Independent News

KELLANDS
Financial Planning

SPRING/SUMMER 2025

TRUMP'S TARIFFS CREATE TURBULENCE IN GLOBAL MARKETS

Remaining focused on established investment principles is essential

NEW RULES OF INHERITANCE TAX ON BUSINESSES AND LAND
What families need to know and how to plan for the future

TEN YEARS OF PENSION FREEDOMS
Research reveals worrying trends among savers

TALKING TO YOUR CHILDREN ABOUT INVESTING
How to prepare the next generation for financial success

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Welcome to **Kellands** *Independent News*

Welcome to our latest issue. The first quarter of 2025 has been anything but steady for global markets. With the arrival of President Donald Trump's new administration in the United States, economic tensions have surged worldwide. Global stock markets have been rattled as sweeping tariffs, intended to bolster the American economy, were introduced. While these measures may aim to stimulate domestic growth, on page 08, we consider their ripple effects that are reshaping global trade, inflation and investor sentiment.

The October 2024 Budget proposed sweeping changes to Inheritance Tax (IHT), significantly tightening the laws that were previously more forgiving for families with trading businesses and farmland. Effective from April 2026, these types of assets will now incur IHT at a reduced rate of 20% on valuations exceeding £1 million. On page 04, we consider why the changes are leaving many families scrambling to reassess their estate planning strategies.

Ten years ago, pension freedoms revolutionised how people access their retirement savings. These changes offered savers over 55 greater options to withdraw and manage their pension pots. However, a decade later, research indicates that many individuals are making critical financial decisions without seeking advice or fully understanding the tax implications. Read the full article on page 03.

This issue covers much more besides, and we hope you find it both informative and useful. Should you wish to discuss any of the topics raised, please do not hesitate to contact your Kellands financial planner.

Best wishes,
Steve Kelland
Chairman

DO YOU NEED GUIDANCE TO TRANSFORM YOUR FINANCIAL GOALS INTO TANGIBLE RESULTS?
Whether you're building investments, protecting wealth or preparing for retirement, there's no better time to start than now. We are here to help transform your financial goals into tangible results. Whatever your destination may be, we'll guide you every step of the way with a clear, personalised plan. Take the first step today. If you need more information, please contact us so we can help you get started on your path to success!

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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.

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

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TEN YEARS OF PENSION FREEDOMS

RESEARCH REVEALS WORRYING TRENDS AMONG SAVERS

Ten years ago, pension freedoms revolutionised how people access their retirement savings. These changes offered savers over 55 greater options to withdraw and manage their pension pots. However, a decade later, research indicates that many individuals are making critical financial decisions without seeking advice or fully understanding the tax implications[1].

The survey of UK adults aged 50 and older found that only 37% of individuals with defined contribution (DC) or personal pensions considered how a lump sum withdrawal might impact their tax rate or could potentially push them into a higher tax bracket. Additionally, only 39% of respondents consulted a financial adviser before withdrawing money from their pension.

MAKING RASH DECISIONS AT 55

Worryingly, the research highlights a trend of individuals hastily accessing their pension funds as soon as they reach the minimum qualifying age of 55. Nearly 1 in 12 (8%) withdrew their tax-free lump sum within six months of their 55th birthday.

Since the introduction of pension freedoms in April 2015, retirees have been able to choose from a variety of options. These options include taking lump sums directly, withdrawing the entire pension pot, drawing a continuous income through income drawdown or purchasing an annuity for guaranteed lifetime income. Many even combine these choices to suit their circumstances. However, with so many possibilities, deciding on the best approach can be a daunting and complex task.

ALLURE OF TAX-FREE LUMP SUMS

The allure of tax-free cash remains compelling, as over half (55%) of eligible individuals choose to take the maximum 25% permitted. However, questions emerge regarding how this money is being utilised. The research found that 32% of those withdrawing tax-free sums used the funds to clear debts, including 15% who paid off a mortgage and 18% who tackled other borrowing, such as credit card balances or car finance.

Others took a more cautious approach, with 26% depositing their lump sum into a savings account or bank account. On the other hand, some chose to spend their money on home improvements (19%) or to support family members (8%).

COMPLEXITIES OF RETIREMENT PLANNING

One of the most striking revelations is how few people seek financial guidance when making these significant decisions. Alarmingly, 18% of those eligible to withdraw from their pension did so without consulting anyone – not even family or friends. Meanwhile, only 20% of those aged 50 or over with a DC or personal pension utilised the government-backed Pension Wise service for advice.

