Financial Planning and legal advice are key.

