



talking  
money

GRAYSIDE  
FINANCIAL SERVICES

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# FED UP WITH YOUR NINE- TO-FIVE?

SIXTY THE MOST POPULAR  
AGE TO RETIRE EARLY



#### TAX IN UNCERTAIN TIMES

Key financial changes that  
have affected millions of  
people from April

#### SCAMMERS' 'SOCIALY ENGINEER' VICTIMS

17% increase in suspicious or  
scam-related activity

#### RETIREMENT NEST EGG

Half of over-50s regret  
not saving into their  
pension earlier

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## INSIDE THIS ISSUE

**Welcome to our latest edition.** Are you fed up with your nine-to-five? There are many factors that can influence when someone decides to retire. For some, it may be based on health reasons, while others may want to take advantage of government benefits or simply enjoy a more relaxed lifestyle. However, one of the most common factors that determines when people choose to retire is their age. On page 12 we look at what is the most popular age to retire early. New research reveals the key steps people have taken to embrace early retirement and examines the costs and benefits of doing so.

Most taxpayers started to see their tax bills increase from April 2022. As we move into the new 2022/23 tax year, now is the time to review your tax affairs to ensure that you have taken advantage of all reliefs available and have considered some planning opportunities to help reduce your tax liabilities. On page 06 we explain what changed at the beginning of the 2022/23 tax year, and what you need to be aware of.

Any of us can fall victim to a scam. Scams are increasingly common and many people are caught out. They can be very distressing, and the impact is often emotional as well as financial. If you've been the victim of a scam, remember that you're not alone. Turn to page 11 to read how increasingly scammers are relying on our psychological biases to trick us into handing over important data, financial information and our money.

The days of working for a single employer for your entire career and retiring with a comfortable pension are largely gone. The responsibility for accumulating a retirement nest egg now rests with individuals as opposed to their employers. Saving enough for retirement is challenging for many people, but an era of changing demographic trends, such as increased longevity and delayed marriage, can make this journey even more difficult. Read the full article on page 24.

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

### NEED FURTHER GUIDANCE TO HELP CHART YOUR PATH THROUGH LIFE?



We know you'll have different priorities for your wealth at different points in your life. Whatever your financial aims, we can help you achieve them. For more information or to discuss your situation, please contact us. We hope you enjoy reading this issue.



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INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE.

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# MILLIONS OF MIDLIFERS ARE PROPPING UP THEIR FAMILIES

## IMPACT ON WORK, WEALTH AND WELLBEING PUTTING FURTHER PRESSURE ON AGE GROUP

### The financial decisions made by individuals as they reach retirement could have significant consequences on their finances and standards of living.

Midlifers (people aged 40 to 60) are facing a challenging backdrop, with rising inflation and increasing energy bills putting further pressure on an age group that is already juggling multiple headwinds.



**M**idlifers spend £10 billion a year in financial help for loved ones, while support costs have risen by £300 annually over the last 15 years. According to new analysis<sup>[1]</sup>, responsibility peaks at the age of 45, with midlifers having the greatest level of financial responsibility at this stage of their life.

#### GREATER PRESSURE

Unpaid caring responsibility also becomes more common from the age of 58, meaning many 40-60-year-olds are struggling to juggle their responsibilities.

Many midlifers already feel the level of support they provide is unsustainable (10%). With inflation set to continue to rise throughout 2022, energy prices reaching record highs and an increase to National Insurance, this support will be under even greater pressure<sup>[2]</sup>.

#### FINANCIAL SUPPORT

The study examined the unique challenges faced by those in midlife and the impact of

these on people's work, wealth and wellbeing. It finds that millions of midlifers are propping up their families, with more than six million people aged 40 to 60 (33%) currently providing financial support or unpaid care to at least one loved one, on top of their job and other family commitments.

More than one in six (17%) people in midlife provide financial support to an adult in their life, such as an elderly parent or grown-up child, at a collective cost of £10.4 billion a year. Those supporting adult children will spend an average of £247 a month, whereas midlifers who provide financial support to an elderly parent or relative will spend an average of £282 a month, in addition to their own household expenses.

#### TIME PRESSURES

Alongside financial support, those aged 40 to 60 are also relied on to provide unpaid care (15%) to elderly relatives or childcare for grandchildren while also juggling their lives and careers. The average amount

of time taken up by unpaid care is the equivalent to a part-time job, at nearly 15 hours a week.

As a result of these time pressures, one in four people in midlife (25%) get less than an hour to themselves in the average day and one in five (19%) spend no time on their financial wellbeing.

#### MIDLIFE SPENDING

The financial and caring commitments required of people in midlife have already increased in recent years. Based on analysis of ONS data, spending in areas that includes support for other generations has increased by £300 in the last 15 years, placing further pressure on this age group<sup>[3]</sup>.

The COVID-19 pandemic has increased this further, with those in midlife spending more time and money supporting their loved ones. Just over half (52%) of 40-60-year-olds in the UK have seen their financial pressures grow, while 34% say that it has increased the time pressure they face. ■

#### LOOKING TO GROW YOUR WEALTH?



Time to create a personal financial plan tailored to your needs and goals? We'll work together to develop wealth-building strategies that focus on what's important to you, your needs and those of your loved ones. To discuss your requirements, speak to us to find out how we can help you.

#### Source data:

[1] *Opinium survey of 4,009 UK adults aged between 40 and 60 years old in the UK was conducted between 28 December and 6 January 2021*

[2] *Rising cost of living in the UK, House of Commons library*

[3] *Opinium analysed data from the ONS to look at the most relevant spending amongst households where the household reference person is closest to our midlife cohort (in this case 50-64). The trends from the ONS Family Spending series indicates that spending on areas such as health and education, which are some of the main areas of spend for those providing care or financial support, is approximately £300 higher than it was for households where the household reference person is a midlifer compared to 15 years ago.*



# PASSING ON WEALTH TO THE NEXT GENERATION

## 30 MILLION PARENTS WANT TO LEAVE WEALTH IN THEIR WILL

**Millions of Britons say they want to plan to pass on wealth to their children and grandchildren in a Will - but fewer than half have written one, according to new research<sup>[1]</sup>.** Failing to plan to write a Will or complete estate planning could potentially lead to a significant Inheritance Tax (commonly called IHT for short) bill being levied on a person's estate when they die.

### ANYTHING THAT ISN'T EXEMPT WILL BE TAXED

IHT is a tax that may be paid on your estate (your money, possessions and your share of any property) when you die, reducing how much value will ultimately pass to your beneficiaries. The starting point for IHT in the current 2022/23 tax year is £325,000. When the value of an estate exceeds this amount, anything that isn't exempt will be taxed at 40%.

The tax year runs from 6 April to the following 5 April. So, the tax year 2022/23 started on 6 April 2022 and finishes on 5 April 2023.

### RISING NUMBER OF PEOPLE COULD UNEXPECTEDLY FACE IHT BILLS

Recent rises in houses prices mean the estates of a rising number of people could unexpectedly face IHT bills. The research found that 30 million (88%) people with children say they plan to leave money to their children and/or grandchildren in their Will but only 41% have written one. Twenty million (59%) parents do not currently have a Will.

Although over half (57%) of people with children are considering seeking professional

financial advice about the best way to pass on wealth, only 13% have done so. More than half (56%) of people with children say they are considering writing wealth into trust but only 12% have actually done so.

### HOW PARENTS PLAN TO PASS ON WEALTH

- Leaving it in a Will 88%
- Bank transfer/cash 67%
- Consulting financial adviser 57%
- Writing wealth into trust 56%
- Putting money into investment 53%
- Putting money into a pension for their children 43%

### MINIMISING THE AMOUNT OF IHT YOU COULD BE LIABLE FOR

The research identified that mass affluent consumers – those with assets of between £100,000 and £500,000 excluding property – are more likely to have their affairs in place to pass on an inheritance. More than half (51%) of mass affluent parents have a Will in place. 20% of mass affluent parents have put money into an investment for their children or

grandchildren (compared to 12% of all parents).

17% of mass affluent parents have obtained professional financial advice to discuss the best way to pass on wealth. And 13% of mass affluent parents have written wealth into trust for their children. The average amount written into a trust was £184,000 while more than one in five (21%) wrote more than £250,000 into a trust. ■

### HOW WILL I PASS ON MY ESTATE EFFICIENTLY?

Tax rules depend on individual circumstances and may change. You should always obtain professional financial advice for more information on tax. We provide all the elements you need to protect, grow and pass on your wealth. To discuss your plans or for further information, please contact us.

#### Source data:

*[1] LV= surveyed 4,000 nationally representative UK adults (of which at least 500 were mass affluent) via an online omnibus conducted by Opinium in December 2021.*

TAX TREATMENT DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES AND MAY BE SUBJECT TO CHANGE IN FUTURE.

# TAX IN UNCERTAIN TIMES

## KEY FINANCIAL CHANGES THAT HAVE AFFECTED MILLIONS OF PEOPLE FROM APRIL

**Most taxpayers started to see their tax bills increase from April 2022.** As we move into the new 2022/23 tax year, now is the time to review your tax affairs to ensure that you have taken advantage of all reliefs available and have considered some planning opportunities to help reduce your tax liabilities.