The research also uncovered widespread concerns about the long-term impact of these decisions. Over two in five (42%) people aged 50 or above admitted they fear running out of money during retirement. ◀

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NEED PROFESSIONAL ADVICE TO TAKE CONTROL OF YOUR PENSION DECISIONS?

Making the right choices regarding your pension is essential for ensuring a comfortable retirement. Whether you are considering taking a tax-free lump sum, planning for future income or are simply unsure where to begin, professional guidance can help you make informed decisions that align with your unique circumstances. Don't leave your financial future to chance. Contact us to discuss your pension options.

Source data:

[1] Survey data collected between 17–19 December 2024 by YouGov plc on behalf of Royal London. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,012 adults aged 50+, of which 311 have done something related to their workplace defined contribution pension or Personal pension/ SIPP. Fieldwork was undertaken between 17–19 December 2024. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

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NEW RULES OF **INHERITANCE TAX ON BUSINESSES AND LAND**

WHAT FAMILIES NEED TO KNOW AND HOW TO PLAN FOR THE FUTURE

The October 2024 Budget proposed sweeping changes to Inheritance Tax (IHT), significantly tightening the laws that were previously more forgiving for families with trading businesses and farmland. Effective from April 2026, these types of assets will have reliefs capped at 100% for the first £1 million of qualifying assets. For valuations exceeding £1 million, the relief will reduce the IHT payable by 50%. While this is lower than the standard 40% rate, the inclusion of businesses and farms within the IHT net has sparked fierce debate, leaving many families scrambling to reassess their estate planning strategies.

This article looks at the implications of these proposed changes, outlines steps to minimise their impact and explains why early planning is essential for securing financial peace of mind for future generations.

LIFETIME GIFTING IS A STRAIGHTFORWARD SOLUTION

For families affected by the new rules, lifetime gifting offers one of the simplest and most tax-efficient ways to minimise IHT liabilities. Assets gifted during your lifetime fall outside your estate for IHT purposes if you survive for seven years after making the gift. For business owners, additional planning strategies like holdover relief could address potential Capital Gains Tax (CGT) consequences when transferring shares or other assets. With holdover relief, the recipient inherits the assets at the donor's original base cost, thus avoiding CGT at the time of gifting.

However, gifting does present its challenges. Most importantly, these strategies are only practical if you can afford to give away assets without jeopardising your financial security. Detailed cash flow planning will help you understand how to ensure your income and future lifestyle needs remain intact. Encouragingly, the £1 million IHT relief for businesses and farms is now set to renew every seven years, similar to the nil rate band, allowing for multiple gifts over time while maintaining flexibility.

SELLING ASSETS AND PREPARING FOR TAX LIABILITIES

If gifting isn't a viable option, you might consider selling your business or land. However, this approach requires careful preparation, as the proceeds from a sale after April 2026 may attract the full 40% IHT rate on death instead of the reduced 20%. To mitigate this, families may think about placing assets in trust before a sale to shield the proceeds from the higher rate. Keep in mind, though, that the cost and administrative burden of trust arrangements are expected to increase after April 2026.

Additionally, selling assets triggers immediate CGT liabilities, so it's vital to plan for how to meet these costs. With the current economic climate of higher interest rates, there's growing popularity in utilising tax-efficient products like gilts or qualifying corporate bonds to generate post-sale income. These products can help preserve wealth and provide stability, especially in times of economic uncertainty. The effectiveness of this approach depends on individual circumstances and financial goals.

LIFE INSURANCE AS A SAFETY NET

For families concerned about funding an IHT bill, life insurance can provide an effective solution. When a significant liability is anticipated, a policy written in an appropriate trust can be specifically established to cover the IHT charge. Policies are often designed to complement other strategies, such as gifting. For example, term life insurance may be utilised to cover the seven-year period during which a gifted asset remains part of the estate.

These policies are typically affordable and, when set up through a trust, can ensure that the insurance payout is exempt from IHT. However, premiums rely on factors such as age and health. We can guide you to assess whether this is a suitable option for your needs.

COMBINE STRATEGIES AND BEGIN EARLY

Given the complexity of the proposed new rules, many families may benefit from adopting a blended approach. Combining lifetime gifting, trust arrangements and targeted use of life insurance provides more flexibility to meet the challenge. The earlier you start planning, the broader the range of options available to you. Acting now allows you to align your tax strategy with your personal goals and protect the business or land you've worked so hard to build. ◀

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IS IT TIME TO TAKE ACTION AND SAFEGUARD YOUR FAMILY'S FINANCIAL FUTURE?

