

# VISION

Issue 4 | Summer 2017

**MAGAZINE**

Impartial, accountable and trusted

**ABOUT US**

**NEW  
PREMISES**

Relocation to new  
Ipswich office

**RETIREMENT**

**FINAL SALARY  
PENSIONS**

To have and  
to hold?

**PENSIONS**

**AUTOMATIC  
ENROLMENT**

The impact of rising  
contributions

**PROTECTION**

**SAFEGUARDING  
WEALTH**

New Inheritance Tax rules apply  
from 6 April 2017



## NEW TAX YEAR, NEW ISA ALLOWANCE

Taking control over where your money is  
invested tax-efficiently

# TIME TO MANAGE YOUR WEALTH?



Our detailed and expert financial planning is underpinned by discretionary investment management to help grow and secure your financial future.

To find out more, please contact a member of our Wealth Management team.

VOTED ONE  
OF THE UK'S  
'TOP 100 ADVISERS'  
IN 2012, 2013,  
2014 & 2015 BY  
CITYWIRE.

Welcome to the latest issue of *Vision Magazine* from SG Wealth Management. Each tax year, we are each given an annual Individual Savings Account (ISA) allowance. The new ISA limit for 2017/18 is £20,000. It is a 'use it or lose it' allowance, meaning that if you don't use all or part of it in one tax year, you cannot take that allowance over to the next year. An ISA is a tax-efficient investment wrapper in which you can hold a range of investments, including bonds, equities, property, multi-asset funds and even cash, giving you control over where your money is invested tax-efficiently. On page 10, we consider your options.

Over recent months, we have seen increased coverage in the press, as well as many enquiries from new potential clients, around the feasibility of transferring pension benefits from final salary (Defined Benefit 'DB') schemes into personal pension (Defined Contribution 'DC') arrangements. Our default position has always been that, for many people, it is likely not to be the best option to effect a transfer out of a DB scheme, as this passes the risk of providing retirement benefits onto the end member who is then reliant on future investment returns (which are not guaranteed). Turn to page 08 to read the full article.

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

We hope you enjoy reading this issue and find it informative. To discuss any of the articles featured, please contact us.

**Simone Nicholson, Editor**

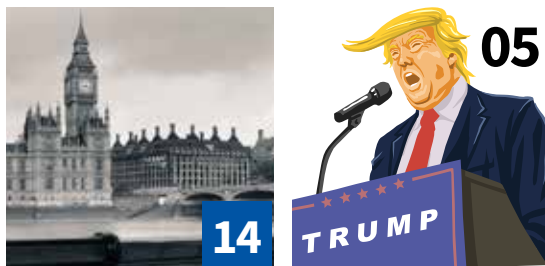


**SG WEALTH MANAGEMENT**  
Impartial, accountable and trusted.



# Contents

ISSUE 4 | SUMMER 2017



- 04 **MESSAGE FROM STEPHEN GIRLING**  
Helping you live the life you wish to live
- 05 **TRUMPENOMICS**  
An investment outlook
- 06 **NEW PREMISES**  
Relocation to new Ipswich office
- 08 **FINAL SALARY PENSIONS**  
To have and to hold?
- 09 **SPOTLIGHT ON...**  
Andrew Morley
- 10 **NEW TAX YEAR, NEW ISA ALLOWANCE**  
Taking control over where your money is invested tax-efficiently
- 12 **SAFEGUARDING WEALTH FOR FUTURE GENERATIONS**  
New Inheritance Tax rules apply from 6 April 2017
- 14 **AUTOMATIC ENROLMENT**  
The impact of rising contributions
- 15 **CHAIRMAN'S THOUGHTS**  
Professor Andy Wood OBE

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# CREATING WEALTH FOR THE NEXT GENERATION

Stephen Girling, Managing Director shares how his growing team can help you live the life you wish to live

We've seen a very busy first quarter of 2017 here at SG Wealth Management. We boast one of the largest teams of pension transfer specialists in the region, and we have seen a significant increase in people seeking advice on how to plan for their financial future using pension funds from previous employers.

Recent new enquiries in this area totalled in excess of £11 million of transferable funds, creating wealth for the next generation in our region.

## WHAT'S NEW?

Our Ipswich team are now settled into their new home at the Waterfront, and now the weather is warmer and evenings lighter we will soon look to hold an open evening to showcase our new office.

In January, it was great to see Andrew Morley join our team (see page 8), bringing his wealth of knowledge and experience to add even greater depth to our client advice service. Andrew has worked in financial services since 1987, and in addition to providing financial advice to clients he has also undertaken a number of management roles.

## WHAT'S NEXT?

The Personal Finance Society has launched a new financial adviser development programme, offering a wide range of support to employers of aspiring financial advisers. SG Wealth Management is a progressive company, and I'm delighted that we are able to offer apprenticeship opportunities to those looking to further their careers in this area.

We look forward to supporting the SG Wealth Management Norfolk Ladies cricket team throughout the summer, along with attending

the wonderful Norwich Baroque concerts, which many of our clients have previously joined us for as our guests to enjoy.

