



ROXBURGH GROUP

ROXSURE MONEY MATTERS

JANUARY / FEBRUARY 2024

TAX-SAVING MEASURES

WHAT ACTIONS TO REVIEW BEFORE
THE 2023/24 YEAR-END?



TREASURE TROVE

£26.6 billion in forgotten pensions

BALANCING PROFIT AND PLANET

Striving to use impact to boost investment returns

SUCCESSION PLANNING, A FAMILY AFFAIR

A delicate process that requires clear communication and effective planning

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C O N T E N T S

INSIDE THIS ISSUE

Welcome to the first issue for 2024. The tax landscape has witnessed considerable changes, making the situation more challenging for taxpayers and investors alike. As we near the end of the 2023/24 tax year on 5 April, every taxpayer should understand the importance of this date and consider their tax position. Don't leave it to chance and miss the deadline. On page 09, we've provided some planning tips to consider and discuss with us.

Did you know as many as 1 in 20 people could have a pension they didn't think they had? Could that be you? It's estimated £26.6 billion is currently trapped in forgotten pensions, averaging about £9,500 each. With most individuals juggling multiple jobs throughout their lifetime, it's no wonder that some of these pensions fall through the cracks. Read the full article on page 12.

ESG (Environmental, Social, and Governance) investing, a socially responsible investing approach, seeks to harmonise financial returns with a company's environmental impact, stakeholder relationships and global footprint. Our planet faces numerous challenges, from climate change to a rapidly growing and ageing population. On page 08, we consider understanding and incorporating ESG opportunities into your investment strategy.

Transferring wealth within a family is a delicate process that requires clear communication and effective planning. Otherwise, it could lead to a potentially large tax bill and bad feelings in the family. This narrative was depicted in the hit American HBO series 'Succession'. By engaging in succession planning, you can ensure your assets are distributed according to your wishes, simplifying the process and maximising tax efficiency. Read the article on page 10.

A complete list of the articles featured in this issue appears opposite.

SAFEGUARDING, EXPANDING, AND CULTIVATING YOUR WEALTH



We aim to help you secure your future and achieve your financial objectives with a carefully crafted plan to fit your needs. By developing this plan, we'll focus on what really matters and how to manage your financial situation to achieve your goals. We're here to safeguard, expand and cultivate your wealth using our expert guidance. Don't hesitate to contact us if you require further information or want to arrange a meeting.



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THE VALUE OF INVESTMENTS MAY GO DOWN AS WELL AS UP, AND YOU MAY GET BACK LESS THAN YOU INVESTED.

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NATIONAL INSURANCE CONTRIBUTIONS (NICS)

SIGNIFICANT REFORMS AND RATES CUT FOR MILLIONS OF WORKERS

National Insurance is a cornerstone of the welfare and benefits system. As a citizen, your contributions will likely play a significant role in funding state provisions such as pensions, maternity leave and bereavement support. If you're over 16, under the State Pension age and either employed or self-employed, chances are you're making National Insurance Contributions (NICs).

The amount of NICs you're required to pay is contingent upon your earnings and employment status. In other words, your contribution is calculated based on how much you earn and whether you're an employee or run your own business. This system ensures that everyone contributes fairly to the welfare system based on their financial capabilities.

CLASSIFYING CONTRIBUTIONS

National Insurance rates are segmented into 'classes', each corresponding to a specific earnings range and employment status. Typically, employees fall under Class 1, while self-employed individuals are categorised as Class 4. This classification helps streamline the process and accurately calculates each individual's contributions.

Once you've reached the State Pension age, your obligation to contribute to the National Insurance pool ceases. This means you can enjoy your retirement without worrying about further deductions from your income for National Insurance.

AUTUMN STATEMENT 2023

In the Autumn Statement 2023 last November, Chancellor Jeremy Hunt announced significant reforms to National Insurance. This is the third change to National Insurance since 2022. But despite these cuts, the tax burden is still expected to remain at a record high.

Mr Hunt cut the main rate of Class 1 employee NICs from 12% to 10%. This took effect on 6 January 2024. There will also be a cut in the main rate of Class 4 self-employed NICs from 9% to 8%. This will take effect from 6 April 2024. From 6 April 2024, Mr Hunt said no one will be required to pay Class 2 self-employed NICs.

