SmartMoney

Temple

Wealth Management

Independent Financial Advice

JULY / AUGUST 2025

Who will inherit your pension? Find out now!

Understanding the importance of nominating a beneficiary

PLANNING AHEAD TO SAFEGUARD MORE OF YOUR WEALTH
Secure your wealth for retirement and future generations

NAVIGATING MARKET UNCERTAINTY
How to build long-term wealth with a tailored strategy

THINKING OF RETIRING OVERSEAS?
Understanding the impact of a frozen State Pension on your retirement income

2nd Floor Artillery House, Fort Fareham Business Park, Newgate Lane, Fareham, PO14 1AH
Tel: 01329 282882 | Fax: 01329 282884 | Email: fareham@templewealth.co.uk | Web: www.templewealth.co.uk

Temple Wealth Management Ltd is an appointed representative of Sense Network Ltd, which is authorised and regulated by the Financial Conduct Authority

Inside this issue

Welcome to our latest issue. Inside, we explore a new study that reveals a startling insight. As many as one in six (15%) individuals with a partner are unclear about who will receive their pension savings if they pass away before accessing them[1]. Even more concerning, this figure rises to nearly one in five (18%) among the Silent Generation (aged 79 and older). Such statistics highlight the urgent need for improved awareness and planning regarding pension inheritance. This lack of clarity can lead to legal complications and emotional distress for loved ones when the time comes to distribute these assets. Turn to page 05 to read the full article.

If you have accumulated wealth over your lifetime, it is never too early to plan so that any remaining wealth is distributed to your chosen beneficiaries in the most tax-efficient way. On page 12, we explain why planning ahead ensures that a greater portion of your wealth ends up in the hands of the people and causes you care about most. It also provides peace of mind for you and your loved ones.

Market volatility is an inevitable part of investing, influenced by factors such as geopolitical events like the invasion of Ukraine, trade wars, inflationary pressures and changes in interest rates, which can cause significant market fluctuations. While it may be tempting to react to these shifts, it's crucial to focus on strategies that mitigate the impact of turbulence and keep your long-term goals on track, as explained on page 06.

Similarly, retiring abroad may seem like a dream come true, but it could come with hidden financial costs for some British pensioners. Understanding your entitlements and planning can make all the difference, so find out more on page 08.

A complete list of the articles featured in this issue can be found opposite. ◀

Let us turn your financial aspirations into reality

Whether you're growing your investments, safeguarding your wealth or preparing for retirement, there is no better time to take action than today. For more details, please contact us to discuss your requirements.

Source data:

[1] The research was conducted by Censuswide among a sample of 2,000 general consumers who have a partner, whether married, in a relationship or a civil partnership. The data was collected between 07/02/25 and 10/02/25.

Contents

03
HOW GUT INSTINCT IS GUIDING FINANCIAL FUTURES
A new report reveals that millions rely on guesswork when planning for retirement

04
WHY YOU SHOULD LOOK TO MAXIMISE YOUR SAVINGS POTENTIAL
Making the most of your new tax allowances for the 2025/26 year

05
WHO WILL INHERIT YOUR PENSION? FIND OUT NOW!
Understanding the importance of nominating a beneficiary

06
NAVIGATE MARKET UNCERTAINTY AND BUILD LONG-TERM WEALTH
A strategy tailored to your needs is essential for weathering market uncertainty

08
THINKING OF RETIRING OVERSEAS?
Understanding the impact of a frozen State Pension on your retirement income

09
TWO-THIRDS OF UK ADULTS ARE CONCERNED ABOUT AFFORDING CARE IN LATER LIFE
Rising costs, independence and the necessity for proactive financial planning

10
GETTING YOUR FINANCIAL PLAN IN ORDER
Setting the course for a secure future

12
PLAN AHEAD TO SAFEGUARD MORE OF YOUR WEALTH
Secure your wealth for retirement and future generations

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.

The content of the articles featured in this publication is for your general information and use only and is not intended to address your particular requirements. Articles should not be relied upon in their entirety and shall not be deemed to be, or constitute, advice. Although endeavours have been made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions taken in respect of any articles. Thresholds, percentage rates and tax legislation may change in subsequent Finance Acts. Levels and bases of, and reliefs from, taxation are subject to change and their value depends on the individual circumstances of the investor. The value of your investments can go down as well as up and you may get back less than you invested. Past performance is not a reliable indicator of future results. The Financial Conduct Authority does not regulate tax advice, Inheritance Tax planning, trusts, estate planning, Will writing or Cashflow Modelling.