## DO WE HELP YOU LIVE THE LIFE YOU WISH TO LIVE?

We are focussed on delivering outstanding service and recently have asked our clients for some feedback about the services they receive from my team. It's been really interesting to hear the thoughts on the current service and the ideas they have to make things that bit easier for them to connect with us. As always, please do not hesitate to contact myself directly with any questions or feedback. Here's to a great summer for us all. ■

“

In January, it was great to see Andrew Morley join our team, bringing his wealth of knowledge and experience to add even greater depth to our client advice service.”



# TRUMPENOMICS

## An investment outlook



We are now just months into the new Donald Trump era, and as expected he has started upsetting many sectors of society and other countries already!

Trump has stated that he will be tough on terrorism that affects US citizens, and to this end he has already implemented two travel bans on immigrants and Visa holders from seven mostly-Muslim countries (although this has been suspended twice by federal judges who deemed this to be unconstitutional). He presided over his first military strike on Al Qaeda in Yemen and imposed additional sanctions on Iran in response to a Ballistic missile test. We also recently learned that he launched 59 cruise missiles against the Assad regime military infrastructure in response to a gas attack on the Syrian people.

### CONSUMER CONFIDENCE

Trump has stated that he will reduce regulation, and he has signed an executive order intended to scrap two older regulations for each new one implemented. He has also brought forward measures designed to wind back one of the previous administration's flagship policies dubbed as 'Obamacare', although his changes have been largely thrown out by the administration.

President Trump has wasted no time in getting as many people in the world as possible to dislike him, and whilst his policies and actions have been met with significant protest – both in the US and globally – it may be something of a surprise that consumer confidence has jumped and is now at levels that exceed 2007. This has been combined with a continued rise in G10 positive surprises (i.e. where actual performance has exceeded expectations) and also a continued pick-up in US hourly earnings and a global stock market that is now reaching new highs.

### GOVERNMENT-SUPPORTED RECOVERY

Outside of the US, there are still a lot of issues that need to be resolved, but data from China would suggest that their economy is bottoming out and may be ready to resume at an increasing GDP

growth rate. Spain, which was so badly affected during the financial crisis, has seen seven quarters of increasing growth, and optimism is returning to the country. Japan and Europe continue with their quantitative easing program, and globally (despite the fact that the US has started a gradual fiscal tightening program) monetary policy remains lax and very accommodative to world growth prospects.

We are perhaps entering the next phase of government-supported recovery post-financial crisis, and as QE tapers off and the effects on asset prices starts to wane, then increased infrastructure spending will take over. Increased expenditure on infrastructure has an immediate impact on job creation and also increases the profitability of those companies who are contracted to complete the work. Most of these projects take years to complete, and the benefits will feed through the economy for a long time. Even post-completion, the benefits should be feeding through the economy with greater productivity possible due to less time wasted travelling or stuck in traffic.

It is realistic that we see a global, synchronised economic upturn from where we are now, and this gives further reason to be optimistic. As the western world spends, then emerging economies should also benefit due to increased use of resources on which many emerging economies rely for their income.



### INCENTIVE TO INVEST

From a market's perspective, it is true that, globally, stock markets are expensive when compared to historic averages, but prices can stay expensive for a long time – and indications would suggest that earnings growth will pick up, and this will be supportive. Also, we would expect that moneys held in cash will be more likely to be invested as cash returns continue to be negative in real terms. As inflation takes hold, which it will, then cash returns will be even more negative, and the incentive to invest will become greater. We expect that policymakers will be slow to react to any inflationary pressures, as they will not wish to choke off the all-important economic growth. And in reality, we know that policymakers need inflation to devalue the massive debt piles, held on national balance sheets, around the world.

One thing that we can be certain of is that things will not move in a straight line, and so with respect to investing we should expect that as markets potentially move ahead faster than economic change, bubbles will form. We should expect volatility and periodic market corrections, so now is not the time to be complacent. ■

### Henry Gaskin

#### Chief Investment Officer

THIS ARTICLE IS WRITTEN TO PROVIDE INFORMATION AND INTELLIGENCE ON BROAD INVESTMENT TOPICS. THIS INFORMATION IS PROVIDED FOR THE PURPOSE OF GENERAL DISCUSSION AND DEBATE AND SHOULD NOT BE INTERPRETED AS INVESTMENT ADVICE.

PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE. THE VALUE OF AN INVESTMENT AND THE INCOME FROM IT CAN FALL AS WELL AS RISE AND YOU MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED. TAX ASSUMPTIONS AND RELIEFS DEPEND UPON AN INVESTOR'S PARTICULAR CIRCUMSTANCES AND MAY CHANGE IF THOSE CIRCUMSTANCES OR THE LAW CHANGE.