If these proposed changes to Inheritance Tax will affect your family, it's crucial to begin planning as soon as possible. We can ensure your estate is structured efficiently and your legacy is preserved for future generations. To discuss your circumstances and explore the available options, contact us. Together, we can develop a tailored plan to safeguard your family's financial future.

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IS IT TIME FOR A **FINANCIAL MOT?**

HELPING YOU SECURE A SMOOTHER RIDE TOWARDS A BRIGHTER FUTURE

Consider your finances as a well-loved car that you've depended on for years. It helps you reach your destinations, but like any trusted vehicle, it requires regular care and attention. Just as an annual service keeps your car running smoothly and safely, a financial check-up ensures that your money matters are functioning at their best and moving in the right direction.

A review isn't just about identifying potential problems; it's an opportunity to fine-tune your financial plan for improved performance, whether you're planning for the short or long term. It allows you to assess your financial health, ensure you're on track and modify your plans as your needs and goals change. Here's how a financial MOT can help you secure a smoother ride towards a brighter future.

DO YOU NEED TO CHECK IF YOUR RETIREMENT SAVINGS ARE ON TRACK?

How confident are you that you're saving enough for retirement? It's all too easy to set up a pension and then neglect it, allowing it to operate in the background. However, life changes, markets fluctuate and inflation continues to erode your savings, which means you could risk falling short of your retirement goals.

Take time to review your pension contributions and assess how well your pension fund is performing. Are you on track to achieve the retirement you envision? A financial MOT can offer clarity while helping you determine if you need to save more, adjust your investments or explore alternative options to ensure a financially secure future.

IS IT TIME TO CONSIDER REBALANCING YOUR PORTFOLIO?

Markets change, as we've observed in recent weeks with the announcement of President Trump's tariffs, which may signal a need to rebalance investments. Over time, your portfolio may drift from the original asset mix. For instance, a previously balanced allocation of 50% bonds and 50% stocks may now lean too heavily toward stocks due to strong historical market performance.

That's where portfolio rebalancing comes in. By realigning your investments to your preferred level of risk and financial goals, you maintain control and ensure that your strategy remains tailored to your needs. This step is especially important as you move through different life stages, and your circumstances at the time, each with its own level of risk tolerance.

ARE YOU SAFEGUARDING WHAT MATTERS MOST?

While we cannot predict the future, we can prepare for it. Ensuring that you have sufficient protection in place is one of the most important steps to safeguard your financial wellbeing. Do you have life insurance, income protection or critical illness cover?

A financial MOT is the ideal opportunity to review your policies and verify that they're suited to your needs. Make sure the level of coverage aligns with your current circumstances, financial obligations or assets, such as your home. By doing this, you can safeguard your loved ones from financial stress in case the unexpected occurs.

COULD YOU INVEST MORE TAX-EFFICIENTLY?

No one wants to give away more of their hard-earned money in taxes than necessary. However, without regular reviews, you might miss opportunities to invest more tax-efficiently and maximise your savings.

For example, are you fully utilising your annual Individual Savings Accounts (ISA) allowance or contributing enough to your pension to benefit from tax relief? Tax allowance rules can change, so it's essential to stay informed and adjust your investment strategy accordingly. A financial MOT can help uncover simple yet effective ways to make your money work harder for you.

IS IT TIME TO REEVALUATE YOUR FINANCIAL GOALS?

Do your current financial goals still align with your life situation? Perhaps you've achieved some targets, or other priorities have emerged. Whether it's purchasing a holiday home, establishing an emergency savings fund, starting a business or planning a once-in-a-lifetime trip, a financial MOT provides an opportunity to pause and reflect.

By reassessing your goals, you can develop a financial plan that reflects your current life stage and ambitions. It also presents the perfect opportunity to consider long-term objectives, such as funding your children's education, while remaining focused on your retirement plans.

TAKE CONTROL OF YOUR FINANCIAL FUTURE TODAY

Your financial MOT isn't merely a box-ticking exercise; it's your opportunity to gain clarity, regain confidence and take control of your future. With expert advice and tailored insights, you can proceed knowing your finances are being managed effectively. ◀

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ARE YOU READY TO TAKE THE NEXT STEP?