**H**ere's what changed at the beginning of the 2022/23 tax year, and what you need to be aware of.

### NATIONAL INSURANCE INCREASE

From 6 April, National Insurance increased by 1.25%. That's an increased cost of £255 for those earning £30,000, or £505 for those earning £50,000. The National Insurance threshold increased to £9,880 per year, meaning you don't pay National Insurance if you earn below that level. This means you pay National Insurance at a rate of 13.25% on earnings between £9,880 and £50,270 per year, and 3.25% on earnings above £50,270 a year.

In July 2022, the National Insurance threshold will increase again so that you only start paying National Insurance on earnings above £12,570. This means the threshold will align with the personal allowance. You will pay National Insurance at a rate of 13.25% on earnings between £12,570 and £50,270 per year, and 3.25% on earnings above £50,270 a year.

There's been a similar rise for employers' National Insurance. One way to help to mitigate it is to consider salary sacrifice schemes for pensions and other benefits, which allow you to take some of your benefits before your salary is paid, essentially avoiding National Insurance on these items.

### STATE PENSION

State Pension payments increased by 3.1% to align with inflation in the year to September 2021.

The full new State Pension increased to £185.15 a week. Full basic State Pension payouts rise to £141.85 a week.

### RISE IN DIVIDEND TAX RATES

The dividend tax rates vary depending on your income. Dividend tax is payable on earnings from dividends above £2,000 a year. If you are a self-employed director of a company and pay yourself with a combination of tax and dividends, this will affect you too.

If you have shares outside of an Individual Savings Account (ISA) or pension, you may end up paying more tax on the income from them. From April 2022, the dividend tax rates increased by 1.25%. This means the dividend tax rates are 8.75% for basic rate taxpayers; 33.75% for higher rate taxpayers; and 39.35% for additional rate taxpayers.

### NATIONAL LIVING WAGE INCREASE

For those on lower incomes, and their employers, an increase in the National Living Wage of 6.6%. The living wage for workers over 23 increased to £9.50 an hour, while for under-18s and apprentices it is £4.81, £6.83 for 18-20-year-olds and £9.18 for 20-21-year-olds.

### FROZEN THRESHOLDS

The Chancellor often uses a new tax year to update the thresholds for basic rate tax, higher rate tax, stamp duty and other taxes in line with inflation. This year, nearly all will be frozen, meaning that most of us are worse off in real terms.

The personal allowance (the amount most of us can earn without paying tax) remains at £12,570, and the threshold for paying higher rate tax remains at £50,271. From earnings of £100,000, the personal allowance begins to be withdrawn, and the additional rate threshold remains at £150,000.

Freezing thresholds contributes to something called 'fiscal drag', which means that, as wages rise, more people are subject to higher rate tax because the threshold doesn't keep pace with the rises.

### HIGHER COUNCIL TAX

Councils were permitted to raise your tax rates by up to 3% from April, with prices up by a quarter in the past decade. Those in bands D and above receive a £150 tax rebate, aimed at dealing with higher energy prices, while those in bands E and below will have no recourse to this.

### CHILD BENEFIT

Child Benefit payments increased in line with inflation of 3.1% in line with other benefits. This means that parents will be able to receive £21.80 a week for their eldest or only child and £14.45 a week for any additional children. This works out at £1,133.60 a year for one child, and £751.40 a year for subsequent children.

If one parent in your household earns more than £50,000, they have to start paying the Child Benefit back through their tax return. Once they earn more than £60,000 they have to pay all the Child Benefit back.

### HIGHER ENERGY PRICES

Although the change in the energy cap is not pegged to the tax year, for most of us our energy bills will go up at roughly the same time. Unless you are on a fixed rate for energy, the capped amount your provider can charge for energy increased by 54% from 1 April. ■

### TIME TO TAKE A FRESH LOOK AT YOUR FINANCES?

It can be difficult to stay on top of the key tax rates and allowances amid day-to-day living. With taxes increasing from April 2022, you need to consider what steps you can take from a tax planning perspective to maximise tax reliefs that are available in the 2022/23 tax year. We look at your wealth and tax planning as a whole. To find out more, please contact us for more information.





# MORE BRITONS INSURE THEIR HOMES THAN THEIR LIVES

## ENSURE YOUR FINANCIAL SECURITY FOR WHEN YOU MIGHT NEED IT MOST

**There are a number of reasons why you might need life cover and critical illness cover. If you have dependents,** then it is important to make sure that they will be financially secure if something happens to you. If you have a mortgage or other debts, then life cover can help to pay these off.

**C**ritical illness cover can provide you with a lump sum of money if you are diagnosed with a specified serious illness, which can help to cover the cost of treatment and make sure that you and your family are financially secure.

### NOT SO KEEN TO INSURE OUR OWN LIVES

But, according to new research<sup>[1]</sup>, only 32% of people in the UK have life insurance compared to 64% who have taken out an insurance policy to cover their homes. Showing that there is still some truth in the old adage 'An Englishman's home is his castle', it would seem some people place more importance on insuring their homes than their lives.

The figures reveal that whilst we're happy to protect our latest iPhone purchase (14%), our upcoming holiday from the unpredictability of COVID (21%) and our furry four-legged friends (19%), we're not so keen to insure our own lives to protect our loved ones.

### RELUCTANT TO THINK ABOUT OUR OWN MORTALITY

Indeed, 66% of people aged over 35 do not have life insurance cover, and a further 84% do not have critical illness cover. Whilst 58% of people

with pet insurance and 47% with mobile phone insurance have not taken out life insurance.

It is not unusual for people to be reluctant to think about their own mortality, especially younger people in their 30s and 40s. However, it is important for people during the accumulation phase of their lives, which is generally those under 50, to think about protecting their financial journey.

### TRANSFER RISK TO AN INSURANCE PROVIDER

Taking out life insurance and critical illness cover can help to transfer risk to an insurance provider. It is a way to help protect the journey towards meeting your financial goals.

Almost a fifth of the respondents (19%) who have life insurance in place said they do not have, or they are not confident that they have, sufficient life insurance to pay off their debts and provide for their dependents should the worst happen.

### PROTECT YOUR FAMILY OR OTHER LOVED ONES

Less than half (45%) of those polled say their existing life insurance policy will cover their

mortgage and only a quarter (24%) say it would cover their current salary. A further 15% say it will only cover the basic cost of living for their dependents, 4% realised that their current policy covers a previous salary which is lower than their current earnings, and 20% admit they simply don't know how much their life insurance would cover.

Whether it's to protect your family or other loved ones, it is important to take professional advice and make a plan, which can be reviewed regularly, to ensure that the people that matter to you are taken care of and that your financial goals can be achieved. ■

### MAKE SURE YOUR LOVED ONES ARE LOOKED AFTER, SHOULD THE WORST HAPPEN

We're here to help you protect your loved ones today, so you don't have to worry about tomorrow. To discuss your plans or for further information, please contact us.

#### Source data:

[1] The research of 1,000 nationally representative UK adults was commissioned by Find Out Now in November 2021 on behalf of Brewin Dolphin.

# DEALING WITH DIVORCE



## REVOLUTION IN FAMILY LAW FINALLY REMOVES THE NEED FOR BLAME AS A BASIS FOR DIVORCE

**No one enters into marriage expecting it to end in divorce.** However, for many couples, divorce is the sad reality. If you are facing divorce, it is important to know that you are not alone. Each year, thousands of people go through the divorce process.

**W**hile divorce can be a difficult and emotionally charged time, there are things you can do to make the process go more smoothly when important decisions need to be made. Keeping a level head to negotiate a fair financial settlement is vital.

### NO-FAULT DIVORCE REMOVING THE NEED FOR BLAME

From 6 April 2022 no-fault divorce came into effect in England and Wales. This is a long-awaited revolution to family law, finally removing the need for blame as a basis for divorce. Now the only ground for divorce is that the marriage has 'irretrievably broken down'.

This means the law no longer requires blame to be apportioned, neither is there any requirement to fit your particular circumstances into one of the five facts that you previously had to prove, i.e. there is no need to cite behaviour or adultery nor wait for the minimum two-year separation period.

### MORE AMICABLE RESOLUTIONS FOR PARTIES

In addition, further crucial changes are that the respondent to the divorce is now unable to contest the divorce (the limited grounds to challenge a divorce relate to jurisdictional grounds or validity of marriage).

If you and the other party both agree the marriage has broken down irretrievably, then a joint application for divorce can now be made.

### IF YOU FIND YOURSELF IN THIS SITUATION, HERE ARE 5 POINTS TO CONSIDER

#### 1. SEEK PROFESSIONAL ADVICE IMMEDIATELY

Seek legal and separate financial advice immediately. Your professional financial adviser

can help you draw up a list of joint and personal assets and valuations, so any legal advice you seek is based on accurate information. This can make an appointment with your solicitor more time and cost effective.

You'll need to draw up a list of assets e.g. first or second homes, pension pots, investments, value of any businesses etc., checking when they were purchased and finding out if they should fall into the category of marital assets. In addition, list all your outgoings both joint and individual.

