

# providing clarity for your senior executives' financial future

talk to us about executive  
financial planning services



## Executive financial planning services

Everyone should have a plan for their financial future, but financial planning for senior executives can be particularly complex. **This is because senior executives tend to be:**

**...affected by the pension cap** - The Standard Fund Threshold (SFT) is likely to be a major consideration for this group.

**...asset rich** - Many have significant assets and liabilities outside of their company pension plan.

**...time poor** - Many are too busy attending to company business to pay sufficient attention to their personal finances.

**...heavily exposed to economic and regulatory changes** - Rule refinements such as the pensions cap often fall wholly or mainly on senior employees.

**...in need of investment strategies that extend beyond retirement** - As senior employees generally exercise the Approved Retirement Fund (ARF) rather than the annuity option in retirement, investment risk is likely to be an ongoing issue into old age.

**...very sensitive to maintaining complete confidentiality** - Due to their position within the organisation, senior executives are acutely sensitive to maintaining confidentiality regarding their personal finances.

**Financial planning advice can help senior executives to:**

- fully and properly value the benefits provided by the company
- concentrate on their role within the organisation, secure in the knowledge that they are getting the best impartial advice
- transition smoothly from the business with a concrete plan for their finances

## Mercer's executive financial planning services

Mercer provides a comprehensive financial planning service for senior employees that helps them organise their financial affairs, better understand the options available and make the best possible decisions about their future financial wellbeing.

We can tailor the nature and scope of our Executive Financial Planning Services to suit your preferences. Our advice can focus exclusively on company-specific pay and benefits or encompass the entirety of the executive's financial circumstances and objectives.



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	Retirement planning	Wider benefits review
<b>Company specific approach</b> Provides a complete picture of steps to take with regard to company pension. Does not cover any other assets held outside of this.	<ul style="list-style-type: none"> <li>• Income projections from company pension</li> <li>• Pension investment strategy and additional voluntary contributions advice</li> <li>• Guidance on the effect of recent changes in tax and government policy</li> <li>• Remedial action plan where appropriate</li> <li>• Guidance on post-retirement planning, including ARF and annuity</li> </ul>	Advice on company choices for protection benefits, including: <ul style="list-style-type: none"> <li>• Life/disability and income</li> <li>• Non-pension retirement savings</li> <li>• Stock options and other stock incentive schemes</li> <li>• Lump sum investment advice</li> </ul>
<b>Tailored individual approach</b> Builds a holistic plan for individuals that includes the entirety of their assets and any deferred pension entitlements.	<ul style="list-style-type: none"> <li>• Pension projections for all pensions held</li> <li>• Income projections in retirement, incorporating non-pension savings and assets</li> <li>• Post-retirement planning, including optimising tax position for income drawdown and inheritance</li> </ul>	<ul style="list-style-type: none"> <li>• Investment strategies for non-pension assets</li> <li>• Life insurance and income protection provisions reviewed for adequacy</li> <li>• Inheritance planning</li> </ul>

## How the service works

### Stage 1 - initial one-to-one meeting

This meeting is aimed at defining the individual's financial goals and objectives, including their plans and income needs in retirement (typically 1-1.5 hours).

### Stage 2 - confidential report

This report focuses on the individual's primary financial planning objectives, including attitude to investment risk and provides detailed recommendations on how to achieve a secure future in which their financial needs are met.

### Stage 3 - follow-up

Follow-up in person or by telephone ensures that the executive is clear on how to achieve their objectives and implement the actions recommended. Periodic reviews of their position can also be provided.

## Assessing the effect of the cap on pensions?

The pensions cap will be an issue for you if you have employees:

- With company pension benefits in excess of the Standard Fund Threshold
- With substantial deferred pension benefits from other employments that may, together with their company pension, put them over the cap
- Who are on a trajectory to exceed the cap before retirement age and have not made plans to address this

If you have employees in any of the above categories or are unsure about whether the cap affects your company, it is important that you take action early rather than waiting for the value of key employees' pension benefits to exceed the limit.

## Steps to take now

- Review senior employees' pension benefits to determine the scale of the issue
- Consider how you need to alter your benefits structure to cater for key employees in this position
- Ensure that affected employees receive an executive financial planning session so that they know what steps to take

## Why Mercer?

Mercer is uniquely positioned to offer all-encompassing financial planning advice. Our specialist financial planning team has an extensive range of skills and experience that brings together actuarial, investment, pensions and protection expertise.

As part of a global company employing over 17,000 people worldwide, Mercer is Ireland's leading pension, investment and employee benefits consultant. With over 40 years of experience in the Irish market, we have a wealth of knowledge, experience and insight enabling us to deliver tailored, results-driven solutions to our clients.

## How Mercer can help

Contact us now using the details below, to discuss the impact of these changes on your employees and to share with you our survey results on what other employers are doing in this area. We can help you develop a comprehensive compensation policy, including determining suitable options for those who have reached or, will reach, the limits and assessing who could be affected.

Mercer can provide an executive financial planning service to advise individuals near or at the SFT on their options and help them manage their retirement benefits.

If you are interested in this service, please contact [financial.planning@mercer.com](mailto:financial.planning@mercer.com) for more information or speak to:

**Consultant team lead**

Chris Carlile

01 636 2708

[chris.carlile@mercer.com](mailto:chris.carlile@mercer.com)