Details of the National Insurance Contributions (NICs) changes are:

- From 6 April 2024, self-employed people with profits above £12,570 will no longer be required to pay Class 2 NICs but will continue to receive access to contributory benefits, including the State Pension.
- Those with profits between £6,725 and £12,570 will continue to get access to contributory benefits, including the State Pension, through a National Insurance credit without paying NICs as they do currently.

- Those with profits under £6,725 and others who pay Class 2 NICs voluntarily to get access to contributory benefits, including the State Pension, will continue to be able to do so. The government will set out the next steps for Class 2 reform next year. As part of this reform, the government will protect the interests of lower-paid self-employed people who currently pay Class 2 NICs voluntarily to build entitlement to certain contributory benefits, including the State Pension.

NATIONAL MINIMUM & LIVING WAGE UPDATING

From 1 April 2024, the National Living Wage (NLW) will rise by 9.8% to £11.44 an hour for eligible workers aged 21 and over across the UK. Young people and apprentices on the National Minimum Wage (NMW) will also see a wage increase. ◀

OUR SUCCESS IS ENSURING YOUR SUCCESS. WANT TO FIND OUT MORE?

Intrigued and want to know more? Please get in touch with us if you require further information or have questions about any matters that will impact your future financial plans. A deeper understanding will empower you to manage your finances better and plan for a secure future.

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CHANGES TO THE STATE PENSION

'TRIPLE LOCK' TO INCREASE BY 8.5% FROM 6 APRIL 2024

The State Pension is set to increase commencing on 6 April 2024 due to a mechanism known as the 'Triple Lock'. Chancellor Jeremy Hunt has announced an increase of 8.5%, which pensioners will welcome.

The State Pension is a recurring benefit paid out every four weeks by the government. This payment is made available to individuals who have reached the qualifying age and have sufficiently contributed to National Insurance.

CHANGES IN THE WEEKLY PENSION AMOUNTS

Qualifying for a full State Pension is based on your National Insurance Contributions (NICs). The number of years you've paid or been credited with these contributions and when you start claiming your State Pension determines the amount you receive. You can access government websites to check your personal NI record and forecast your State Pension.

This increase announced during the Autumn Statement translates to significant changes in the weekly pension amounts. For those receiving the full, new flat-rate State Pension, the weekly amount will be £221.20. Meanwhile, for those on the full, old basic State Pension, the weekly figure will be £169.50.

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THE STATE PENSION IS A RECURRING BENEFIT PAID OUT EVERY FOUR WEEKS BY THE GOVERNMENT. THIS PAYMENT IS MADE AVAILABLE TO INDIVIDUALS WHO HAVE REACHED THE QUALIFYING AGE AND HAVE SUFFICIENTLY CONTRIBUTED TO NATIONAL INSURANCE.

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THE HIGHEST OF THE THREE MEASURES

The State Pension 'Triple Lock' concept might seem complex, but it's quite straightforward. It's a system that ensures the State Pension increases each April, with

the increase based on the highest of three measures.

The 'Triple Lock' system measures inflation as per the Consumer Price Index of the previous September, the average wage increase across the UK or a minimum of 2.5%. Whichever of these three measures is highest dictates the increase in the State Pension. ◀

WANT TO FIND OUT MORE ABOUT YOUR RETIREMENT PLANNING OPTIONS?



Understanding your pension options thoroughly is vital to planning a comfortable retirement. Feel free to contact us if you require further insights or have specific questions regarding your State Pension or your retirement plans. We look forward to hearing from you.

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TIME TO SIPP INTO FINANCIAL FREEDOM?

'I WANT TO TAKE CHARGE OF MY RETIREMENT SAVINGS'

A Self-Invested Personal Pension (SIPP) is more than just a pension. It's a gateway to financial freedom that can offer you an unparalleled level of control. With a SIPP, you are at the helm of your investment decisions, determining how your money is invested and your pension pot grows. Whether you make regular contributions or occasional lump-sum deposits, even a modest start can significantly impact your retirement nest egg.