Contact us to discuss your financial MOT. Together, we can help you identify opportunities, make informed adjustments and secure a healthier financial future. Your future begins with the decisions you make today – so why wait?

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BRIDGING THE FINANCIAL GAP **ACROSS GENERATIONS**

WHY PLANNING, TALKING AND TAKING ACTION NOW CAN SECURE YOUR FAMILY'S FUTURE

There is rarely a perfect moment to discuss finances, particularly with older relatives. It's a sensitive topic, often accompanied by emotions and discomfort. However, avoiding these conversations can lead to unnecessary stress and uncertainty in the future. Financial strains, such as unexpected medical bills or inadequate retirement savings, can impose a heavy burden on families, not just emotionally but also practically.

By taking the time to start these conversations, you can tackle potential challenges early and create a plan that benefits everyone involved. Whether it's ensuring sufficient funds are saved for future care, discussing how assets will be managed or simply understanding the wishes of older relatives, these discussions help eliminate uncertainty.

WHY TALKING ABOUT FINANCES IS ESSENTIAL

Delaying financial discussions can lead to anxiety and leave families unprepared. Research shows that the life expectancy of a 50-year-old in the UK is now 86, which means many of us will need to finance over three decades in later life[1].

At the same time, societal shifts are altering our financial responsibilities. More families in England and Wales now have adult children living with their parents over 50, with a 13.6% increase recorded between 2011 and 2021[2].

Meanwhile, over 1.3 million people in the UK are juggling caregiving responsibilities for both their children and ageing parents. Rising financial pressures mean that more people are working later in life, with the number of UK workers aged 65 and over increasing by 36% between 2014 and 2022[3].

START THE CONVERSATION EARLY

Initiating the conversation as early as possible benefits everyone. Addressing topics like care plans, inheritance and financial wellbeing promotes smoother planning and greater peace of mind for the entire family. If you're unsure how to approach these subjects, don't worry – here are some key questions to ask and actions to consider.

HAVE YOU REVIEWED YOUR LIVING COSTS RECENTLY?

Help older relatives successfully manage their day-to-day expenses by working together on a budget. Include necessities, treats, savings and one-off expenditures. It's also worth reviewing utilities, insurance policies and subscriptions to ensure they're competitively priced and truly needed.

Younger family members can assist with online research, helping their elders access the better deals if they are less confident navigating digital platforms. Finally, check whether all available tax allowances are being claimed, such as the marriage allowance. These steps can make budgets more efficient and savings more impactful.

WHAT ABOUT PREPARING FOR INHERITANCE TAX (IHT)?

Rising property values, frozen IHT thresholds and pension changes due in April 2027 mean more families may see larger IHT bills in the future. However, strategies like gifting assets and setting up trusts, such as gift or loan trusts, can ease these burdens.

Seeking professional financial advice will help your family choose the best route for reducing IHT responsibilities and protecting the value of your estate.

LEGAL PREPARATIONS MAKE A DIFFERENCE

DO YOU HAVE AN UPDATED WILL?

Having a Will ensures your wishes are followed and helps prevent disputes among loved ones. Regularly updating it is crucial, particularly after big life events such as births, marriages or deaths. For example, marriage automatically invalidates a previous Will, which means a new one is needed.

Taking time as a family to discuss the contents of a Will together can provide reassurance and avoid unpleasant surprises later on. Effective communication brings clarity and peace of mind.

HAVE YOU SET UP A LASTING POWER OF ATTORNEY (LPA)?

An LPA grants a trusted person authority to make decisions regarding your finances or healthcare if you're unable to. By setting this up alongside a Will, you can save time, money and stress down the line.

With the rising costs of long-term care threatening to erode wealth, planning for these expenses is equally important. Options

like immediate needs annuities can provide tax-free income directly to care providers, easing financial strain and ensuring your loved ones receive the care they deserve.

KEEP YOUR RECORDS IN ORDER

ARE ALL IMPORTANT DOCUMENTS ORGANISED?

Good record-keeping can prevent unnecessary confusion during critical times. Ensure financial documents and paperwork, Wills, trust documents and pension letters of wishes are not only stored securely but that family members know where to find them.

Maintaining a thorough record of gifts and expenditures can also help prove any IHT exemptions in future. Having orderly financial documents provides clarity when it's needed most.