How gut instinct is guiding financial futures

A new report reveals that millions rely on guesswork when planning for retirement

Millions of UK adults are approaching retirement guided more by intuition than by careful planning, according to recent report findings[1]. The research reveals that one in six people (16%) rely on gut instinct to determine how much they will need for a financially secure retirement. Alarmingly, nearly two in five (39%) have not calculated their retirement needs at all.

Among these, 43% of Generation X and 34% of Baby Boomers admit they have yet to do the maths. Many are either approaching or have already reached State Pension age. This lack of preparation poses real risks. Nearly half (47%) worry their savings will not last throughout their retirement, including 31% of Baby Boomers. It presents a sobering snapshot of Britain's retirement readiness.

COMPLEXITY OF RETIREMENT PLANNING

One key reason people resort to guesswork is the sheer complexity of retirement planning. There are countless factors to consider, including inflation, the age at which you expect to retire, lifestyle aspirations and additional sources of income. Making sense of it all without the appropriate tools or guidance can feel overwhelming.

Another challenge is connecting with your future self. For many, retirement feels distant, competing with the immediate demands of daily life. This can make it tempting to postpone planning, hoping it will all come together later. However, delaying can result in missed opportunities to build financial security.

UNDERSTANDING YOUR RETIREMENT OPTIONS

Navigating your retirement options presents another challenge. Deciding whether to opt for flexible income, lump sums or a guaranteed lifelong income (annuity) can be perplexing. Each option comes with its own potential benefits and risks. For instance, drawdown offers flexibility but relies on investment performance, whereas annuities provide stability but afford little room for change.

Fully understanding these options is vital for making the right decisions. Many pension plans allow you to combine approaches to meet your needs, but not all providers offer every option. Reviewing your pension plan's features and seeking financial advice can help you remain on track.

HOW MUCH WILL YOU NEED?

A significant aspect of planning involves estimating how much money you'll need to maintain your lifestyle in retirement. This depends on personal goals and aspirations, ranging from travel and hobbies to home improvements or supporting family members. Each of these elements accumulates, making it essential to calculate their costs.

To stay informed, regularly review the value of your pension plans and consider future projections using tools such as pension calculators. In addition to pensions, income from other sources, like rental properties, part-time work or investments, can provide extra security. Customising your forecasts to your unique circumstances is essential. ◀

Is it time to establish a clearer financial roadmap for your retirement?

If you are uncertain about where to start or would like assistance in understanding your pension options, expert help is just a call away. Contact us today to discuss your needs and discover how you can create a more precise financial roadmap for your retirement. It's never too early – or too late – to begin planning for the future you deserve.

Source data:

[1] Ipsos Mori conducted research among 6,000 UK adults. Fieldwork was conducted between July and August 2024. Data was weighted post-fieldwork to ensure the data remained nationally representative on key demographics.

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested. Tax planning is not regulated by the Financial Conduct Authority.

Why you should look to maximise your savings potential

Making the most of your new tax allowances for the 2025/26 year

As we are now a few months into a new tax year, in this article, we look at why you should consider maximising your savings potential. With new tax allowances available and another year to benefit from tax-efficient savings, now is the ideal time to organise your finances. Acting early can help you maximise your returns throughout the year and ensure you make the best financial decisions.

Here's why taking action and seeking professional financial advice is essential.

YOUR NEW TAX-EXEMPT ISA ALLOWANCE

One of the most valuable benefits of a new tax year is the reset of your Individual Savings Account (ISA) allowance. For the 2025/26 tax year, you can save or invest up to £20,000 in ISAs. Whether you prefer a Cash ISA, a Stocks & Shares ISA or a combination of the two, ISAs remain among the most tax-efficient options for growing your wealth. Any interest, dividends or capital gains earned within an ISA are tax-efficient.

By taking action early in the tax year, you give your contributions more time to grow. This allows you to fully enjoy the benefits of compound interest or investment returns throughout the year. Delaying this action until the end of the tax year may result in missing out on months of potential growth.

BENEFITS OF INVESTING EARLY

Many people wait until March of the following year to fully utilise their tax allowances; however, starting early presents distinct advantages. Firstly, it may help maximise tax-efficient growth, allowing your money more time to work effectively for you.

Secondly, it mitigates the stress of last-minute decisions that may not align with your long-term objectives. Lastly, as inflation continues to diminish the real value of cash savings, investing early can prove beneficial and may generate returns that counterbalance rising costs.