SIPPs come with the bonus of tax benefits, matching those other pensions offer. For instance, a contribution of £8,000 to your SIPP attracts a £2,000 top-up from the government. If you're a higher rate taxpayer, you can gain even more through tax relief.

TAX SITUATION

The government substantially enhances up to 45% (or 47% for Scottish rate taxpayers) as tax relief on any contributions you make. This means your money can grow more efficiently and provide a larger nest egg for your retirement. However, remember that your specific tax situation will depend on your circumstances and may be subject to pension and tax law changes.

Investing in a SIPP means securing your funds until you reach a certain age - currently 55, but set to increase to 57 from 2028 onwards. This is an essential factor to consider before opting for a SIPP. In most cases, you can contribute up to £60,000 a year of your earnings tax-free (less any employer contributions). There's no 'right' age to start saving for a pension, but starting early allows your money more time to grow.

INVESTMENT OPTIONS

SIPPs are normally accessible to anyone under the age of 75. Even without an income, you can contribute up to £2,880 each tax year and still qualify for tax relief. For parents, a Junior SIPP offers a way to start investing in your child's future. Remember, though, access to these funds will only be available to your children once they reach the minimum age - again, 55 now, rising to 57 in 2028.

SIPP schemes offer a broad selection of investments you can manage independently or with our expert guidance. They provide a more comprehensive range of investment options, including company shares (UK and overseas), collective investments like Open-Ended Investment Companies (OEICs), unit trusts, investment trusts, property and land. However, residential property is excluded.

ACCELERATING GROWTH

Remember, as with any investment product, the value of your pension may fluctuate. You might not get back the amount you originally invested. Additionally, choosing how to reinvest dividends could also accelerate the

growth of your SIPP pension pot, outpacing some employer-based pensions that don't offer the same control and flexibility.

While your employer may contribute to your SIPP, there's no legal obligation for them to do so. This pension scheme allows you to make informed decisions about your savings and where to invest them, standing out from standard employer's pension schemes. ◀

HOW CAN OUR TAILORED RETIREMENT PLANNING SERVICE HELP YOU?

Each SIPP scheme has its own set of rules and investment opportunities. Don't hesitate to contact us if you want to learn more about how a SIPP could fit into your retirement plans. We're here to help you navigate the complexities of pension investment and make informed decisions that align with your financial goals.

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TAX-SAVING MEASURES

WHAT ACTIONS TO REVIEW BEFORE THE 2023/24 YEAR-END?

Have you recently evaluated your personal tax situation? Is your tax structure optimised for efficiency? As we approach the end of the tax year on 5 April 2024, it presents an ideal opportunity to assess and leverage the various allowances and reliefs available to enhance your tax profile. Allocating time for this review can provide valuable insight into potential opportunities for you and your family.

The vast scope and complexity of the UK tax system may seem daunting. However, navigating it with careful planning can lead to significant financial benefits. Understanding your tax affairs is key to maximising your wealth and ensuring your financial future.

TAKE ADVANTAGE OF POTENTIAL RELIEFS OR ALLOWANCES

However, the tax landscape has witnessed considerable changes, making the situation more challenging for taxpayers and investors alike. As we near the end of the 2023/24 tax year, every taxpayer should understand the importance of this date and consider their tax position.

Furthermore, 5 April 2024 marks the end of your personal earnings year. Knowing your yearly income will help you understand your tax band and ensure you take advantage of potential reliefs or allowances. The current tax year officially ends on 5 April 2024. The following day, 6 April 2024, ushers in the 2024/25 tax year.

As the tax year end approaches, we've provided some planning tips to consider:

MARRIAGE ALLOWANCE

This allowance provides a unique opportunity for couples where one partner is a basic rate taxpayer and the other partner's income falls below the personal allowance threshold. With the Marriage Allowance, you can transfer up to £1,260, which equates to 10% of the personal allowance, from the lower-income partner to the higher-income partner.

This transfer can significantly reduce the tax liability for the basic rate taxpayer, potentially saving up to £252 in the current year. It's important to note that this allowance is specifically designed for married couples or registered civil partners. By efficiently utilising this allowance, couples can optimise their combined tax liabilities and make the most of their financial situation.

