



# GET YOUR FINANCES IN SHAPE THIS Summer

Review our financial fitness checklist to see how we can help you make more of your money

## Utilise personal pension tax relief

When you contribute to a registered pension scheme, you automatically receive basic rate tax relief on your contributions. Your personal pension tax relief depends on your circumstances. These are the current UK pension tax relief rules for the 2014/15 tax year, so don't miss out.

- **Non-taxpayers** – Non-taxpayers receive basic rate tax relief
- **Basic rate taxpayers** – Basic rate taxpayers receive 20% tax relief
- **Higher rate taxpayers** – Higher rate taxpayers receive 20% pension tax relief and can claim back up to a further 20% through their tax return
- **Additional rate taxpayers** – Top rate taxpayers receive 20% tax relief and can claim back up to a further 25% through their tax return

## Invest on behalf of your children or grandchildren

You can contribute up to £2,880 net (£3,600 gross) per year into a pension on behalf of your children or grandchildren. The funds will be protected from tax charges and cannot be drawn on until the child/grandchild is aged at least 55.

## Protect your wealth

Is your Will up to date? A Will becomes invalid when you marry. If you don't have a valid Will, your spouse or registered civil partner will not automatically inherit all your assets and may be left with insufficient funds to support themselves.

## Secure an IHT exemption

If you are not married or in a registered civil partnership, but want to leave assets to a long-term companion or partner, Inheritance Tax (IHT) will be payable on that gift. Therefore the only way to secure the exemption from

Inheritance Tax on the gift is to marry or register a civil partnership with the intended recipient before you make the gift.

## Inheritance tax-free gift

Is there a wedding or registered civil partnership planned in your extended family? You can make an IHT-free gift to one couple of up to £1,000. If you are a parent of one of them, the gift in consideration of the marriage or registered civil ceremony can be up to £5,000 tax free.

## An appropriate trust

If you have life assurance, have you looked at having the policy written in an appropriate trust to avoid the proceeds that are paid out forming part of your estate on which IHT is payable?

## Tax-efficient savings

Have you taken advantage of your 2014/15 Individual Savings Account (ISA) investment allowance? From 1 July 2014, this has now increased to £15,000. The income and capital growth on savings in an ISA is tax-efficient.

## Transferring income investments

Are your investments held between you and your spouse or registered civil partner so as to minimise your income tax? If you pay 40% or 45% tax and your spouse or registered civil partner pays 20% or less, you should consider transferring some income-producing investments to your spouse/partner to reduce the higher rate tax you pay.

## Avoid high tax charges

Do you know how much your pension fund is worth? You need to check it will not exceed the lifetime allowance (currently £1.25 million) when you start to draw your pension, to avoid high tax charges. ■

## HELPING YOU PROTECT AND GROW YOUR WEALTH

There are many different ways to protect and grow your wealth. Our expertise is helping you to understand your choices, and then advising you on how to make the financial planning decisions that are appropriate for you and your family. To discuss how we could help 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. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.**

**A PENSION IS A LONG-TERM INVESTMENT. THE FUND VALUE MAY FLUCTUATE AND CAN GO DOWN. YOUR EVENTUAL INCOME MAY DEPEND UPON THE SIZE OF THE FUND AT RETIREMENT, FUTURE INTEREST RATES AND TAX LEGISLATION.**

**THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.**

**THE FINANCIAL CONDUCT AUTHORITY DOES NOT REGULATE INHERITANCE TAX PLANNING, WILL WRITING OR TAXATION ADVICE.**