If you are uncertain about where to begin, professional guidance will assist you in developing a strategy tailored to your financial goals while effectively managing risk.

OTHER TAX ALLOWANCES TO OPTIMISE FURTHER

While ISAs are a popular choice, they are just one aspect of the financial landscape. The 2025/26 tax year presents additional allowances to consider when planning your financial strategy.

- **Pensions:** The annual pension allowance remains at £60,000 (or 100% of your income, whichever is lower) or £3,600 if you have no relevant earnings, assuming the MPAA (Money Purchase Annual Allowance) has not been triggered and no tapering applies. Making contributions early may ensure you benefit from both tax relief and longer-term investment gains.
- **Capital Gains Tax (CGT) Allowance:** With the CGT allowance now reduced to £3,000, strategic planning is crucial to avoid unnecessary tax liabilities.
- **Dividend Allowance:** The tax-free threshold for dividends has been lowered to just £500. Structuring your investments efficiently could help you reduce your tax burden and increase your net returns.

By combining these allowances with thoughtful planning, you can significantly reduce the taxes you pay while growing your wealth.

IMPORTANCE OF PROFESSIONAL FINANCIAL ADVICE

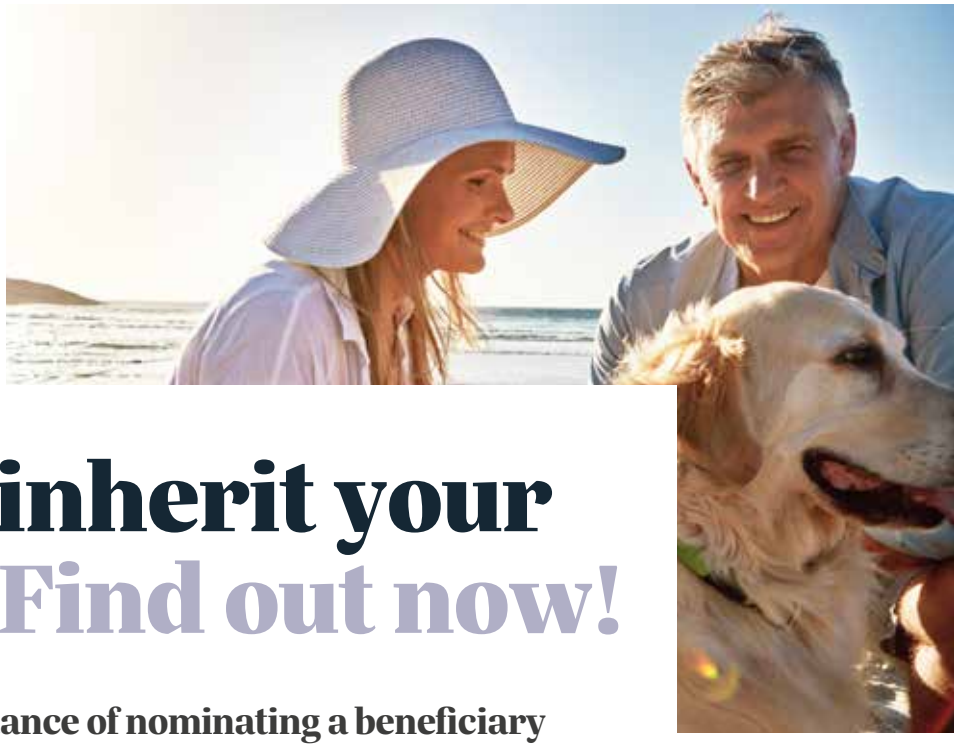
Starting afresh with the new tax year presents an opportunity to review your financial plans. Our aim is to assist you in maximising this year's allowances and ensuring they align with your long-term objectives.

We will assist in maximising tax-efficient savings, ensuring that your investments align with your timeline and risk preferences. We can also provide guidance to help you confidently navigate economic uncertainties or market fluctuations. Investing always carries some risk, but expert support can help you find the right balance between growth and security. ◀

With the 2025/26 tax year underway, there's no better time to seize the opportunities it offers.

If you're looking to optimise your savings and make the most of your allowances, contact us today. Whether you need guidance on ISAs, pensions or broader financial planning, expert professional advice will streamline the process and keep you on track. Contact us now to discuss your needs and start your financial year on the right footing.

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested.