EMPLOYEE TAX RELIEFS

In the course of your employment, there are several tax reliefs you may be eligible to claim. These provisions are designed to offer financial respite for certain expenses related to your job. One such relief is for professional subscriptions. If you must maintain membership in a professional body as part of your job, you can claim tax relief on these fees.

Another provision is the 'working from home' allowance. This relief is aimed at employees who incur additional costs due to working from home. It's designed to alleviate some financial pressure from maintaining a home office. You may also be entitled to claim relief for business miles travelled in your personal vehicle. If you use your own car for work-related travel, this relief can offer significant savings.

TRADING AND PROPERTY ALLOWANCES

These allowances are aimed at individuals who earn small amounts of income from activities like selling items on eBay or Amazon or renting out spaces on Airbnb. Each of these allowances offers up to £1,000 of tax-free income.

Furthermore, if you rent out a portion of your home, you may be eligible for the Rent-a-Room relief. This relief allows you to receive up to £7,500 tax-free from letting out a room in your home.

INDIVIDUAL SAVINGS ACCOUNT (ISA) ALLOWANCE

You receive an ISA allowance of £20,000 in the current tax year. Contributions can be allocated to a Cash ISA, Stocks & Shares ISA, Lifetime ISA or Innovative Finance ISA. ISAs are a 'tax efficient wrapper' which can make a big difference to your money over time. You can combine your ISA allowances for married couples, enabling you to put up to £40,000 in ISAs between you.

Investors who have yet to use up their full ISA allowance should discuss with us the potential to

sell shares yielding dividends outside their ISA and buying them back within this tax-exempt wrapper. However, care should be taken as this could trigger a Capital Gains Tax charge.

JUNIOR ISA (JISA) ALLOWANCE

In the same vein as the ISA suggestions, children are entitled to a Junior ISA (JISA) allowance of £9,000 per annum. Consider funding a JISA to give your children a nest egg when they turn 18.

THE LIFETIME ISA

A Lifetime ISA (LISA) applies to individuals aged 18 to 40 who are either planning to purchase their first home or preparing for retirement. With the ability to invest up to £4,000 annually, the government bolsters your efforts with a 25% bonus, up to a maximum of £1,000 per year. This money can be used to buy a new property (subject to certain restrictions) or accessed when you turn 60 to supplement your retirement income.

PENSION CONTRIBUTIONS

Pension contributions should be a key consideration at the end of each tax year. Contributions to pension schemes can be made on behalf of your minor and adult children and your grandchildren. There are several advantages to doing so. For example, the pension scheme can reclaim basic rate tax from HM Revenue & Customs (HMRC). You'll receive additional tax relief if you're subject to a higher tax rate exceeding 20%. You're establishing a pension fund for your retirement or to pass on to future generations.

In the current tax year of 2023/24, contribution limits have been augmented. The annual pension contribution limit is now the lesser of your relevant earnings or an annual allowance of £60,000 gross, corresponding to a net payment of £48,000.

All UK residents under the age of 75 can contribute up to £3,600 gross (£2,880 net) per year, irrespective of income level. However, suppose your adjusted income (typically your total taxable income plus employer pension contributions) exceeds £260,000. In that case, the annual allowance is progressively reduced by £1 for every £2 of income over

this threshold, down to a minimum of £10,000 gross (£8,000 net) for those with an adjusted income above £360,000.

For individuals aged over 75, no tax relief is provided on contributions made. If you can make additional contributions, you can use any unused allowances carried forward from the previous three years. Reviewing your pension status and that of your family members is crucial for effective financial planning.

'CARRY FORWARD' RULES

The 'Carry Forward' rules allow you to carry forward unused allowances from the previous three tax years if eligible. As we reach this tax year end, you'll lose any unused allowance for the 2020/21 tax year if it remains untapped. Considering these rules when planning your pension contributions would be best.

CAPITAL GAINS TAX ALLOWANCE

In light of the changing landscape for Capital Gains Tax (CGT), it's essential to understand how you can optimise your financial strategy. Before 6 April 2024, you have an opportunity to solidify your capital gains and make the most of the annual CGT exemption, which is capped at £6,000. However, please note that this benefit is not extended to individuals who are taxed on a remittance basis with income and capital gains exceeding £2,000.