#### 2. CANCEL ALL SHARED FINANCES

Cancel any financial commitments that might be in a joint name immediately. The more unscrupulous partner could take advantage otherwise and saddle you with debt you are liable for. So cancel credit cards, joint accounts, personal loans and even overdrafts if possible and set up afresh in your own name.

#### 3. TIMING IS EVERYTHING

Although it may be the last thing on your mind, choosing the right time of year to divorce could significantly impact on the financial outcome for each individual. When a marriage or registered civil partnership breaks down, it is likely that tax will not be at the top of the agenda.

Your tax position refers to the amount of Income Tax and Capital Gains Tax you'll need to pay. During the divorce process, there is a window of time where a spousal exemption applies and then drops off.

#### 4. SPLITTING PENSIONS

When it comes to pensions, finding a way to achieve a clean break so you are not tethered to your partner forever is key. What can be divided depends on where in the UK you are divorcing. In England, Wales and Northern

Ireland the total value of the pensions you have each built up is taken into account, excluding the basic State Pension.

In Scotland, only the value of the pensions you have both built up during your marriage or registered civil partnership is considered. Normally, anything built up before you married or after your 'date of separation' does not count.

There are two main ways of dealing with pensions at divorce that apply across the UK.

1. Pension sharing is often the favoured way of dividing a retirement fund because it achieves a 'clean break'. This involves couples splitting one or more pensions. The aim is to ensure that the future incomes of both spouses are equalised. Your professional financial adviser will be able to help you implement any pension sharing order after the splitting process is complete.

2. The second option, pension offsetting, sees pension rights balanced against other assets, such as the home. Typically, if one spouse has a pension fund worth £500,000 and the couple jointly own a property worth £500,000, one may keep the property and the other keep the pension - though things are rarely that simple, so professional advice is key.

#### 5. BUDGET FOR YOUR FUTURE

Whatever happens, your life is going to be very different once the divorce is complete so it's important to budget for the future life you want to live. Obtaining a copy of your credit report is a good start, so you know what your standing is, especially as many people will need to think about a new mortgage after divorce. A credit report will also highlight any joint lending you might be liable for. ■

### FINANCIAL PLANNING FOR DIVORCE - WHAT DO YOU NEED TO KNOW?

Obtaining professional financial advice can be invaluable in guiding you through the myriad financial decisions from valuing and splitting pensions, financial disclosure and income planning, to valuing investments, managing tax and implementing court decisions to get your finances back on a sound footing. To discuss your options, please contact us.



# GENDER PENSION GAP WIDENS

WOMEN HAVE LOWER PENSION POT SIZES IN EVERY AGE BRACKET

The staggering impact of the gender pension gap has been revealed in new research<sup>[1]</sup> which shows that women have lower pension pot sizes in every age bracket, with the situation significantly deteriorating as they approach retirement. Worryingly, women on average retire with less than half the income of men.

## GENDER PENSION GAP BY PENSION CONTRIBUTIONS

Age	Gap in pension contributions
20-24	13%
25-29	16%
30-34	15%
35-39	18%
40-44	23%
45-49	29%
50-54	35%
55-59	40%
60-64	45%
65-69	49%

## REDUCTION IN CONTRIBUTIONS PAID INTO PENSIONS

The amount paid in contributions has a big impact on what is received at retirement and the difference between men's and women's contribution rates is stark. For most people, the effect of working part-time means a reduction in contributions paid into their pension.

If a person opts to reduce their full-time working hours to three days a week, they might expect their pay and their pension contributions to reduce by 40%. However, because of auto-enrolment (AE) thresholds, the impact could be greater than that.

## GOOD FINANCIAL PLANNING

A person earning £30,000 opting to reduce their hours by 40% would see their pay reduce by 40%. However, because of the lower qualifying earnings threshold (LET) under AE, their pension contributions would reduce to around 50% of their full-time value. A worker

earning £20,000 would see their pension contributions reduce by over 58%.

Pension contributions are unlikely to be a deciding factor when considering whether to work part-time. What is important is that people understand the long-term impact on their pension when they are making that decision. This is crucial to good financial planning.

## UPPING PENSION CONTRIBUTIONS

Some people might consider upping their pension contributions, but this would have to be carefully balanced against disposable income. Another option some parents may consider is sharing the caring responsibilities to help spread the long-term financial impact.

One significant change to help women in this position would be to remove the LET. It has the potential for the biggest impact on closing the gender pension gap and has been promised by government for the 'mid-2020s'.

## HOW TO HELP CLOSE THE GENDER PENSION GAP

- If you are working part-time and are automatically enrolled into a workplace pension scheme, consider increasing your monthly contributions, if it is affordable.
- If you earn less than £10,000 per year, speak to your employer about your options for joining your company pension scheme.
- If you are thinking about reducing your working hours to help balance family life, you might want to consider whether it is better for you or your partner to work part-time. As part of those considerations,

you might want to look at which of you gets higher employer pension contributions.

- When it comes to saving into a pension, starting early allows a small contribution to build up over time.
- For those in a long-term relationship, have a stake in your finances. Should divorce ever come into the picture, keep pensions at the forefront of your mind when splitting assets.
- Check your National Insurance record to see if you will get the full State Pension amount when you retire. You need a total of 35 years of National Insurance contributions, or, in some cases, you can apply for credits. If it looks like you might be short, you might have the option to pay to fill in the gaps.
- Apply for Child Benefit even if your overall household income means you need to pay it back through a high-income Child Benefit charge. If you are not working while looking after a child you get State Pension credits automatically until your youngest child is 12 years old as long as you are claiming Child Benefit. If you do not claim Child Benefit you do not receive the credits.
- Talk to your employer about the policies they offer.

## TIME TO BOOST YOUR RETIREMENT SAVINGS?

Whatever retirement means to you, we're here to help you establish a financial plan for the lifestyle you want. To ensure your plans stay on track or for more information, please contact us.

### Source data:

[1] Aviva Workplace Pension Data: Percentage difference in mean total contributions paid in January 2022, men versus women, by age group, based on a sample of 2,073,000 workplace pension plans receiving contributions in the month.



# FUTURE WEALTH

THE AVERAGE BRITISH CHILD IS WORTH JUST UNDER £5,000 BY THE TIME THEY REACH SCHOOL

**When we talk about the Bank of Mum and Dad,** we are effectively talking about handing money over to your children. There are many reasons why your descendants might look to you for financial support, and many routes you could take in funding them, if you so choose.

All children, regardless of means, benefit from learning simple concepts like saving to attain goals and operating within a budget. That can start with pocket money for non-essentials and mature into allowing teenage children to manage their own clothing budget or take control of a portion of the family's charitable donations. You may even want to allow older teens to allocate and manage a small portfolio for exposure to investments.

## CHILDREN'S KEY LIFE MOMENTS

A nationwide survey<sup>[1]</sup> of parents has revealed the wealth that average British children have accumulated by the time they reach adulthood, with the average UK child having amassed just under £5,000 by the time they reach school at the age of five, just over £10,000 by the age of 18 and £12,000 by the time of their 21st birthday.

The majority of UK parents surveyed said they began saving for their children's key life moments when they were five years old, with 27% saying they started before their child reached their first birthday and 15% even admitting they began before their child was even conceived!

## MAKING THEIR OWN MONEY

The findings revealed that £125 a month was the average amount that parents put aside for their child's future each month. 39% of those who responded said they feel it is the duty of every parent to save for their children, whilst 55% believe it is their duty but admit they can struggle with the obligation.

One in 20 (6%) insist their children should make their own money and their own way in life, without assistance from their parents.

## BEST POSSIBLE START IN LIFE

Everyone wants to do right by their child but we appreciate it's not always easy. Instead of large presents on birthdays or at Christmas, consider using part of the budget to save for their future.

The majority of parents want to give their child the best possible start in life, but what are the best ways to invest for children? Some ways of passing money on to your children can start very early, including putting money into a Junior Individual Savings Account (JISA) for your child.

## HELPING THE YOUNGER GENERATION

The current annual allowance for contributions is £9,000 (tax year 2022/23), meaning that if you start paying into a JISA when your child is young, they could find themselves with a sizeable sum of money by the age of 18.

Focusing on later life stages, some parents might also consider contributing to their children's pension pots. Covering school fees and other expenses for grandchildren is another possible way to help out younger generations financially. But with house prices at historically high levels, the most common 'Bank of Mum and Dad' queries we receive concern helping the younger generation onto the property ladder. ■

## BUILDING UP A SAVINGS POT

Putting money aside for a child is a great way to prepare them for their future, and can also teach valuable lessons about their managing their finances. To discuss how we could help you make their savings work harder, please contact us for more information.

THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE AND YOU COULD GET BACK LESS THAN YOU INVEST. IF YOU'RE NOT SURE ABOUT INVESTING, SEEK PROFESSIONAL ADVICE.

### Source data:

[1] The research of 1,500 parents with dependents currently living at home with their parents, was commissioned by Perspectus Global in March 2021 on behalf of Brewin Dolphin.