TAKE CONTROL OF YOUR FAMILY'S FINANCIAL FUTURE

When families come together to collaborate on financial planning, it does more than simply manage money – it strengthens relationships and alleviates unnecessary stress. Investing time now to discuss and plan for the future not only ensures financial security but also establishes a legacy of peace and stability.

Engaging in conversations about savings, investments, retirement and future goals prepares everyone for what lies ahead, reducing potential tensions or conflicts down the line. More importantly, these plans offer a gift that transcends money – the reassurance that your loved ones are well taken care of. When financial concerns are addressed with foresight and collaboration, it paves the way for a more harmonious and fulfilling life for all involved. ◀

ARE YOU READY TO SECURE YOUR FAMILY'S FUTURE WITH EXPERT, PERSONALISED FINANCIAL GUIDANCE?

We're here to support your family at every step. Whether it's managing care costs, planning your estate or navigating tax efficiencies, we'll customise our advice to meet your unique needs. Contact us to discuss your requirements or learn more about ensuring financial stability for your loved ones.

Source data:

[1] Projected life expectancy for a 50-year-old UK male is 84 years. Projected life expectancy for a 50-year-old UK female is 87 years. Average projected life expectancy for 50-year-old UK male and females is 86 years. Life expectancy calculator. Data source: Office for National Statistics, calculated on 29 October 2024.

[2] More adults living with their parents. Data source: Office for National Statistics, published 10 May 2023.

[3] More than one in four sandwich carers report symptoms of mental ill-health. Data source: Office for National Statistics, published 14 January 2019.

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TRUMP'S TARIFFS CREATE TURBULENCE **IN GLOBAL MARKETS**

REMAINING FOCUSED ON ESTABLISHED INVESTMENT PRINCIPLES IS ESSENTIAL

The first quarter of 2025 has been anything but steady for global markets. With the arrival of President Donald Trump's new administration in the United States, economic tensions have surged worldwide. Global stock markets have been left rattled as sweeping tariffs, intended to bolster the American economy, were introduced. However, while these measures may aim to stimulate domestic growth, their ripple effects are reshaping global trade, inflation and investor sentiment.

On April 2, Trump announced a comprehensive set of tariffs, arguing they would enable the US to 'economically flourish'. The S&P 500 index, however, disagreed, falling over 10% in response and entering what is known as a 'market correction'. Investors were further unsettled when Trump acknowledged the possibility of a US recession, referring to this period as a 'transformation' for the economy.

IMPACT OF ESCALATING TARIFFS

The situation took a sharper turn when the White House unveiled higher than anticipated tariffs, affecting all imported goods into the US. Starting with a baseline 10% tariff, the administration swiftly expanded the scope to include a 20% levy on EU goods and 'reciprocal' tariffs targeting approximately 60 countries regarded as the 'worst offenders'. These new regulations, introduced on 9 April, were framed as a response to what officials claimed were unfair practices hindering American exports.

The international trade landscape became more volatile as Trump escalated tariffs on China in a tit-for-tat battle with the second-largest global economy. Trump has imposed tariffs of up to 145% on Chinese goods, while China retaliated with 125% tariffs on US products.

Stock markets initially nosedived but partially rebounded after Trump announced a temporary 90-day suspension of certain tariffs, providing room for negotiations. Despite this recovery, markets are still lower than they were before the 'Liberation Day' tariffs took effect.

WHAT DOES THIS MEAN FOR THE ECONOMY?

The long-term consequences of these policies remain uncertain, but the immediate impact is clear. Global economic activity has decreased, and company earnings have been impacted, further contributing to market volatility. The uncertainty surrounding future tariffs keeps industries and individual businesses anxious. Meanwhile, the threat of rising global inflation has complicated central banks' decisions regarding interest rate adjustments even further.

Beyond these immediate concerns, the rise of 'economic nationalism' is starting to reconfigure supply chains, increasing business costs and, inevitably, consumer prices. While this may seem troubling, history reminds us that market disruptions often create new opportunities for growth. Businesses with solid foundations can still provide long-term returns for investors, even in challenging times.

STAYING THE COURSE IN VOLATILE MARKETS

Investors encounter a significant challenge during times of heightened uncertainty. Nevertheless, adhering to proven investment principles can make a substantial difference. The essential strategy is diversification. By distributing investments across various asset classes, regions and sectors, you diminish reliance on any single area and minimise your exposure to severe downturns.