One effective method to crystallise capital gains involves strategically selling and repurchasing stocks and shares. This approach enables you to maximise the annual CGT exemption. It offers an opportunity to elevate the base cost for future sales, potentially reducing your tax liability in the long run.

However, knowing the timing and the party involved in the repurchase is crucial. To derive the maximum benefit from this strategy, the repurchase

should ideally occur after a gap of more than 30 days. Alternatively, the buyback can be executed by your spouse, registered civil partner or through an Individual Savings Account (ISA).

DIVIDEND ALLOWANCE

For those with invested assets, the dividend allowance can offer substantial benefits. You can receive up to £1,000 per year tax-free, with dividend tax rates applied to amounts over £1,000. The dividend allowance will be reduced to £500 per annum in the 2024/25 tax year.

GIFTING FOR ESTATE PLANNING

Certain gifts can be exempt from Inheritance Tax, immediately leaving your estate upon gifting. These are commonly referred to as exempt gifts and include gifts presented to your spouse or registered civil partner. In addition, contributions to charities or political parties are exempt as well as gifts valued up to £250, provided each gift is given to a different recipient and is the only tax-exempt gift they've received from you within that tax year. This often encompasses birthday and Christmas gifts derived from your regular income.

Also exempt are wedding gifts from a parent to their child up to £5,000, from grandparent to grandchild up to £2,500, or up to £1,000 to anyone else. Additionally, you're allocated an annual exemption each tax year, allowing you to gift cash or property up to the value of £3,000. This can be given to a single individual or divided among several recipients. If the previous year's exemption wasn't utilised, it can be carried forward to the current tax year, effectively doubling the exemption to £6,000. Understanding these exemptions can help in efficient tax planning and potentially reduce your Inheritance Tax liability.

OTHER AVAILABLE ALLOWANCES

Your Personal Savings Allowance (PSA) refers to the amount of savings interest income/growth you can earn tax-free. Current levels are set at £1,000 for basic rate taxpayers and £500 for higher rate taxpayers. Additional rate taxpayers, however, are not entitled to this allowance. ◀

DON'T LEAVE IT TO CHANCE. ARE YOUR FINANCES ARRANGED AS TAX-EFFICIENTLY AS POSSIBLE?

Time is running out if you want to ensure your personal affairs, family and business affairs and plans for the long term are arranged tax-efficiently. For further information on tax year-end planning opportunities, please get in touch with us. We're here to help you make the most of your money.

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BALANCING PROFIT AND PLANET

STRIVING TO USE IMPACT TO BOOST INVESTMENT RETURNS

ESG (Environmental, Social and Governance) investing, a socially responsible investing approach, seeks to harmonise financial returns with a company's environmental impact, stakeholder relationships and global footprint. Our planet faces numerous challenges, from climate change to a rapidly growing and ageing population.

Understanding and incorporating ESG risks and opportunities into your investment strategy improves decision-making and enables you to seek more beneficial investment outcomes. By examining and synthesising ESG data, we can help you to make more informed and sustainable investment choices.

PREPARING FOR FUTURE CLIMATE CHANGE
Responsible investing is aligning investments with personal values, investing in what is deemed right, and steering clear of industries or practices that contradict those values. Such issues were highlighted at COP28 last year during the 28th annual United Nations (UN) climate meeting, where governments discussed limiting and preparing for future climate change.

The summit was held in the United Arab Emirates (UAE) from 30 November until 12 December 2023 and reviewed the Paris Agreement progress – the landmark climate treaty concluded in 2015 – charting a course of action to reduce emissions and protect lives dramatically.

APPROACH TO THREE CRITICAL FACTORS
ESG investing is a method of investing that prioritises companies that stand out in their approach to three critical factors. The environmental aspect considers a company's energy use, sustainability policies, carbon emissions and efforts towards resource conservation.

The social component of ESG investing highlights a company's relationships with its employees and the communities it serves. It examines factors like employee welfare, workplace safety and the company's contribution to the community. Governance, the third pillar of ESG, scrutinises a company's leadership, executive pay, audits, internal controls, independence, shareholder rights and transparency.