# SCAMMERS 'SOCIOALLY ENGINEER' VICTIMS

## 17% INCREASE IN SUSPICIOUS OR SCAM-RELATED ACTIVITY

**Any of us can fall victim to a scam.** Scams are increasingly common and many people are caught out. They can be very distressing, and the impact is often emotional as well as financial. If you've been the victim of a scam, remember that you're not alone

Increasingly, scammers are relying on our psychological biases to trick us into handing over important data, financial information and our money. There are a growing number of scams that are harder to identify, with scammers using increasingly complex psychological tactics to 'socially engineer' their victims into handing over personal data or money.

Would-be investors are vulnerable to manipulation from scammers when put under time pressure, promised greater returns on investments or contacted by what they think is an authority figure. Research highlights the psychological tricks that scammers use, as data shows a 17% rise in reported scams<sup>[1]</sup>. The data highlights that almost three-quarters of Britons have seen an increase in suspicious activity and of those who were scammed nearly four in ten (39%) didn't report it.

Criminals carrying out scams usually apply pressure tactics, illusions of scarcity or pretending to be a trusted authority to 'socially engineer' their victims. The findings come as consumer polling shows that seven in ten Britons claim to have seen an increase in suspicious or scam-related activity, but almost a third of respondents (31%) admit they wouldn't know what to do if they found themselves in that position.

### PURCHASE SCAMS

Purchase scams, where people buy goods online which don't exist or never arrive, accounted for over half (53%) of reported scams - with an average value of £980.

Scammers create a perceived scarcity and therefore 'value' in what they are selling to

motivate consumers to act quickly and not rely on their better judgment. This might be advertising something as a 'one-time offer', a limited edition price or availability, or rushing us into buying something that 'has' to be bought now - even if you've never seen the product in real life.

You should never be rushed; it's always important to take the time to check before proceeding with a purchase. If it's a big-ticket item like a car, unless you're buying directly through a well-known brand, it's good practice to see it in person before spending any money.

### IMPERSONATION SCAMS

Over two-thirds of Britons (64%) would be more likely to comply with a request if they believed it was coming from an institution they knew, such as their bank, the police or even the NHS.

It's not surprising, therefore, that scammers exploit this insight. In these situations, scammers will harness that sense of authority to instil fear in their victims - perhaps suggesting their bank account has been compromised, a payment is overdue or that they will be fined if they do not pay the full amount. Psychologically, many of us will take these at face-value if they're coming from what we believe to be a reputable institution.

Real phone calls from a bank will never ask customers to do things like share their PIN/ security information or to transfer money to a 'safe account'.

### INVESTMENT SCAMS

Investment scams often account for the highest average value type of scam, which is why they're

such enticing options for fraudsters - with £15,788 lost on average to these types of scams in the last quarter.

Investing should generally be a very measured activity and people who are looking to invest their money will often do a lot of research before making their decision, or at least ask for a second opinion. However, scammers are experts at exploiting the fact that people want to grow their assets, and that we can sometimes put our better judgement aside for a high return opportunity.

Worryingly, this is reflected in the research, with three in ten (32%) admitting they would be willing to go with an investment or savings provider they'd never heard of if they thought the returns would be higher than those of their existing provider. A further fifth (21%) stated they were unsure, indicating they could potentially be convinced.

Check the Financial Conduct Authority (FCA) website and its warning list (<https://www.fca.org.uk/scamsmart/warning-list>) for cloned companies to make sure you're dealing with a genuine company. If you have any suspicions, talk to someone you trust and don't ignore your concerns. It's important to ask questions and make sure you feel comfortable in the choices you are making - and remember, if the returns seem too good to be true, they probably are. ■

### WE'RE HERE TO HELP YOU

If you would like to speak to us about any concerns you may have, we're here to listen to you. To find out more or to discuss your situation, please contact us.

### Source data:

[1] Barclays data on reported scams from October 2021 - December 2021. Mortar Research study of 2,002 participants, January 2022.

/// WHEN IT COMES TO THEIR HEALTH AND WELLBEING, MORE THAN HALF REPORT THAT EARLY RETIREMENT HAS DELIVERED A BOOST TO THEIR MENTAL WELLBEING (57%) AND HALF (50%) SAY THEIR PHYSICAL WELLBEING IMPROVED.<sup>[1]</sup>



# FED UP WITH YOUR NINE-TO-FIVE?

SIXTY THE MOST POPULAR AGE TO RETIRE EARLY

**There are many factors that can influence when someone decides to retire. For some, it may be based on health reasons,** while others may want to take advantage of government benefits or simply enjoy a more relaxed lifestyle. However, one of the most common factors that determines when people choose to retire is their age.

**S**o, what is the most popular age to retire early? Sixty is the most popular age to retire early, according to new research<sup>[1]</sup> which reveals the key steps people have taken to embrace early retirement and examines the costs and benefits of doing so.

### WANTING TO ENJOY MORE FREEDOM

One in four (25%) are planning to celebrate their 60th birthday by leaving work behind. With the State Pension age currently standing at 66, the findings show one in six (17%) people who have taken early retirement did so when they were 60, making it the most common age to make an early exit from working life.

This is also the most popular target age for people who intend to retire early in the years ahead, with one in four (25%) planning to celebrate their 60th birthday by leaving work behind. The desire to retire early is primarily driven by 'wanting to enjoy more freedom while still being physically fit and well enough to enjoy it.'

### EMBRACING A NEW LIFESTYLE

Nearly one in three people (32%) who have retired early or plan to do so gave this reason for embracing a new lifestyle. Financial security is the second most common factor prompting people to embrace retirement. More than one in four (26%) early retirees say their decision was a result of 'being in a financially stable position' so they can afford not to work.

The influence of money matters is also visible in people's choice of early retirement age. One in five (20%) people targeting early retirement have set their sights on 55 to make the transition from working life. This is likely to be influenced by their ability to access their pension savings from this age.

### 'TOO TAXING AND STRESSFUL'

Other key factors encouraging people to seek early retirement include reassessing their priorities and what's important to them in life (23%), wishing to spend more time with family (20%) or finding they are either 'tired and bored' of working (19%) or find it 'too taxing and stressful' (19%).

The research suggests the impacts of early retirement are wide-ranging and broadly positive in many areas of life. Most notably, more than two in three (68%) people who have retired early say their happiness improved as a result. In terms of the world around them, 44% of early retirees

say their family relationships improved and 34% reported improvements in their friendships.

### BOOST TO MENTAL WELLBEING

When it comes to their health and wellbeing, more than half report that early retirement has delivered a boost to their mental wellbeing (57%) and half (50%) say their physical wellbeing improved.

However, the findings suggest these benefits come at a cost, with nearly half of early retirees finding their finances worsening as a result (47%).

Women are the most likely to have felt a negative financial impact from retiring early (50% vs. 44% of men). Across both genders, only 22% feel they have benefited financially from their decision to retire early.

### STEPPING STONE TO RETIRING EARLY

Among those people who have retired early, one in three (32%) identify having a defined benefit (final salary) pension among the main measures that enabled them to take retirement into their own hands. This suggests the concept of early retirement may get harder for younger generations to achieve, with the majority of the private sector workforce now saving into defined contribution pension schemes.

However, the findings suggest that people can still take positive steps to make an early retirement possible. Paying off your mortgage (30%) is identified as the second most common stepping stone to retiring early, while almost three in ten early retirees (29%) say saving little and often was one of their main strategies. Nearly one in five (19%) say they also saved extra whenever they received a pay rise or a bonus during their working life.

### THE MAIN MEASURES ENABLING PEOPLE TO RETIRE EARLY OR THINK ABOUT RETIRING EARLY

- 32% - Having a defined benefit (final salary) pension
- 30% - Paying off one's mortgage
- 29% - Saving little and often
- 19% - Saving extra whenever receiving a pay rise or bonus
- 16% - Receiving a redundancy payout
- 14% - Receiving an inheritance

### WANTING A NEW SENSE OF PURPOSE

Among those who take early retirement, the research also reveals there is a small contingent

who have returned to work (17%) or envisage themselves doing so in the future (15%). Over one in four (27%) cite the reason for returning to work is because they 'wanted a new sense of purpose', making this the most frequent driver, followed by 'missing the company and social interactions with colleagues' (26%). However, a similar number (24%) of early retirees find themselves heading back to work having experienced financial issues.

While happiness soars in retirement, many people find their finances take the strain when they retire early and money worries are one of the biggest factors resulting in people returning to work. If you aspire to retire early, it's vital you plan your finances to be sustainable for the long-term. ■

### WHAT DO YOU NEED TO DO TO RETIRE EARLY?

The dream of an early retirement is very much alive and kicking, but there are many factors to consider along the way and the current uncertainty about the future does not make this an easy decision. For further information or to discuss your requirements, please contact us.

#### Source data:

[1] <https://www.aviva.com/newsroom/news-releases/2021/12/sixty-the-most-popular-age-to-retire-early/>

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS PLAN HAS A PROTECTED PENSION AGE). 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. YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.

THE TAX IMPLICATIONS OF PENSION WITHDRAWALS WILL BE BASED ON YOUR INDIVIDUAL CIRCUMSTANCES, TAX LEGISLATION AND REGULATION WHICH ARE SUBJECT TO CHANGE IN THE FUTURE. YOU SHOULD SEEK ADVICE TO UNDERSTAND YOUR OPTIONS AT RETIREMENT.