It is also essential to focus on the larger context. Market drops often occur more quickly than recoveries, which can be emotionally overwhelming. Resisting the urge to sell when prices are low is crucial. History shows that sharp declines are frequently followed by significant gains, and panicked selling often locks in losses while missing potential rebounds. Staying invested ensures that you continue receiving dividends and reinvestment opportunities, even during turbulent times. When in doubt, remember that effective investing requires a long-term focus. ◀

DO YOU NEED HELP MAKING INFORMED DECISIONS THAT ARE RIGHT FOR YOU?

Understanding how global economic shifts may impact your financial goals can be overwhelming. Whether you're aiming to secure your financial future or navigate the current market landscape, we are here to assist you in making informed decisions. If you need further information, please contact us.

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TALKING TO YOUR CHILDREN **ABOUT INVESTING**

HOW TO PREPARE THE NEXT GENERATION FOR FINANCIAL SUCCESS

When it comes to teaching children life skills, financial literacy is often overlooked. However, initiating conversations about money and investing at a young age can lay a solid foundation for good financial habits later in life. If discussing investing feels daunting, don't worry. Here are some practical tips for introducing your children to the world of finance in an engaging and easy-to-understand manner.

START WITH SIMPLE MONEY LESSONS

Before delving into stocks and shares, it's essential for children to grasp the fundamentals of money. Educate them about earning, saving and budgeting in a way that suits their age. Younger children may understand the concept by managing pocket money or saving for a small toy, while older children could be encouraged to budget birthday cash or earnings from a part-time job.

Once they're familiar with the basics, start linking savings to long-term goals. Explain that money set aside can grow over time, thanks to something called 'interest'. Use simple examples, like the concept of planting a seed that eventually grows into a fruit-bearing tree.

USE EVERYDAY EXAMPLES OF INVESTING

Help your children understand investing by relating it to familiar concepts. For example, explain that their favourite businesses, like a beloved toy brand or gaming company, have owners who may seek investors. Sharing that investing means owning a small piece of a company and benefiting as it grows.

Games can also be an excellent way to teach these concepts. Simulated stock market games or apps offer a risk-free environment for children to explore and grasp investing. Some apps even enable you to create a family competition for additional engagement and enjoyment.

TEACH THE VALUE OF PATIENCE

One of the key principles of investing is patience, a concept that can be challenging for children who are accustomed to instant results. Use relatable examples to illustrate how time is an investor's best friend. For instance, saving pocket money for months before purchasing a highly desired gadget reflects the long-term commitment necessary to see investments grow.

You can also introduce the concept of compound growth by starting a small savings account for your children. Show them how regular deposits accumulate over time, thanks to the magic of interest. This real-life exercise can illustrate delayed gratification in action.

BE HONEST ABOUT RISKS AND REWARDS

While it's natural to focus on the benefits of investing, it's equally important to acknowledge the risks involved. Explain to your children that while investing offers the potential for returns, there is always the risk of losing money. Use relatable comparisons, such as how a football match doesn't guarantee a win, no matter how strong the team may be.

You don't need to delve into technical details about market fluctuations. Instead, emphasise the importance of making informed decisions and spreading risk, a concept known as 'diversification'. Even a simple analogy like 'not putting all your eggs in one basket' can help them understand this idea.

ENCOURAGE QUESTIONS AND KEEP THE DIALOGUE OPEN

Children are naturally curious, so they are likely to have many questions about investing. Encourage this curiosity by keeping an open-door policy for discussions about money. Use these moments to enhance their understanding. If your child becomes curious about pensions, savings accounts or investments, explain in simple and relatable terms.

It's also acceptable to acknowledge when you don't have all the answers. Take these opportunities to learn together by exploring books or online resources designed to teach children about money. Positioning yourself as a guide rather than an all-knowing authority encourages positive and ongoing discussions about money.

MAKE INVESTING A FAMILY ACTIVITY

Consider making investing a family activity. Discuss the family's financial goals and how investing can contribute to achieving them. Choose a small investment together, monitor its performance and review its progress over time. This collaborative approach fosters a sense of teamwork and shared responsibility while making investing feel less intimidating.

If your child shows interest, they may even begin to identify opportunities you hadn't thought of. Making investing a shared interest encourages a proactive mindset and enhances their confidence in financial decision-making. ◀

IS IT TIME TO GET EXPERT HELP TO BEGIN GUIDING YOUR CHILDREN ON THEIR FINANCIAL JOURNEY?