COMMENDABLE RECYCLING POLICY
However, ESG categorisations can be open to interpretation, complicating matters for investors with specific ethical requirements. For instance, you could unknowingly invest in a sugary drinks manufacturer with a commendable recycling policy, earning

it high 'E' scores. But are sugary drinks beneficial for society? Responsible investing can be subjective, with different issues holding varying levels of importance for different individuals.

The growing popularity of ESG investing has also attracted opportunists who falsely represent themselves as ESG businesses or funds. This practice, known as 'greenwashing', is a pitfall that responsible investors need to sidestep.

GUARD AGAINST GREENWASHING
How can ESG investors guard against greenwashing? The key lies in selecting companies with products or services that genuinely address global challenges. This is where 'impact investing' comes into the picture. Impact investing involves choosing companies that aim to impact the planet and its inhabitants positively. It encourages positive inclusion, naturally excluding exposure to undesirable sectors.

It's about investing where there is potential for a positive contribution. By seeking out companies actively working to make a difference, you can be more confident that your investments contribute positively, rather than supporting companies that merely slap on an ESG label without genuinely striving to improve the world. ◀

READY TO LEARN MORE ABOUT ESG AND IMPACT INVESTING?



Feel confident in your investments with the right professional financial advice. Please get in touch with us if you want to learn more about ESG and impact investing or need help navigating this investment landscape. We're here to guide you in making informed, responsible investment decisions.

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A TAX-EFFICIENT, FLEXIBLE METHOD FOR FUTURE PLANNING

TIME IS RUNNING OUT TO USE YOUR 2023/24 ISA ALLOWANCE

Investing in an Individual Savings Account (ISA) is a tax-efficient, flexible method for future planning. One of the most attractive features of an ISA is its tax benefits – it's immune to both Income Tax and Capital Gains Tax on any growth within the fund or on income you withdraw. This makes contributing to an ISA an intelligent decision for those looking to grow their wealth while minimising tax liabilities.

However, remember that if you don't utilise your annual ISA allowance before the end of this tax year on 5 April 2024, it will be lost, resetting on 6 April. Maximising your ISA allowance is crucial to reap the full benefits of this savings tool.

SPREADING YOUR ISA ALLOWANCE

You can distribute your ISA allowance between multiple ISAs, such as a Cash ISA and a Stocks & Shares ISA. They can be with different providers, but your total payments into them can't be more than your £20,000 annual ISA allowance. This allows you to diversify your investments and potentially spread the risk.

Alternatively, you can currently choose to invest the entire £20,000 ISA allowance into one type of ISA, depending on your financial goals and risk tolerance. For married couples, there's an additional advantage. APS (Additional permitted subscription) is equal to the value of the ISA on the date of death. An individual qualifies for APS if their spouse or registered civil partner died on or after 3 December 2014 and were not estranged or separated. It gives you an extra tax-free allowance equivalent to the value of the deceased's ISA.

AUTUMN STATEMENT 2023 ISA RULE CHANGES

Significant changes are coming to ISA rules. From 6 April 2024, savers and investors will have more freedom to pay into more than one of each type of ISA annually. Announced during

the Autumn Statement 2023, this is considered one of the most considerable shake-ups of ISA rules for many years.

The new rules are designed to provide further flexibility, enabling savers and investors to move between different providers. By allowing multiple subscriptions to ISAs of the same type every year, the government aims to stimulate competition among providers. This will increase flexibility and choice and support the development of long-term investment products.

NEW ISA RULES FOR TAX YEAR 2024/25

Allowing multiple ISA subscriptions - The government will allow multiple subscriptions to ISAs of the same type every year starting 6 April 2024.

Allowing partial transfers of current year ISA subscriptions between providers - Partial transfers of ISA funds relating to current year ISA subscriptions are allowed between providers starting 6 April 2024 (currently partial transfers can only relate to previous year subscriptions)

Removing the requirement to reapply for an existing ISA annually - Removal of the requirement to reapply for an existing dormant ISA from 6 April 2024.

Expanding the Innovative Finance ISA to include Long-Term Asset Funds -

Long-Term Asset Funds to be permitted investments in the Innovative Finance ISA from 6 April 2024.

Expanding the Innovative Finance ISA to include open-ended property funds with extended notice periods - Open-ended property funds with extended notice periods are to be permitted investments in the Innovative Finance ISA from 6 April 2024.