# PRIVATE WEALTH

## MILLIONS STRUGGLE TO UNDERSTAND THEIR MOST IMPORTANT SOURCE OF INCOME IN RETIREMENT

**Saving money for retirement is important because you'll need a nest egg when you're no longer working.** The best way to guarantee an income when you're in your golden years is to save and invest as much as you can now while you are still working.

**F**or the majority of people, pensions represent our biggest single source of private wealth and a record number are saving more money in occupational defined contribution pensions. In short, pensions are more important to more of us than ever before.

### PENSION LANDSCAPE

However, despite these record highs, pensions remain a mystery to most. Worryingly, new research reveals a widespread lack of understanding among savers.

The annual study of the pension landscape from The Pensions Regulator reports record membership of occupational defined contribution pensions, at 23.4 million<sup>[1]</sup>. This is up from 21.7 million last year.

### BIGGEST DRIVER

This adds to other recent data highlighting the importance of pensions for millions. In early January, data from the Office for National Statistics<sup>[2]</sup> reported that individuals in the UK hold a record £15.2 trillion of private wealth and pensions represent the largest proportion of this figure at £6.4 trillion. This exceeds £5.5 trillion in property and £3.3 trillion in other assets, including around £2 trillion in cash.

The need to close the gap between pension participation and understanding is now critical. Overall, auto-enrolment has been the biggest driver of participation into pension saving over the last decade. When it was introduced in 2012, only four in ten (39%) private sector workers were actively saving for their retirement. This figure is now more than 70%.

### CONFLICTING RELATIONSHIP

However, it is risky to assume that this participation rate has driven clearer understanding. Despite a significant increase in participation rates, the proportion of adults who agree they 'understand enough about pensions'<sup>[3]</sup>

has only increased by one percent point in the last ten years (from 43% to 44%).

Other research<sup>[4]</sup> has found a conflicting relationship between value and understanding of various elements of 'wealth'. Seven out of ten (69%) Britons can confidently estimate the current value of their cash savings and two in five of them (41%) are very confident. This 'confident' figure rises to three quarters (75%) of those aged 55+. Cash savings represent around 12% of total private wealth in the UK.

### 'VERY UNCONFIDENT'

More than half (53%) of those surveyed could also estimate the value of their property quite accurately. This figure rises to 61% of those who are retired. Property represents around 36% of total private wealth in the UK.

However, despite pensions potentially being their biggest combined asset, only 39% of people could confidently estimate the value of their pension pot. One in ten people surveyed were 'very unconfident' about estimating the current value of their pension savings. Pensions represent about 42% of total private wealth in the UK.

### PENSION PARTICIPATION

The need to close the gap between pension participation and understanding is now critical. Over the next century it is estimated that the pensioner population in the UK will increase from 12 million to 20 million, meaning that more than one in four people will be pensioners.

Automatic enrolment has brought pension savings to millions. And the pension freedoms have given us unprecedented choice in how we can use that money when we reach age 55. But we risk sleepwalking into our retirement if we don't understand how much we have in our pension pots, what those savings might look like as retirement income and how long we need that money to last. ■



### FREEDOM TO ENJOY RETIREMENT WHEN IT COMES

If you're thinking about retirement, we can help make your money work for you. Whatever retirement looks like for you, it's important to review your situation and make plans now so that you have the freedom to enjoy the time when it comes, however you choose to fill it. To find out more, please contact us.

#### Source data:

[1] DC trust: scheme return data 2021 to 2022 | The Pensions Regulator (Memberships do not equate with individuals. One individual can have multiple memberships. The figure of 23.4 million excludes 'micro' occupation DC schemes with fewer than 12 members).

[2] Office for National Statistics

[3] Survey by Unbiased and Opinium of 2,000 non-retired UK adults in June-July 2020

[4] Aviva Research was conducted between 5-7 January 2022 by Censuswide. Surveyed 2,000 UK respondents (national representative sample).

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS PLAN HAS A PROTECTED PENSION AGE). 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. YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.

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THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.



# 'HOME IS MY PENSION' GENERATION

## 22% RISE IN PEOPLE USING PROPERTY TO SUPPORT THEIR RETIREMENT

**The significant increase in property prices in recent years has likely shifted many people's expectations of the role property wealth will eventually play in supporting their retirement.** With people spending longer in retirement, one of the challenges that many need to overcome is how to fund it and how to meet the financial demands they may face in later life, such as the cost of long-term care.

**F**ailure to save enough for old age is forcing more people to use their property to provide income. Research shows so-called 'Hippies', or the 'Home is my Pension' generation, is increasing at a significant rate. 22% of people are planning ahead for their retirement and expect to use the value of their home<sup>[1]</sup>. The findings indicate that a third of all people who aren't currently retired (35%) own a property but have less than £10,000 saved in their pension pot.

### HOLDING NO PENSIONS SAVINGS

Worryingly, a further 22% of people hold no pensions savings at all. The significant number of small or empty pots, coupled with the 24% increase in median house price values in England and Wales since 2016<sup>[2]</sup>, could be driving more people to consider using their property wealth to fund their retirement.

Property is often the largest asset someone has when they reach retirement, especially if they have lived there for quite a while, and will often significantly outweigh any pensions savings they have.

### ACCESSING PROPERTY WEALTH

Based on current house prices in England and Wales, the average homeowner could access over £72,988 in equity release, for instance<sup>[3]</sup>. People who aren't currently retired expect to downsize their property (10%), sell their property (9%) or access equity via a lifetime mortgage (6%) to help fund their later life.

While many people looking ahead to retirement are hoping to access property wealth, there are a significant number of retired homeowners who could also benefit from considering the role their property might play in funding their lifestyle.

### MAIN SOURCE OF INCOME

Nearly two-thirds of people over 65 (70%) are dependent on the State Pension as their main source of income and are also homeowners.

The findings show there are a large number of people currently in retirement who may be on a limited income and could benefit from the likely increases in the value of their home. ■

### DO YOU NEED HELP PLANNING FOR YOUR RETIREMENT?

It's never too early to start thinking about how you plan to fund retirement, and to seek the appropriate advice to get your affairs in order. To find out more, please contact us.

### Source data:

[1] Opinium survey of 4,000 UK adults between the 31 October and 3 November 2021

[2] Office for National Statistics, House price statistics for small areas in England and Wales: year ending March 2021, Nov 2021

[3] Legal & General customers accessed, on average, 24.5% of the value of their home through equity release, putting the expected amount that can be accessed across England and Wales at £72,988: Office for National Statistics, House price statistics for small areas in England and Wales: year ending March 2021, Nov 2021

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME. YOUR MORTGAGE IS SECURED ON YOUR HOME, WHICH YOU COULD LOSE IF YOU DO NOT KEEP UP YOUR MORTGAGE PAYMENTS.

EQUITY RELEASE MAY INVOLVE A HOME REVERSION PLAN OR LIFETIME MORTGAGE WHICH IS SECURED AGAINST YOUR PROPERTY. TO UNDERSTAND THE FEATURES AND RISKS, ASK FOR A PERSONALISED ILLUSTRATION.

EQUITY RELEASE REQUIRES PAYING OFF ANY OUTSTANDING MORTGAGE. EQUITY RELEASED, PLUS ACCRUED INTEREST, TO BE REPAID UPON DEATH OR MOVING INTO LONG-TERM CARE. EQUITY RELEASE WILL AFFECT THE AMOUNT OF INHERITANCE YOU CAN LEAVE AND MAY AFFECT YOUR ENTITLEMENT TO MEANS-TESTED BENEFITS NOW OR IN THE FUTURE.

CHECK THAT THIS MORTGAGE WILL MEET YOUR NEEDS IF YOU WANT TO MOVE OR SELL YOUR HOME OR YOU WANT YOUR FAMILY TO INHERIT IT.

IF YOU ARE IN ANY DOUBT, SEEK PROFESSIONAL FINANCIAL ADVICE.

# PROTECTING FAMILY WEALTH

## WHAT WILL YOUR LEGACY LOOK LIKE?

**Estate planning is about putting your affairs in order**, to help make the lives of your loved ones easier. It can help to protect your estate for your beneficiaries and reduce the impact of Inheritance Tax (commonly called IHT for short).

IHT is something many of us don't know enough about. Simply because we don't think we need to.

### FIVE KEY POINTS TO CONSIDER – TAX YEAR 2022/23

#### 1) IHT DOESN'T JUST AFFECT THE WEALTHY

Traditionally, only the wealthiest in society were affected by IHT. But rising property prices means more and more people are now facing it.

It all comes down to the value of your overall estate upon your death. If it's worth more than your personal nil-rate band (NRB), anything above could be liable to IHT at up to 40%. (If you're single or divorced, the NRB is £325,000 and if you're married, in a registered civil partnership or widowed, it's up to £650,000).

#### 2) THERE'S ALSO THE RESIDENCE NIL-RATE BAND (RNRB) – BUT NOT EVERYONE CAN BENEFIT

If you're wondering what the RNRB is, this can be used alongside your usual NRB – and was introduced to help more people reduce their IHT liability. Every UK adult has a RNRB of £175,000.