Starting financial conversations with your children is an excellent step towards preparing them for the future. If you'd like personalised support in discussing investing or managing family financial goals, we're here to help. Contact us to discuss your needs or find out more information. Together, we can help your children build a brighter financial future.

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HAVE YOU LOST TRACK OF YOUR **PENSION POTS?**

STEP-BY-STEP GUIDE TO HELP YOU RECLAIM YOUR LOST PENSIONS

It is easier than many people realise to lose track of an old pension pot. Changes and milestones in life, such as starting new jobs, moving houses or even changing your name, can make it challenging to keep track of your retirement savings.

It is estimated that £26 billion in unclaimed pensions awaits reunion with their rightful owners in the UK, according to figures[1]. The good news? With some effort and the right tools, tracking them down is entirely feasible. Here's a step-by-step guide to help you reclaim your lost pensions and secure your future.

WHY DO PENSIONS GO MISSING?

It's surprisingly common to lose track of a pension, especially if you've changed jobs multiple times throughout your career. Many employers offer workplace pensions, but once you leave a position and move on, those funds can quickly fade into the background. This situation occurs even more frequently if you do not update your contact information with your pension provider after relocating.

Adding to the confusion, changes in the corporate world can complicate matters. If the company you worked for was acquired, renamed or went into liquidation, your pension might now be managed by a different organisation. Similarly, merging providers or those being bought out can leave you uncertain about where your savings are currently held.

HOW TO KEEP TRACK OF OLD PENSIONS

GATHER YOUR DOCUMENTATION

Before you begin, take some time to search through your paperwork for old payslips, pension statements or letters from providers. These documents can help you track down vital details, such as policy numbers or employer names. Even small details, like a provider's logo or scheme name, could be crucial in connecting you with your pension.

It's worthwhile to review old emails or online accounts, as some companies may have sent digital statements or communications that could hold the information you require.

USE THE PENSION TRACING SERVICE

If you reach a dead end with your documents, the government's Pension Tracing Service is an excellent next step. This free online service can assist you in finding the contact details of workplace or personal pension schemes, even if you only have basic information to start with.

To use the service effectively, try to have the name of your former employer on hand. Even if your employer no longer exists, the Pension Tracing Service can often direct you to the organisation now managing that old pension scheme. Just remember that the tool provides contact details only, so you'll still need to reach out to the provider yourself.

MAKE CONTACT WITH PENSION PROVIDERS

After identifying where your pension may be held, contact the relevant provider. To expedite the process, have your National Insurance number, previous employer names and any former addresses ready. The more details you provide, the easier it will be for the provider to locate your account.

Remember that pension providers will likely ask you to verify your identity. This might require providing copies of identification documents or proof of name changes, such as a marriage certificate. While these precautions may seem time-consuming, they are essential to ensure that pensions reach their rightful owners.

TACKLING COMPLEX CASES

What if your search yields no results? Some cases of lost pensions can be more complex, particularly when funds were transferred between schemes or consolidated after corporate restructures. If the trail has gone cold, it is essential to obtain professional financial advice.

We have the resources to perform more comprehensive searches that could reconnect you with potentially thousands of

pounds in lost savings. We can also provide guidance on whether consolidating your pensions or keeping them unchanged is the best option for your situation.

CONSOLIDATING YOUR PENSIONS

For those juggling multiple pensions, consolidating them into a single pot can bring clarity and simplicity. Managing one pension can be easier, reduce administrative fees and provide a clearer view of retirement funds.

However, consolidation isn't suitable for everyone. Before transferring, we'll check if any of your pensions offer valuable benefits such as guaranteed annuity rates or preferential terms that could be forfeited. Some schemes may also impose exit fees for transfers, so it's crucial to evaluate the numbers before making a decision.

STAY ORGANISED TO AVOID LOSING PENSIONS AGAIN

Once you've located your pension pots, prioritise organisation. Create a detailed record of your pensions, including provider contact details, and store this information in a safe yet accessible place. Remember to update each provider whenever your circumstances change, like moving house or getting married.

For additional peace of mind, consider signing up for available online accounts. Many pension providers now offer digital dashboards, making it easier than ever to check your balances and update your details as needed. ◀

IS IT TIME TO START THE JOURNEY TO RECLAIM WHAT'S YOURS TODAY?