Allowing certain fractional shares contracts as a permitted investment - Certain fractional shares contracts are to be allowed as eligible ISA investments (the government will engage with stakeholders on implementation).

Digitalising the ISA reporting system - Digitalisation of the ISA reporting system to enable the development of digital tools to support investors announced.

Harmonising ISAs to those over 18 years of age - The government will harmonise the account opening age for any adult ISAs to 18 from 6 April 2024. ◀

WANT TO MAKE YOUR MONEY WORK MORE TAX-EFFICIENTLY WITH AN ISA?

If you want to discuss your ISA options or learn more about the benefits of ISAs and how to maximise your annual allowance, don't delay, please get in touch with us. We are here to provide the information you need to make informed decisions about your financial future.

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THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.





SUCCESSION PLANNING, A FAMILY AFFAIR

A DELICATE PROCESS THAT REQUIRES CLEAR COMMUNICATION AND EFFECTIVE PLANNING

Transferring wealth within a family is a delicate process that requires clear communication and effective planning. Otherwise, it could lead to a potentially large tax bill and bad feelings in the family.

This narrative was depicted in the hit American HBO series ‘Succession’, which centred on the Roy family, the owners of global media and entertainment conglomerate Waystar RoyCo, and their fight for control of the company amidst uncertainty about the health of the family’s patriarch.

SIMPLIFYING THE PROCESS AND MAXIMISING TAX EFFICIENCY

By engaging in succession planning, you can ensure your assets are distributed according to your wishes, simplifying the process and maximising tax efficiency. Before diving into these conversations, consider these questions: When do you want to transfer your wealth? How much wealth do you want to pass on? Who do you want to pass your wealth on to? How do you want to transfer your wealth?

The question of when to transfer your wealth isn’t limited to bequests in your Will. Some strategies for transferring assets during your lifetime may offer various benefits. However, a well-maintained and up-to-date Will is the cornerstone of effective succession planning. It should reflect your

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DETERMINING WHO WILL INHERIT YOUR WEALTH IS OFTEN ONE OF THE MOST STRAIGHTFORWARD QUESTIONS TO ANSWER, YET IT’S DEEPLY PERSONAL. THIS DECISION IS USUALLY INTERTWINED WITH CONSIDERATIONS ABOUT TIMING.
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current circumstances, objectives and legal considerations in the jurisdictions where you hold assets.

DON’T COMPROMISE YOUR OWN STANDARD OF LIVING

Professional advice and regular reviews of your Will are recommended – every two to three years or following significant life changes such as marriage, divorce or

childbirth. In certain regions, like England and Wales, marriage voids any existing Will unless made in contemplation of the marriage.

To maintain the ‘real’ value of your legacies, consider linking them to inflation. Transferring wealth through your Will ensures you don’t compromise your own standard of living. Alternatively, gifting during your lifetime allows you to witness the joy your beneficiaries derive from your generosity. For those subject to UK taxes, this can also be a more tax-efficient method of wealth transfer.

SHARING WEALTH AND MAINTAINING YOUR LIFESTYLE

Striking the right balance between sharing your wealth and maintaining your lifestyle is critical. The uncertainties of recent years have underscored the importance of preparing for the unexpected. This preparation involves running various scenarios and ‘stress testing’ the financial outcomes through cash flow planning. This can include testing against different investment return outcomes, inflation projections and potential long-term care costs.

Cash flow ‘stress testing’ provides invaluable insights when considering more significant gifts. It shows how much you can afford to give away during your lifetime, accounting for worst and best-case scenarios. This approach acknowledges



that predicting the future with accuracy is impossible. After all, who would have predicted double-digit inflation in major economies a year ago?

A TRUST STRUCTURE CAN BE AN IDEAL SOLUTION

Determining who will inherit your wealth is often one of the most straightforward questions to answer, yet it's deeply personal. This decision is usually intertwined with considerations about timing. For instance, if you're prioritising the long-term wellbeing of your young grandchildren, a trust structure can be an ideal solution. This arrangement could assist with significant future expenses such as private education, university fees or property acquisitions.

