All being well we are only two months away from the biggest change to pensions since they were introduced 100 years ago! April 2015 The date that full access to your pension savings and great tax breaks should become a reality. Great news, but with these new found freedoms income planning in retirement has just become far more complicated.

The Pension's Minister was widely quoted as saying if you wanted to, you could use your entire pension fund to buy a Lamborghini!   Wonderful but will you have enough resources left to run the car, go on holiday or more importantly keep yourself warm and fed?

Most folk are quite sensible with money so before buying the Lambo where do you start? Probably the most important part of the retirement planning process is a budget forecast. This is an exercise we insist our clients complete when they seek our advice.

You and we need to know what "guaranteed" regular income you need. Your monthly budget should, whenever possible, support your anticipated lifestyle in retirement as opposed to just keeping you warm and fed. It can contain many areas of expenditure, which should always be considered and accounted for before any 'luxury' items are planned.

Will there be enough money left in the overall pot for a spouse or partner? In some circumstances pension incomes can drop quite substantially on the death of a spouse, loss of state pension for example. Whilst the food bill will reduce, heating costs and utilities are unlikely to be much less. Some clients reply to questions like this with 'well my spouse will just move to a smaller/cheaper property', but this may not actually be a realistic option at the time.

In addition to changing the way in which you can access your pension benefits, another significant change allows your pension fund to pass down the generations free from Inheritance Tax. The old adage of using your pension to live on and preserving your savings to pass on to future generations becomes less clear cut if those assets you are leaving to your beneficiaries are subject to 40% Inheritance Tax when your unspent pension fund is not.

This poses a whole new dilemma. Accessing your pension pot may be the last place from which you would want to withdraw funds. In the past, tax free ISA savings had often been the pot left until last, but this may no longer be the best case for some.

Please remember the average length of retirement these days is 25 years so you are planning for the very long term with many alternatives and options. Furthermore with Income, Capital Gains and Inheritance Taxes to take into account when looking at the optimal way to provide income in retirement to meet your budget, independent financial advice could be critical.

If you are over 55 and/or plan to retire in the next year or so see an Independent Financial Adviser now, it will be time well spent.