Who will inherit your pension? Find out now!

Understanding the importance of nominating a beneficiary

A new study reveals a startling insight. As many as one in six (15%) individuals with a partner are unclear about who will receive their pension savings if they pass away before accessing them[1]. Even more concerning, this figure rises to nearly one in five (18%) among the Silent Generation (aged 79 and older). Such statistics highlight the urgent need for improved awareness and planning regarding pension inheritance.

Equally concerning is the 3% of respondents who believe their current pension beneficiary may still be an ex-partner. While the majority (65%) of individuals name their spouse or partner as their beneficiary, others have chosen family members (20%), charities (4%) or friends (3%). However, a significant proportion remain uncertain about who will inherit their pension. This lack of clarity can lead to legal complications and emotional distress for loved ones when the time comes to distribute these assets.

IMPACT OF RELATIONSHIP STATUS AND AGE ON PENSION NOMINATIONS

Relationship status plays a pivotal role in pension nomination trends. Alarmingly, one in four (25%) individuals living with a partner but not married or in a registered civil partnership are uncertain about their pension beneficiaries. This may be due to their partner not being officially recognised as their next of kin, which leaves their pension distribution vulnerable to unintended outcomes.

Age is another key factor influencing awareness regarding pension beneficiaries. Among younger adults aged 16 to 24, nearly a third (30%) claim not to know who will inherit their pension. This could be attributed to workplace pension auto-enrolment schemes, where younger individuals often give little thought to long-term financial planning. Regardless of age or marital status, the inconsistency across demographic groups underscores the importance of regularly reviewing and updating pension beneficiary details.

WHY KEEPING YOUR PENSION NOMINEE UPDATED MATTERS

Your pension pot is a significant financial asset, comparable to your savings or other valuable possessions. Keeping its inheritance aligned with your wishes is crucial for providing financial security to your loved ones and avoiding unnecessary complications. When life events like marriage, divorce or job changes occur, it's easy to lose track of previous nominations. This can lead to outdated beneficiaries who may no longer reflect your wishes.

It is essential to understand that, while pension providers are not legally bound by your stated nomination, they do take it into account when determining the distribution of a pension. Regularly updating your nomination can help ensure that your wishes are honoured.

HOW TO CHECK AND UPDATE YOUR PENSION BENEFICIARY INFORMATION

One of the simplest ways to protect your retirement savings is by keeping your pension beneficiary information up to date. Most pension providers offer online methods to review and amend these details, making the process quick and straightforward. Whether online or through a paper form, it typically takes just a few minutes to confirm or update your nominee information. A small effort now can prevent emotional distress for your loved ones in the future. ◀

Contact Us Today

If you are uncertain about your pension nominations or require guidance, we are here to assist. Contact us today to discuss your needs or to learn more about securing your family's financial future.

Source data:

[1] The research was conducted by Censuswide among a sample of 2,000 general consumers who have a partner, whether married, in a relationship or a civil partnership. The data was collected between 07/02/25 and 10/02/25.

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested. Past performance is not a guarantee of future results. Tax planning is not regulated by the Financial Conduct Authority.

Navigating market uncertainty

How to build long-term wealth with a tailored strategy

Market volatility is an unavoidable aspect of investing. Geopolitical events, such as the invasion of Ukraine, trade wars, inflationary pressures and alterations in interest rates, are among the numerous factors that lead to market fluctuations, sometimes significantly. When markets change, especially during rapid declines, it can be challenging not to react. Nevertheless, history shows that you are more likely to reach your long-term investment goals if you have a strategy and stick to it across all market conditions.

> MAKING DRAMATIC CHANGES TO YOUR PORTFOLIO IN RESPONSE TO SUDDEN MARKET MOVEMENTS CAN OFTEN DO MORE HARM THAN GOOD.

This may sound simple, but investors have faced significant tests in recent times. Deviating from a carefully considered plan can have far-reaching consequences. It can transform a temporary loss of confidence into a realised loss within an investment portfolio.

President Trump's recent tariff announcements illustrate how a single geopolitical decision can unsettle global markets. Coupled with ongoing uncertainties, such as the enduring effects of the Ukraine conflict, these developments underscore the necessity for a structured investment approach.

Here we explain how to mitigate the impact of market turbulence while maintaining your long-term goals on track.