But the rules can be more complex than many people realise. Amongst the restrictions, you can only use this allowance if it relates to a property you have lived in, and passed to a direct descendant (such as your child or grandchild – not a friend, niece or nephew).

#### 3) YOUR ESTATE ISN'T JUST YOUR HOME

Your savings and investments, car and any rental properties form a part of your estate. Not forgetting any jewellery you have, household furniture or expensive paintings (minus any liabilities, like an unpaid mortgage).

After working out the value of your belongings, you may be surprised by how much your estate comes to. It could be worth a lot more than you think. It's also important to bear in mind that these assets could increase or decrease in value in the future.

#### 4) ANNUAL REVENUE IS EXPECTED TO KEEP CLIMBING

The latest IHT figures should be a 'wake-up call' for families to think carefully about their tax planning. IHT receipts in the United Kingdom amounted to approximately £5.32 billion in the financial year 2020/21<sup>[1]</sup>.

#### 5) YOU COULD DO SOMETHING ABOUT IT

There are plenty of perfectly legal steps you can take to protect your family's wealth from the taxman. The IHT solutions include annual exemptions, allowances, direct gifts and trusts.

Of course, there are many different options to choose from – so it's important you find one that's right for you. With this in mind, and the fact that IHT can be a complex subject, you should always obtain professional financial advice to guide you through the complexities – and help you put suitable plans in place. ■

### WORRIED ABOUT INHERITANCE TAX EATING INTO YOUR ESTATE?

How can you leave a tax-efficient legacy? We'll help you leave more to those you love most. Although it's not nice to think about, getting your affairs in order for when you pass away can bring real peace of mind as you get older. To find out more, please contact us to discuss your requirements.

#### Source data:

[1] <https://www.statista.com/statistics/284325/uk-annual-hereditary-inheritance-tax-receipts-inheritance-tax/>

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS.

ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE.







# LOVE AND MONEY

## COUPLES REVEAL THEY'RE POLES APART

### Most couples hate talking about money and find it a hard subject to discuss.

However, while it may not seem like the most romantic topic, if you don't talk about what you each want from your finances and how to manage your money, it's likely to result in more friction and arguments.

**T**alking about finances with your loved ones often leads to heated words. In fact, according to research<sup>[1]</sup> money is the most common cause of arguments between couples, with 62% of those who argue with their partner disagreeing over money. Couples find it easier talking about childcare, sex or even household chores than money.

#### MOST FRICTION

Couples quarrel about most aspects of their finances, from how much they earn to their levels of debt, but it's what their other half spends that causes the most friction. There are also fundamental differences when it comes to expectations of each other and how they view their partner's behaviour. A third (33%) of couples confess not seeing eye to eye, admitting that when it comes to spending and saving, they're simply incompatible.

Attitudes towards money also stir up strong emotions, with couples taking a dim view of their other half. One in four (24%) couples consider their partner irresponsible with money. A fifth (20%) of people who don't think their partner is responsible with money keep a secret savings pot.

#### SOME COMPROMISE

And when it comes to managing money jointly, three quarters of couples (76%) decide to keep some or all their banking separate from their partner. Around a third (35%) keep all their money in separate accounts, while just 24% of couples hold everything in a joint account.

Because we don't tend to talk about money, one partner can assume that their way of managing their money is the 'right' way, and

not understand why the other doesn't take the same view. So, the key to a more harmonious relationship is to talk about your finances and agree a way that works for both of you, even if it involves some compromise.

#### BETTER CONTROL

It's also important not to let financial concerns simmer beneath the surface. Being more open with one another about money and financial goals will also help couples to build a financially secure future. Facing uncomfortable conversations can help ensure a better relationship with money and each other.

Set time aside to talk about your finances properly, as it may help both of you gain better control of your spending. It may feel a bit odd at first, but it should reduce stress and friction in the long term. Set some short-term goals (money in a savings account so you can pay for any emergencies), but don't ignore long-term goals as well (paying off your mortgage, when you want to retire, etc).

#### HOUSEHOLD BILLS

Agree how you will split household bills. This is particularly important if one of you earns more than the other. Some people automatically assume it will be 50:50, no matter how big the pay gap, so it's worth clarifying before the bills mount up.

Be open about any debts you have, especially if you have a joint bank account or joint loans. As soon as you take out a joint loan, mortgage or current account with an overdraft facility, your credit rating will affect your partner's and vice versa - even if you're applying for credit in one name only.

#### MANAGE MONEY

So, if you're hiding debt from your partner, not only could it affect your relationship, but it could also affect your ability to get a mortgage, car finance or even a pay-monthly phone contract. It may be a hard conversation to start, but tackling these issues together might also take a weight off your mind.

Decide how you'd like to manage your money. In relationships, tasks can sometimes be divided without couples realising. You don't necessarily have to make every single decision together - although you can if that suits you - but make sure you're both involved.

#### MORE TRANSPARENCY

Decide whether you want to keep your money separate or pool it in joint accounts. There are pros and cons to each approach. If you have a joint account there's more transparency about your finances, but the bank can pursue either of you for the full amount of any debt or overdraft, regardless of who ran up the debt or used the overdraft.

Keep talking. Your circumstances may change or you may feel like you want different things from your finances - and your life. So, keep talking about money and try to address any issues early on, before they become big problems. ■

#### TIME TO DO MORE WITH YOUR MONEY

If you'd like to learn more about how we could help you plan your finances for the future or for more information, please contact us.

#### Source data:

[1] Royal London commissioned a survey by Opinium between 21-25 January 2022 with a sample of 2,000 nationally representative UK adults (1,351 in a relationship).

A man and a woman are looking at a laptop screen. The man, on the right, is wearing glasses and has a focused expression. The woman, on the left, has her hand near her mouth as if in deep thought. The background is softly blurred, suggesting an indoor setting with natural light.

# BUILDING AN INVESTMENT PORTFOLIO

4 STEPS FOR FUTURE WEALTH CREATION  
IN YOUR MID-20S TO MID-30S

**Investing can be challenging for anyone,** but for those in their mid-20s to mid-30s, it can be especially daunting to build a portfolio – especially while paying off student loans, credit card debt and establishing some savings.

**T**he reality is that people should start saving and investing as early as possible. The growth of savings and the power of compounding gives an enormous head start to those who can put money aside and invest in the early stages of their lives and careers – and building an investment portfolio is one proven way to grow money and wealth.

#### A FEW BASIC PRINCIPLES

One thing to consider before launching into the following steps is whether you have accessible emergency savings for a rainy day – such as three to six months' worth of living expenses. If you do, then now you can start to consider how to build your future wealth.

There are many different ways to build an investment portfolio. However, there are a few basic principles that you should keep in mind, no matter what approach you take.

#### STEP 1

First, every investor needs to ask themselves the same basic questions before getting started. You need to have a clear understanding of your investment goals. What are you trying to achieve? Are you looking for growth or income? How much risk are you willing to take on? You might be investing to have enough money for retirement, which could be decades away. But equally you could have shorter-term goals, too, like starting a family or buying a larger home.

With a clear goal in mind, you can create a realistic plan for achieving your objectives within a certain time frame. Choosing the right investing strategy matters when shaping your financial plan and a goals-based approach offers a new take on growing wealth. Goals-based investing focuses on reaching life's

goals versus trying to get high returns on your investment portfolio.

#### STEP 2

Once you know your goals, you can start to identify the right assets to help you reach them. Asset allocation is all about deciding how much of your money you choose to put into different types of investments. The main types of assets people rely on for investing are shares, bonds, cash and commercial property.

How you allocate across these different assets will be largely down to not only what you want to achieve, but also how long your investment time horizon is. If you're comfortable with more risk and you want a greater chance of stronger growth, you might allocate more money into shares. But if you are looking for more consistent returns, then government and corporate bonds could be the way to go.

#### STEP 3

You also need to think about how you are going to diversify your portfolio. One of the golden rules of investing is to spread your money across a range of different asset classes. This will help to reduce risk and ensure that you are not too heavily exposed to any one particular area.

This approach means that if one or more of your investments rise you will benefit but, if they fall, there should be a degree of protection because, hopefully, some of your other holdings in different asset classes will be going up in value. So the most obvious reason to spread your investments around is that it reduces volatility and lessens the impact of any one share or asset class performing badly.

#### STEP 4

Finally, you need to review your portfolio regularly. It allows you to stay up-to-date on the performance of your investments. This is important information to have so that you can make informed decisions about whether or not to continue investing in certain assets.

Additionally, reviewing your portfolio helps you to identify any changes that you may need to make in order to reach your financial goals. Things change. Life happens. A divorce, an inheritance, helping out loved ones or a change in income could all have a significant impact on your financial situation. Ultimately, reviewing your investment portfolio on a regular basis is crucial to helping you to make sound investment decisions and stay on track to reach your financial goals. ■

#### WHICH WEALTH CREATION STRATEGY IS RIGHT FOR YOU?

So you want to start investing, building future wealth and creating your portfolio. To discuss how we can help and the options available to you, please contact us for more information.



INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

# HOW TO COPE WITH THE RISING COST OF LIVING

## NINE IN TEN ADULTS MAKE STARK SPENDING DECISIONS AS ANXIETY RUNS HIGH

**The pressure of spiralling living costs is a major concern among many UK households**, with the vast majority looking to make significant lifestyle changes in response to price rises.

**A**ccording to new research<sup>[1]</sup>, 95% of adults in the UK say they are worried about the anticipated rise in the cost of living in 2022. Women are the most worried, with a third (33%) mentioning they are extremely worried compared to a fifth (22%) of men.

### COST OF LIVING INCREASES

The expense most UK households are concerned about is the rise in energy bills (92%), with three in ten (29%) being extremely worried about this, followed by food shopping (87%). Cost hikes to phone and internet contracts, which typically increase by the more than the Consumer Price Index (CPI) rate, concerns 84% of UK adults.

The level and speed of price rises means nine out of ten of us (89%) are looking to make changes to pay for the cost of living increases. Worryingly, the option for a fifth (21%) of people is to borrow their way out of trouble, with 7% admitting they simply don't know how they'll cover increases and 5% of workers saying they are considering taking out a short-term (payday) loan.

### CUT BACK ON COSTS

Two-thirds (66%) of people say they will change their food shopping habits, with half of these saying they'll reduce the amount of food they buy. Other solutions to cut back on costs include reaching for the thermostat and reducing the length of time the central heating is on (46%), turning off the heating in unoccupied rooms (36%) and nearly a fifth (17%) taking the drastic

action of turning the heating off altogether. As part of the cutting-back regime, half (48%) of fulltime workers feel they'll be forced to reduce or stop saving altogether.

On top of rising costs, National Insurance contribution rates increased from April, just as energy bills rise more steeply, which will dramatically affect take-home pay. For an individual on a salary of £50,000, that will mean an extra deduction of £464 a year, or £214 for someone earning £30,000. Worryingly, a fifth of workers (20%) say they are not aware of these changes, and two-fifths (43%) say whilst they are aware, they are not prepared for the changes to start.

### ANXIOUS ABOUT FINANCES

Just as families in the UK felt they'd seen the worst of the financial impact of COVID, they're facing a dramatic rise in their household bills. People are having to make difficult choices in an attempt to reduce the impact of rising energy bills, higher inflation, tax hikes and potential interest rate increases. Understandably, this has made many people anxious about their finances, but it's also testing their financial resilience.

Household bills are rising steeply, with the cost of filling up the car at the pumps having reached eye-watering levels, leaving families up and down the country worried about their ability to make ends meet. Concern is so widespread that families who, on the face of it, would be considered financially comfortable and even those with six-figure incomes are deeply worried.

## 10 WAYS TO HELP MANAGE YOUR FINANCES

### 1. SAVE MONEY ON YOUR ENERGY BILLS

If you're finding it hard to pay your energy bills, contact your provider as they should help you with ways to pay and don't be afraid to ask for help from a debt advice charity if you're struggling.

Switching your energy supplier used to be a good way of saving money on your household bills, but with energy prices soaring, you're probably better off staying on the standard tariff with your existing supplier once your fixed tariff comes to an end. Some suppliers aren't taking on new customers, and that way you're protected by the energy price cap. The government-backed website - Simple Energy Advice - has tips on how to keep your energy bills down.

### 2. SAVE MONEY ON PETROL

Try using a fuel price checker site to check that you're always getting your fuel for the cheapest price possible. Other ways to save include: driving at a lower speed and avoiding accelerating and braking quickly if you can; making sure your tyres are at the right pressure; and taking out anything heavy in the car that you don't need to carry.

### 3. FOOD BILLS

Grocery bills can make up a big proportion of your household spending so it makes sense to look for savings. Plan your meals for a week and then write your shopping list - this will help you avoid buying unnecessary items. Consider changing to a cheaper supermarket or to different brands if you prefer a particular supermarket.

### 4. WATER BILLS

You can't switch water suppliers but there are steps you can take to keep your bills down. Check if you'd save money by switching to a water meter. You can use the Consumer Council for Water's calculator. If you're on certain benefits



and have a large family or someone with a particular medical condition, you may qualify for the WaterSure scheme, which caps water bills. Meanwhile, if you're on a low income or receiving benefits, check what additional assistance your water company offers.

##### 5. COUNCIL TAX

Depending on your circumstances and who is living with you, you may qualify for a Council Tax discount. For example, you can get a 25% discount if you're the only adult living in the property. Find out what discounts are offered by your local council at GOV.UK.

If you're on a low income or certain benefits you may be able to get a Council Tax Reduction. Your bill could be reduced by up to 100%. There's a different scheme in Northern Ireland.

##### 6. CHECK IF YOU'RE ENTITLED TO STATE BENEFITS

Billions of pounds of state benefits go unclaimed each year, and you could be missing out. The national charity Turn2us has a free and confidential benefits calculator on its website (<https://benefits-calculator.turn2us.org.uk/>), which can help you work out which means-tested benefits you're entitled to. It also has a grant search tool (<https://grants-search.turn2us.org.uk/>) for information on grants you may be able to apply for.

##### 7. FIND OUT WHERE YOUR MONEY'S GOING

Start by finding out where your money's being spent. It sounds obvious, but we may not realise exactly how much we're spending each month

- and what we're spending it on - until it's laid out in front of us.

Review your last three bank statements and credit card bills (or check online) and spend some time going through them, highlighting any areas where you think you're spending money unnecessarily or spending too much. This could be on anything from a top of the range broadband package that you don't need, to a mobile phone contract where you're paying for data you don't use.

Every month money is wasted on unused subscriptions, with the most common wasted money on gym memberships. A fifth (19%) of UK adults said they planned on cancelling TV subscriptions (e.g. Netflix, Amazon Prime). Even magazine subscriptions of a few pounds a month are money down the drain if you don't have time to read the magazine. Take a few minutes and cancel any subscriptions you don't really use to save yourself a bit of cash.

##### 8. DRAW UP A BUDGET

Drawing up a weekly or monthly budget will help you get your finances under control. It's just a list of money you have coming in and what you spend and it doesn't have to take long to set up. There are plenty of templates online to get you started. Alternatively, budgeting apps can also be used to plan what you want to spend and keep track of it.

##### 9. SEE IF YOU CAN PAY LESS INTEREST

If you owe money on an expensive credit card, it may be worth considering whether you can transfer the balance to a credit card charging 0%

interest. Although these cards are interest free, you will normally be charged a balance transfer fee of between 1 and 3% of the amount you transfer. Because you won't be charged interest on your balance, more of your money can go to repay what you owe.

These cards aren't right for everyone, and it's important to make sure you can pay off your balance by the time the 0% interest deal runs out. It may also affect your credit score, especially if you do it multiple times.

##### 10. GET HELP WITH UNMANAGEABLE DEBTS

If you are struggling to pay for the essentials, you are using one credit card to pay off another or your debts are causing you worry, then contact a debt advice charity, such as StepChange. They will be able to give you help with your debts, free of charge. ■

##### NEED HELP TO MAKE THE MOST OF YOUR MONEY?

Rising inflation and increases in taxes are set to leave millions worse off in 2022.

We're here to help you review your current financial situation and answer any questions you may be concerned about.



##### Source data:

[1] Royal London commissioned a survey by Opinium between 25 February and 1 March 2022 with a sample of 4,001 nationally representative UK adults.

# WHERE THERE'S A WILL THERE'S A GEN ZER

## 20% OF 18-24-YEAR-OLDS EMERGE AS WILL MAKERS

**As many as a fifth (20%) of young Gen Z adults aged 18 to 24 say they have already made a Will<sup>[1]</sup>.**

Getting their affairs in order at such an early age compares favourably relative to the UK adult population overall, where just four in ten (40%) people have made a Will.



It would appear that Gen Z is also ahead of the game as just 21% of their Generation Y contemporaries (those aged between 25 and 40), and 32% of Generation X (those aged between 41 and 56) have made a Will.

### SILENT GENERATION

Unsurprisingly, it's the older generations that lead the way as these age groups are likely to have gone through life changes warranting estate planning, such as starting a family, buying property, caring for older family or planning their own retirement. Among the Silent generation (75+ years old), 82% have a will, as do 65% of UK Baby Boomers (57 to 75 years old).

While it may be an uncomfortable subject to think about, creating a Will is an important part of financial wellbeing and planning for the future. It can provide peace of mind that loved ones are

supported after you die, and also helps ensure your assets are dealt with in the way that you want. It's promising that so many young people have already put a Will in place and are mindful of the long financial journey they have ahead.

### CIRCUMSTANCES CHANGE

Irrespective of your life stage, making a Will at any age is important to help improve your financial wellbeing. As you move through life, circumstances change, as do the potential risks and complications when you pass away, so it's wise to update or create a new Will after big life moments such as getting married, starting a family or buying a new property. And, if you are saving into a pension remember to update your beneficiary nomination too, as they're not covered by the rules governing Wills.

The research also found that men and higher earners are more likely to have their affairs in order. More than two-fifths (44%) have a Will, compared to 37% of females. 61% of those earning £70k+ per year and half (54%) of those earning between £40k and £70k have a Will, compared to just 35% of those earning less than £20k, and 41% of those earning between £20k and £40k.