Your retirement savings represent years, even decades, of hard work. Reclaiming lost pensions not only enhances your financial security but also provides peace of mind for the future. If you still feel stuck or are unsure where to begin, don't hesitate to speak to us for professional advice and support. Contact us so we can start the search for your pension pots today, taking you a step closer to a secure retirement tomorrow.

> **IT'S SURPRISINGLY COMMON TO LOSE TRACK OF A PENSION, ESPECIALLY IF YOU'VE CHANGED JOBS MULTIPLE TIMES THROUGHOUT YOUR CAREER.**

Source data:

[1] 'Lost Pensions 2022: What's the scale and impact?', PPI Briefing Note Number 134, Pensions Policy Institute, October 2022.

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HOW TO PREPARE **FOR RETIREMENT**

INSIGHTS FOR TAKING CONTROL OF YOUR FUTURE PLANNING

It is clear that enjoying a comfortable retirement is a common goal for many people. However, achieving this requires addressing difficult questions about your savings and vision for retirement. Contributing to a pension is essential for future planning, but how can you assess whether you are on the right track?

Here are insights to help you take control of your retirement plans, from understanding how much you'll need to retire to practical steps for preparing your pension.

START BY DEFINING YOUR RETIREMENT GOALS

Before making financial plans, you need to think about how you want your retirement to look. Do you imagine travelling the world, moving closer to family or enjoying hobbies at home? Your goals will determine how much you need to save.

Once you've visualised your ideal retirement, it's time to calculate your expected costs. Everyday expenses, travel, medical costs and leisure activities should all be considered. We can assist you in calculating these amounts so you can gain a clearer understanding of how much you will need.

UNDERSTANDING HOW MUCH IS ENOUGH

Understanding the amount you'll need after leaving work is essential. As a guideline, most people will likely require between 65% and 70% of their current income to maintain their standard of living in retirement. For example, if you earn £80,000 a year, you'll probably need around £52,000 to £56,000 annually.

Don't forget to consider inflation. Something that costs £1,000 today might cost significantly more in 20 years. By accounting for annual inflation rates (typically between 2% and 3%), you can more accurately estimate future costs.

EVALUATE YOUR CURRENT SAVINGS

Now that you have a target, it's time to assess your current savings. Begin with your workplace or private pension schemes. How much is currently in your pot, and how much do you contribute each month? Review your annual pension statements or contact us for an update on your progress.

Don't overlook other savings and investments that can enhance your retirement income. This may include Individual Savings Accounts (ISAs) or property investments. Along with your pension, these assets can form the foundation of your retirement fund.

MAKE ADJUSTMENTS TO YOUR CONTRIBUTIONS

If there's a gap between your current situation and where you need to be, it may be time to adjust your contributions. Many employers in the UK provide matching contributions, so increasing your payments could double the impact on your pension pot. It's money you won't miss now, but you will be grateful for it later.

Even minor adjustments can lead to significant differences due to compound interest. Saving just an additional £50 each month could accumulate into thousands over 20 to 30 years. Make a commitment to increase your contributions whenever possible, even if it's a modest amount.

DON'T FORGET ABOUT THE STATE PENSION

While personal savings and pensions are essential, the State Pension offers a safety net. To qualify for the full new State Pension, you'll need 35 qualifying years of National Insurance contributions. If you're uncertain about your National Insurance record, you can check it through the government's website.

The full rate of new State Pension is £230.25 a week, which acts as a useful supplement to your private pensions and savings. However, it is unlikely to cover all your retirement income needs, so relying solely on it would be unwise.

SEEK PROFESSIONAL ADVICE TO STAY ON TRACK

Retirement planning isn't a one-time activity. Life changes, as we've seen with financial markets fluctuating, and your goals may evolve over time. That's why conducting regular reviews of your retirement savings and financial plans is essential. These reviews help ensure that you're on track to meet your goals and allow you to adapt to any changes in your circumstances or the broader economic environment.

If you're uncertain or overwhelmed by the complexities of retirement planning, we can help you identify the pension solutions best suited to your needs, optimise your investments for long-term growth and ensure you maximise available tax benefits and allowances. With the right strategy and support, you can approach retirement with confidence and peace of mind. ◀

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WOULD YOU LIKE TO DISCUSS YOUR PENSION GOALS WITH US?

Retirement may seem like a distant dream, but now is the perfect time to secure your future. Whether you need assistance understanding your current savings or developing a robust plan for the years ahead, contact us to discuss your retirement goals and learn how to maximise your pension. The earlier you begin planning, the brighter your future will be.

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