MAINTAIN DISCIPLINE

Making dramatic changes to your portfolio in response to sudden market movements can often do more harm than good. Emotional reactions, such as withdrawing from the market after a significant drop, risk locking in losses. A disciplined investor recognises that short-term volatility is not an indicator of long-term performance. Staying the course and adhering to a well-researched investment strategy is essential for weathering these temporary storms.

Over the years, history has demonstrated that markets tend to recover following downturns. For example, in the aftermath of global financial crises, disciplined investors who remained steadfast often enjoyed significant recovery gains. Remember, impulsive decisions made from fear or speculation can undermine the progress of even the most considered investment plan.

DIVERSIFY YOUR PORTFOLIO

Diversification remains the golden rule of investing. By spreading your investments across various asset classes, such as equities, bonds and property, as well as across different industries and regions, you can reduce the overall risk exposure of your portfolio.

The ripple effects of tariff disputes between the US and other countries illustrate this principle. Investors with portfolios heavily concentrated in affected markets faced disproportionate losses, while those with diversified holdings performed better. A well-balanced portfolio is better equipped to endure specific market shocks and provide stable, long-term results.

REGULARLY REBALANCE

It's not uncommon for market fluctuations to cause shifts in the balance of your investment portfolio. Over time, the original mix of asset allocations may change due to varying rates of return, potentially increasing your exposure to risk or diverging from your investment goals.

Rebalancing ensures that your portfolio remains aligned with its intended risk and return profile. For example, following a strong market rally for equities, an investor might reduce their holdings in stocks and reallocate some of those gains to bonds or other more stable investments. Regularly reviewing and fine-tuning your asset allocation is essential for staying on track.

USE TIME TO YOUR ADVANTAGE

Successful investing thrives on time, and beginning as early as possible remains one of the most powerful strategies for building wealth. The earlier you start, the longer your investments have to grow, and the more opportunities you create for generating returns. Time in the market enables you to withstand short-term fluctuations while benefiting from the consistent upward trajectory that many financial markets historically deliver.

An early start also provides you with the flexibility to undertake calculated risks, as you have a longer time horizon to recover from any potential downturns. One of the key contributors to long-term investing success is the effect of compounding, which generates returns not solely on your initial investment but also on the earnings your portfolio accumulates over time. The earlier you begin, the greater the cumulative effect compounding can produce.

INVEST REGULARLY

Consistency is crucial. Investing a fixed amount at regular intervals, irrespective of market conditions, is a strategy known as pound-cost averaging. This approach can help to mitigate the effects of market volatility by distributing your investment over time.

During market downturns, for example, this strategy enables you to acquire more shares for the same amount of money, potentially enhancing your returns during a recovery. It's a straightforward yet powerful method of remaining committed to your investment plan and avoiding attempting to time the market, which is notoriously difficult even for seasoned professionals. ◀

Want to speak to us about your investment needs?

Whether you are an experienced investor or just starting out, having a strategy tailored to your needs is vital for navigating market uncertainty. We can help you create a customised investment plan designed to assist you in achieving your financial goals.

Contact us today to discuss your requirements or learn more about how we can assist you in navigating the complexities of the investment landscape. Together, we can make your money work smarter for you.

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested.

Thinking of retiring overseas?

Understanding the impact of a frozen State Pension on your retirement income

Retiring abroad may appear to be a dream come true, but for some British pensioners, it could carry a hidden financial cost. If you move to certain countries outside the UK after retirement, your State Pension could be 'frozen'. This means you will not receive the usual annual increases granted under the triple lock system.

The triple lock was introduced in 2010 to ensure that the State Pension keeps pace with the cost of living by increasing it each year by the highest of three measures: 2.5%, inflation or average earnings growth. However, British expatriates in countries without a reciprocal social security agreement with the UK effectively have their pensions fixed at the rate at which they were initially paid.

COST OF EXPAT RETIREMENT

The financial impact of a frozen pension can be significant. For a retiree whose pension was frozen 15 years ago, the loss amounts to nearly £26,000. Over a 20-year retirement, that figure could rise to an eye-watering £70,000. These figures highlight the gap between pensioners who remain in the UK and those living abroad in countries where pensions are frozen.

To provide context, a UK retiree who moved overseas before 2011, when the triple lock came into effect, misses out on annual increases that could have significantly boosted their income. Over time, the financial gap widens as inflation and living costs rise, while a frozen pension remains stagnant. For example, according to recent analysis, those who moved abroad just five years ago are already £7,391 worse off, experiencing a real terms reduction[1].

WHERE ARE PENSIONS FROZEN?