### FINANCIAL PRESSURES

Surprisingly, also highlighted in the research was the fact that the pandemic has not necessarily driven people to create a Will, with just 4% of those whose financial plans or approach to savings have been impacted by COVID making a Will.

Two-thirds (65%) of Gen Z adults want to be able to leave an inheritance, although many are conscious of the financial pressures they may face later in life that could hinder their ability to pass on assets. A quarter (25%) already expect to be paying for long-term care for a loved one in retirement, and 25% also expect to help their parents/in-laws financially. ■

### IT'S GOOD TO TALK

When it comes to your future, putting in place the right plan is essential for your future wellbeing. To discuss how we could help you, please contact us for more information.



### Source data:

[1] Boxclever conducted research among 4,896 UK adults. The research is nationally representative of UK adult population in terms of age, gender, region, with 578 people falling into Generation Z. Quantitative fieldwork was conducted between 16-23 July 2021. Qualitative fieldwork was conducted between 3-11 August 2021.



# DISCUSSING INHERITANCE WITH YOUR HEIRS

## MORE THAN HALF OF UK ADULTS HAVEN'T DISCUSSED THE SUBJECT

**With wealth for millennials set to double in the next 20 years**, it's time to get over the awkwardness and have the conversation now. One of the main reasons why people don't discuss their inheritance wishes is that they assume estate planning is not for them. That it is only necessary if you are very wealthy.

### **MOST OF US WOULD LIKE TO LEAVE A LEGACY**

But nothing could be further from the truth. Most of us would like to leave a legacy and if you want to ensure your wishes are followed, obtaining professional advice and planning is essential, whatever your circumstances.

New research<sup>[1]</sup> has highlighted 58% of UK adults admit they have never discussed inheritance matters with their loved ones – with the reluctance to do so equally split between men and women. The findings revealed that the main reason people shy away from it is because they don't believe they have enough assets to consider it worthwhile (18%).

### **GETTING OLDER IS THE MAIN PROMPT FOR THINKING ABOUT SUCH MATTERS**

However, for nearly half the population (49%), getting older is the main prompt for thinking about such matters. Other life events that have pushed people to confront it are: the birth of a child or the death of a parent (both 7%), followed by the COVID-19 pandemic or a health scare (both 4%).

And there are certain people who hold the key to unlocking these conversations, with 54% saying their partner is the preferred person to talk to, followed by 22% who feel most comfortable chatting things through with their children. Worryingly, only 2% say they have discussed it with a solicitor and only 1% have done so with a professional financial adviser.

### **READY TO START A CONVERSATION ABOUT INHERITANCE?**

#### **THE IMPORTANCE OF AN UP-TO-DATE WILL**

Making a Will provides a good reason to have a multi-generational family meeting about your

inheritance wishes. Having an up-to-date Will is important for both you and your family. The truth is that having an out-of-date Will is as problematic as having no Will at all.

Once you have an up-to-date Will, talking it through with your professional financial adviser, they can then recommend a plan about how to approach your inheritance goals. Also remember, failing to prepare your children for what they may inherit can hinder their ability to handle money wisely.

### **TAKE ADVANTAGE OF THE GIFT ALLOWANCE**

You can give away £3,000 each year and this will not be subject to Inheritance Tax (commonly called IHT for short). In addition, parents can gift £5,000 to each child as a wedding gift, while grandparents can give £2,500.

Gifts of money regularly throughout the year can be a great way to financially help loved ones and can also reduce your IHT liability. Some people will find it hard asking for money, so try and speak to your children and grandchildren to find out if you can help them with something specific, such as a new car or school fees.

### **LET LIFE EVENTS HELP YOU START A CONVERSATION**

Life events, like a birth, adoption, marriage or a family bereavement can make people evaluate their own plans. Use these opportunities as a way of talking to relatives about how you would like to pass on your wealth.

### **TALK ABOUT LATER LIFE CARE**

Many people are worried about how they will pay for social care when they get older. As a result, people may be starting to plan for this earlier than previous generations. It's important

to talk to your family about the care you want so they stay true to your wishes. This could be an ideal time to introduce the subject of inheritance, as estate planning and later life care go hand in hand.

### **TALK ABOUT FAMILY HEIRLOOMS**

If you find it hard to approach the subject of estate planning with your family then a good place to start could be talking about family heirlooms. People enjoy hearing stories about older relatives, even if they never had the chance to meet them. Talking about items that are important to you or were important to other family members can be a great way to start a conversation about estate planning. ■

### **LET'S TALK ABOUT INHERITANCE MATTERS!**

Some people find the idea of discussing inheritance uncomfortable and wrongly assume that planning in advance is complicated, but if you don't discuss things before it's too late the situation can become much more thorny in the future, particularly if there is a blended family or if there is anything unexpected in the Will. For more information about how we can help you, please contact us.

#### **Source data:**

*[1] The research of 3,000 nationally representative UK adults was commissioned by Find Out Now in November 2021 on behalf of Brewin Dolphin.*

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# RETIREMENT NEST EGG

NEARLY A HALF OF OVER-50S REGRET NOT SAVING INTO THEIR PENSION EARLIER

**The days of working for a single employer for your entire career and retiring with a comfortable pension are largely gone.** The responsibility for accumulating a retirement nest egg now rests with individuals as opposed to their employers.

**S**aving enough for retirement is challenging for many people, but an era of changing demographic trends, such as increased longevity and delayed marriage, can make this journey even more difficult.

## NOT FINANCIALLY STABLE ENOUGH TO CONTRIBUTE

New research<sup>[1]</sup> into the attitudes of the over-50s towards their pension has uncovered that nearly a half (49%) regret not saving into their pension earlier, and almost two-thirds (64%) wish they had contributed more into their retirement savings at an earlier stage.

Just over a quarter (26%) stated that they only started paying into their pension after they turned 30 years old, primarily because they did not feel financially stable enough to contribute any sooner (51%). Many, understandably, prioritised raising children (42%) and paying off their mortgages (40%) before putting any surplus cash into their pension. However, a third put leisure/holidays (32%), clothing (21%) and their pets (10%) before their retirement income.

## 'MODERATE' STANDARD OF LIVING IN RETIREMENT

Almost four in ten (39%) people over the age of 50 believe that an income of between £10,000 and £20,000 per annum in retirement will be enough to live 'comfortably'. This is despite figures announced stating that £20,800 per annum will only provide an individual with a 'moderate' standard of living in retirement. To enjoy a 'comfortable' standard of living, the amount would need to increase to £33,600 per year.

Just under a quarter (24%) of those aged over 50 believe that a personal contribution of between 0% to 5% of their salary is an 'appropriate and

achievable' level to attain a savings pot big enough to support them in retirement.

## TAKING PROFESSIONAL FINANCIAL ADVICE IS KEY

When asked about financial advice, worryingly more than 70% of over-50s say they have never sought professional financial advice regarding their pension. Almost a third (30%) say they feel they know what they are doing and don't need financial support, whilst 10% say they rely on their family and friends for support and advice. However, after hearing that they could add as much as £47,000 to their pension<sup>[2]</sup> (over a decade) by taking professional financial advice, half of them say they would.

Pensions are more important to more of us than ever before. Automatic enrolment has brought pension savings to millions, but this was only introduced in 2012 and for many, especially those over the age of 50, it is perhaps too little, too late.

## TAKE STOCK OF YOUR FINANCIAL SITUATION EARLY

Hindsight is a wonderful thing and life in your 20s and 30s can often take over, with children to raise, debts to pay and holidays to be had. However, it's important to take stock of your financial situation early. You may think you have enough spare cash, or that you have years until you retire, but most people over the age of fifty (64%) wished that they had paid more into their pension pot, earlier.

It's also important that people are realistic about how much they might need to live on in retirement. With more people continuing to pay rent or mortgages after they finish working<sup>[3]</sup>, it is unlikely that an income of between £10,000 and £20,000 per year will be sufficient to have a 'comfortable' lifestyle. ■

## PLANNING FOR A FULL AND HAPPY RETIREMENT?

To avoid sleepwalking into retirement it's important to understand how much you have in your pension, what that money might look like as retirement income and how long you might need that money to last. For advice on all your options to make your money last a lifetime, please contact us.

### Source data:

- 1,034 UK adults over the age of 50 (retired and non-retired) interviewed between 31/01/2022-07/02/2022  
 [1] <https://www.retirementlivingstandards.org.uk/news/retirement-living-standards-updated-to-reflect>  
 [2] <https://ilcuk.org.uk/financial-advice-provides-47k-wealth-uplift-in-decade/>  
 [3] <https://www.bbc.co.uk/news/business-42193251>

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS PLAN HAS A PROTECTED PENSION AGE). 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. YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.

THE TAX IMPLICATIONS OF PENSION WITHDRAWALS WILL BE BASED ON YOUR INDIVIDUAL CIRCUMSTANCES, TAX LEGISLATION AND REGULATION WHICH ARE SUBJECT TO CHANGE IN THE FUTURE. YOU SHOULD SEEK ADVICE TO UNDERSTAND YOUR OPTIONS AT RETIREMENT.