Trustees have the discretion to distribute the funds to the beneficiaries according to the stipulations of the trust deed. Additionally, by becoming a trustee yourself, you retain some control over the process. This option can be particularly valuable if a beneficiary has special requirements, as the

trust can be tailored to protect their long-term interests. There's also the option of allocating part of your wealth to charities with a special place in your heart.

THE MOST EFFECTIVE WAY TO MEET YOUR GOALS

The method of transferring your wealth often becomes clear once you've addressed the 'who', 'what' and 'when'. Timing is a significant factor in this decision, alongside the practicality of making financial gifts during your lifetime. You must decide whether to make outright transfers or establish a trust structure if feasible. Despite adding a layer of complexity, a trust might be the most effective way to meet your goals.

Importantly, initiating conversations about future financial arrangements with your loved ones is crucial. Achieving the right balance between enjoying your current income and capital while efficiently passing wealth to your family requires careful thought. ◀

DO YOU KNOW THE BEST WAYS TO PASS ON YOUR WEALTH?

The intricacies of wealth transfer can be daunting, but you don't have to navigate it alone. If you need further information or wish to discuss your wealth transfer plan in more detail, please don't hesitate to contact us. We're ready to guide you towards a secure financial future for you and your loved ones.

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ESTATE PLANNING, TAX, CASHFLOW MODELLING, AND TRUSTS AND WILLS ARE NOT REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.

TREASURE TROVE

£26.6 BILLION IN FORGOTTEN PENSIONS

Did you know as many as 1 in 20 people could have a pension they didn't think they had? Could that be you? It's estimated £26.6 billion is currently trapped in forgotten pensions, averaging about £9,500 each^[1].

With most individuals juggling multiple jobs throughout their lifetime, it's no wonder that some of these pensions fall through the cracks. Whether due to a change of address or simple forgetfulness, these lost pensions could be the key to a more comfortable retirement.

SEARCH FOR LOST PENSIONS

Losing track of an old pension is easier than you think, especially if you've moved house and should have informed your old pension provider. But if you suspect that you have a lost pension, don't despair. Start by reaching out to your previous pension provider. If you're unsure who that might be, the government's Pension Tracing Service can provide up-to-date contact details for your pension scheme.

TIPS ON HOW TO TRACK DOWN YOUR LOST PENSION:

Begin by revisiting your CV or recalling every job you've held since leaving school or university. You may have had a workplace pension for each of these roles. Check any old pension statements you might have for details about your plans. The more information you can gather, the better.

CONNECTING WITH YOUR PENSION PROVIDER

If you remember the provider of your old pension, contact them first. When doing so, provide as much information as possible to aid in the search for your pension savings. This includes your plan number (if available), date of birth and National Insurance number.

UTILISING THE PENSION TRACING SERVICE

If you believe you have a missing pension but lack information, turn to the government's

free Pension Tracing Service. Available on the gov.uk website or via phone at 0345 600 2537, this service can provide up-to-date contact details if you remember the name of your old employer or the pension company.

CONTACTING THE PENSION ADMINISTRATOR

The Pension Tracing Service will only provide the contact details of the pension's administrator. It's then up to you to reach out and determine whether you have a pension and its current value.

VERIFYING YOUR PENSION ENTITLEMENT

Just because you have pension paperwork from a previous employer doesn't necessarily mean you're entitled to a pension. You may have received a refund of your contributions when you left the employer. Some older workplace pensions also required membership for a specific number of years before a pension entitlement was granted.

BEWARE OF SCAMMERS

Scammers often exploit legitimate events, so be vigilant around National Pension Tracing Day. Always ensure you're communicating with legitimate entities.

KEEP TRACK OF YOUR PENSIONS

If you move house in the future, remember to inform your pension providers of your new address to avoid losing track of your pensions again. ◀

TIME TO TRACK DOWN YOUR LOST PENSIONS?

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Have you lost track of pensions from previous employers? Don't let your hard-earned money go unclaimed. Remember, it's your money, and you have every right to claim it. Let us discuss how we can help you start your search and secure your financial future! We look forward to hearing from you.

Source data:

[1] <https://nationalpensiontracingday.co.uk/>

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS THE PLAN HAS A PROTECTED PENSION AGE).

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YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.