Whether your State Pension is frozen depends on your choice of retirement location. Fortunately, if you relocate to a country within the European Economic Area (EEA), Switzerland, Gibraltar or a nation with a reciprocal social security agreement with the UK, your pension will continue to increase annually under the triple lock.

However, this is not the case for popular expat destinations such as Canada, Australia or New Zealand. For retirees in these countries, pensions remain frozen at the rate they were when payments commenced.

LONG-TERM FINANCIAL IMPLICATIONS

Being locked out of the triple lock uprating is not solely about missed income; it concerns long-term financial security. Over the decades, inflation diminishes the value of a static pension, leaving retirees struggling to keep up with basic living costs. Paying for utilities, medical expenses and everyday items becomes increasingly challenging.

For instance, the analysis highlights that a pensioner who first began receiving their basic pension in 2000 would still be getting £67.50 per week if they relocated to a country without an indexation agreement, compared to the full rate of the new State Pension, £230.25 a week, offered to those in the UK today.

YOUR RETIREMENT PLAN MATTERS

Planning for retirement abroad involves more than simply selecting a location. It is essential to grasp the financial implications, including the restrictions imposed by the UK's frozen pension policy. Whether you are contemplating relocation to Australia, Canada or even further afield, you should balance the potential losses against the lifestyle advantages of moving. ◀

How can I get advice on my retirement plans?

Don't jeopardise your financial future by neglecting the impact of frozen pensions. Contact us now to discuss your requirements or explore your options.

Source data:

[1] Interactive Investor 04/06/25 – This estimate assumes full State Pension payments are uprated by 3.7% in 2025 (the Office for Budget Responsibility's inflation forecast for September 2025), and by 2.5% per year thereafter in line with the triple lock.

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested.

Two-thirds of UK adults are concerned about affording care in later life

Rising costs, independence and the necessity for proactive financial planning

Recent data highlights a growing concern about the affordability of care and the maintenance of independence in retirement. Research has shown significant worries among UK adults regarding how they will finance care needs and medical expenses in later life.

According to the findings, more than two-thirds (67%) of adults in the UK are extremely concerned about covering the costs of care, whether at home or in a residential facility[1]. Alarmingly, 63% expressed worries about completely running out of money during their retirement years. These statistics underscore the necessity for early financial planning to address these future challenges.

TOP PRIORITIES FOR RETIREES HIGHLIGHT HEALTH AND INDEPENDENCE

When asked to identify priorities for retirement, respondents overwhelmingly emphasised good health (96%), maintaining independence (95%) and ensuring financial security (95%). Furthermore, 92% of individuals highlighted the significance of staying in their own homes as they age.

This desire for independence highlights the struggle many face when adapting their homes to accommodate evolving physical and medical needs. More than three-quarters (78%) of those surveyed valued the ability to make home modifications, such as installing stairlifts or walk-in showers. However, over half admitted to feeling anxious about how they would fund such renovations should their health deteriorate.

HOW LIFETIME MORTGAGES OFFER A SOLUTION

For many adults in the UK, the equity in their homes represents a significant yet often untapped resource. Lifetime mortgages, which enable homeowners to access a portion of their property's value while retaining full ownership, offer a potential solution.

By releasing equity tied up in their homes, retirees can secure funds to cover essential expenses, ranging from medical bills to in-home care or home adaptations. This financial tool enables individuals to modify their surroundings in a way that supports independence, without the pressure to sell their home or downsize.

RISING COSTS, PUBLIC HEALTH STRAINS AND FINANCIAL PLANNING

The concerns highlighted by the research are affected by rising living costs and overburdened public health services, factors that also heighten individuals' anxieties about retirement.

Without a clear plan, individuals may become reliant on limited state provisions or struggle to meet care costs out of their own pockets. The study's findings indicate that the public in the UK is acutely aware of these risks but may lack the tools to address them.

Talk to us about your retirement needs

If funding for later-life care concerns you, there's no need to face these challenges alone. Contact us to discuss your needs and explore options. Together, we can help you find the most suitable choices to support your retirement goals.

Source data:

[1] Unless otherwise stated, the data used in this press release originates from a survey of 4,000 nationally representative UK adults conducted for LV= by Opinium in March 2025.

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested.

Equity release, including lifetime mortgages, will reduce the value of your estate and can affect your eligibility for means-tested benefits.

FOR EXAMPLE, AN INDIVIDUAL NEEDING A HOME ADAPTATION LIKE A WHEELCHAIR RAMP OR LIFT MIGHT UTILISE A LIFETIME MORTGAGE TO FINANCE THESE MODIFICATIONS, ENSURING THEY CAN REMAIN COMFORTABLE AND SELF-SUFFICIENT IN THEIR HOME ENVIRONMENT.

Getting your financial plan in order

Setting the course for a secure future

As we enter the second half of 2025, the same familiar issues continue to affect the financial landscape. Inflation, although easing, still impacts spending power. Meanwhile, a series of stealth tax increases is gradually boosting government tax receipts. It's a complex environment; however, there has never been a better opportunity to review and refresh your financial plan.

At its core, financial planning centres on you. Beyond money and investment strategies, it emphasises your dreams, priorities and long-term objectives. A carefully considered plan also prepares you for life's uncertainties, such as job losses or unforeseen emergencies.

By adopting a systematic approach to budgeting, insurance, taxes, investments and retirement planning, financial planning offers the stability and clarity needed to secure your present and lay the groundwork for a brighter future.

START BY SETTING CLEAR GOALS

Any effective financial plan begins by defining your goals. These should be mapped out across different timeframes – five years, ten years and beyond. Consider what you want your life to look like at each stage. Are you saving for a home, preparing for your children's university fees or building a retirement fund?

Short-term goals may involve setting aside an emergency fund or saving for a major purchase. Medium-term objectives often centre on tax-efficient investments, retirement planning or managing larger financial milestones. Long-term aims might include securing a consistent retirement income and developing an effective estate plan to minimise Inheritance Tax for your loved ones.

STAY ON TRACK WITH CASHFLOW MONITORING

Monitoring your cash flow is essential for clarifying your financial position, both now and in the future. A comprehensive cashflow analysis allows you to evaluate your income and expenditures while anticipating future needs. This approach not only eliminates uncertainty but also enables you to adapt to changes, such as inflation or shifting lifestyle priorities.

By monitoring your cashflow, you can also create 'what-if' scenarios. These assist you in planning for contingencies, exploring options and ensuring your financial decisions align with your goals.

BE PREPARED FOR LIFE'S EMERGENCIES

Life is unpredictable, and emergencies can disrupt your financial plans. Whether it's the sudden loss of a job, illness or unexpected home repairs, having a contingency plan is essential. Build a robust emergency fund that covers at least three to six months' worth of expenses, and ensure your insurance policies provide sufficient coverage for key risks.

TACKLE DEBT EFFECTIVELY

Debt, particularly mortgages, affects long-term financial health. Formulating a strategy to manage or pay off debt is essential. With rising interest rates, you might consider accelerating repayments to minimise costs. Furthermore, evaluate whether reducing debt aligns with your broader goals, such as retiring earlier or lowering regular expenses.

MANAGE RISK WITH ONGOING ASSESSMENTS

Risk is not limited to investments; it encompasses your overall financial stability. Reflect on how market

volatility, health issues or employment uncertainties might affect your finances. Are your investments in line with your risk tolerance? Will your family's future remain secure if unexpected changes occur?

Regular risk assessments ensure your financial plan remains adaptable, regardless of how economic or personal circumstances change.

CREATE A BESPOKE INVESTMENT STRATEGY

Investment decisions are essential to any financial plan and must be customised to your individual circumstances. A well-balanced portfolio weighs risk against return, incorporating a variety of asset classes such as cash, bonds, property and equities.

Diversification is vital for reducing risk. By spreading investments across various categories, we aim to help you minimise the impact of any single market downturn. Your strategy should also consider life stages – younger investors may be willing to accept higher risks, while retirees prioritise stability.

OPTIMISE TAX PLANNING

Frozen tax bands, particularly Inheritance Tax thresholds, render it increasingly essential to ensure tax efficiency in your planning. By utilising trusts, gifting strategies and investments held outside your estate, you can protect your assets and reduce tax burdens. A well-considered tax plan preserves more for you and your family.

DON'T FORGET TO ENJOY LIFE

Financial planning should not solely focus on numbers; it ought to enhance your quality of life. After navigating the challenges of recent years, it is crucial to incorporate leisure and enjoyment into your budget. Whether it's a family holiday or a weekend getaway, these moments refresh the mind and revitalise your approach to creating a secure financial future. ◀

Take the next step towards your personalised financial plan – contact us today!

Your financial plan should be as unique as you are, reflecting both your current circumstances and future aspirations. We can assist you in developing a strategy that adapts to life's complexities while ensuring you stay on track to achieve your goals. Please contact us to discuss your individual needs or to find out more about how we can help.

> **FROZEN TAX BANDS, PARTICULARLY INHERITANCE TAX THRESHOLDS, RENDER IT INCREASINGLY ESSENTIAL TO ENSURE TAX EFFICIENCY IN YOUR PLANNING. BY UTILISING TRUSTS, GIFTING STRATEGIES AND INVESTMENTS HELD OUTSIDE YOUR ESTATE, YOU CAN PROTECT YOUR ASSETS AND REDUCE TAX BURDENS.**

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested. Tax planning, including inheritance tax planning and estate planning, are not regulated by the Financial Conduct Authority.

Planning ahead to safeguard more of your wealth

Secure your wealth for retirement and future generations

If you have accumulated wealth throughout your life, it is never too early to begin planning for the funds you need now and in the future, while also ensuring that any remaining wealth is distributed to your chosen beneficiaries as tax-efficiently as possible.

Before considering transferring wealth to others, it's crucial to ensure you (and your spouse or partner) have sufficient income for your retirement years. Begin by assessing your spending needs during retirement. This encompasses essential day-to-day living costs, 'nice-to-haves' such as holidays or hobbies, and any one-off expenses that may arise.

CONSIDER THE EXPENSES OF LONG-TERM CARE

Your health needs may change as you age, and it is essential to consider the possibility of requiring long-term care. Care costs can significantly reduce your wealth, but there are strategies available to help protect it.

Once your retirement needs are secured, you can start contemplating what you wish to pass on to your loved ones, when to do so and how to do it efficiently.

UNDERSTANDING THE EFFECTS OF INHERITANCE TAX

Inheritance Tax (IHT) can significantly diminish the wealth inherited by your beneficiaries. To manage this, it is essential to grasp how IHT operates. No IHT is owed if the value of your estate is below £325,000 (the nil rate band). However, amounts exceeding this threshold are taxed at 40%.

For married couples or registered civil partners, there is usually no IHT on assets transferred between them. Moreover, unused allowances can be passed to the surviving partner, potentially increasing the threshold to £650,000.

Leaving your family home to direct descendants can provide an additional residence nil rate band (RNRB) of £175,000, raising the total allowance to £1 million for couples. Estates exceeding £2 million may face a reduction in this allowance, so advance planning is crucial to maximise these benefits. The government has confirmed that the nil rate band and residence nil rate band will remain frozen until at least 2030.

MAXIMISE WEALTH TRANSFERS THROUGH GIFTING

Gifting is a way to pass on wealth during your lifetime. For instance, you can gift up to £3,000 each tax year, exempt from IHT. Additionally, smaller gifts of up to £250 per recipient are also exempt. If you give more than £250 to one person in a tax year, none of that gift qualifies for the exemption.

Larger 'lifetime' gifts may also be exempt from IHT, provided you survive at least seven years after making them. These are known as PETs (Potentially Exempt Transfers).

ARE TRUSTS A SUITABLE ALTERNATIVE FOR YOU?

Placing assets in a trust can be an effective solution for larger estates or more intricate family dynamics. Trusts not only protect assets from IHT after seven years but also provide control over how and when beneficiaries access the funds. This can be particularly beneficial to support children or grandchildren over time.

SAFEGUARD YOUR ESTATE WITH APPROPRIATE LEGAL DOCUMENTATION

Having the appropriate legal documentation is essential for safeguarding your estate and ensuring that your wishes are fulfilled. Keep your Will current, particularly after significant life events such as marriage, the birth of a child or divorce.

Additionally, establishing a Lasting Power of Attorney (in England and Wales) or a Continuing Power of Attorney (in Scotland) is essential. This legal document appoints someone you trust to make decisions on your behalf if you become unable to do so. Proper record-keeping is also crucial. ◀

Are you ready to take action today?

Planning ahead ensures that a greater portion of your wealth ends up in the hands of the people and causes you care about most. Contact us today to discuss your requirements.

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested. Trusts, Wills, powers of attorney, tax planning, including Inheritance Tax planning and estate planning, are not regulated by the Financial Conduct Authority.

Published by Goldmine Media Limited
Goldmine Media Limited, 124 City Road, London EC1V 2NX.

Articles are copyright protected by Goldmine Media Limited 2025. Unauthorised duplication or distribution is strictly forbidden.