Picture credit: doddis77 / Shutterstock.com



ABOVE: (from left to right) Aggie McCardle, Ibrahim Ishmail, Tina Smiddy, Stephen Girling, Henry Gaskin, Katie Jones, Susan Steel

# NEW PREMISES

Ipswich team provide trusted advice to a growing client base from new premises

SG Wealth Management acquired Ipswich-based Stan Gaskin Ltd in 2011, bringing together two of the region's leading financial planning and wealth management firms, with the added benefit of a Corporate Services Division.

We have recently completed the Ipswich office relocation from the former base at Stan Gaskin Ltd on Soane Street. The team are now settled into the new SG Wealth Management offices at the Ipswich Waterfront. Their new home at Waterfront House provides the team with a modern open-plan workspace with fantastic



views on the Neptune Marina, along with a new versatile meeting space which will enable us to offer meetings via Skype soon.

Our skilled and experienced team is on hand to deliver expert financial planning, investment management and employee-benefit solutions.

**WHAT MAKES THE IPSWICH WATERFRONT SO SPECIAL?**

The Ipswich Waterfront was established in the 7th century, and since that time a lot of history has developed. Once well known as the biggest wet dock in Europe, today the area is the site of the largest single regeneration project in the East of England, with over a billion pounds spent on, or earmarked for, this development.

The former industrial dock area is now the focus of this huge investment, aiding growth in both jobs and housing. The impressive new developments have been deliberately designed to integrate new buildings with the historic architecture that is being preserved, so retaining much of the Waterfront's special character.

The majority of the Flour Mills and Maltings have already been converted into offices, restaurants and apartments, and the remainder well on their way to becoming the same, with new buildings interwoven that compliment the whole area. One building that remains untouched is the Old Customs House, which remains a focal point of the waterfront. ■



“

I've enjoyed relocating here and welcoming our clients to our new office. It creates a lovely tranquil environment for meetings with our advisors. Feedback from our guests has been really positive! I'm really looking forward to our showcase evening later this year.”

*Aggie McCardle, Client Services*



ABOVE:(from top left)Katie Jones, Tina Smiddy, Ibrahim Ishmail, Susan Steel, Aggie McCardle, Stephen Girling, Henry Gaskin



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# FINAL SALARY PENSIONS

To have and to hold?

Over recent months, we have seen increased coverage in the press, as well as many enquiries from new potential clients, around the feasibility of transferring pension benefits from final salary (Defined Benefit ‘DB’) schemes into personal pension (Defined Contribution ‘DC’) arrangements.

Our default position has always been that, for many people, it is likely not to be the best option to affect a transfer out of a DB scheme, as this passes the risk of providing retirement benefits onto the end member who is then reliant on future investment returns (which are not guaranteed).

## PENSIONS FREEDOM

Whilst the peace of mind offered by a DB pension is very valuable, the introduction in

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Whilst the peace of mind offered by a DB pension is very valuable, the introduction in 2015 of new ‘Pensions Freedom’ legislation certainly provides more flexibility for those who have funds in a DC arrangement.”

2015 of new ‘Pensions Freedom’ legislation certainly provides more flexibility for those who have funds in a DC arrangement. This is true both for those looking to use their funds to provide more flexible benefits in retirement, as well as those who look at their pensions as a vehicle to provide a future legacy for their family. This flexibility can make the transfer from DB to DC look more attractive than in the past.

Furthermore, many of the transfer values being offered from DB schemes are now higher than they have been historically, and therefore worthy of analysis and consideration in some circumstances. Transfer values are being inflated due to the way that these are calculated by scheme actuaries, to reflect the higher cost of securing a guaranteed income in the current low interest rate and low yield environment.

## SENSIBLE STRATEGY

Having a broad understanding of a client’s current and future financial position, their likely needs in retirement, and the strategy for meeting their needs (for example, when and how is income going to be provided) is crucial to feed into any transfer assessment. A retirement strategy has many moving but interlinked parts.

It is sensible for many to consider building a retirement strategy out of a mix of guaranteed and more flexible pension arrangements, typically with at least their basic living costs met by secured income (for example, State Pension, DB pensions, annuities, etc.). Thereafter, more ‘luxury’ expenditure and ‘legacy’ planning is able to be met by more flexible unsecured arrangements (for example, pension drawdown) – if this element underperforms, it will not be too detrimental to a person’s core needs. However, with current high transfer amounts, we understand there are those where the traditional secure pension route needs to be compared to the alternatives. ■

**Andrew Morley**  
Wealth Manager



# SPOTLIGHT ON...

Andrew Morley, Wealth Manager

## WHAT DO YOU CONSIDER TO BE THE MOST SIGNIFICANT ACCOMPLISHMENT OF YOUR CAREER SO FAR?

I do not have one achievement that stands out above any others as I have been very lucky to have carried out a variety of roles in my 30 years within Financial Services. When I retire I wish to look back on my career and feel proud of my overall achievement and how I have been able to help clients along the way.

## WHO IS YOUR ROLE MODEL IN BUSINESS, AND WHY?

My parents are perfect role models. They have always worked hard to achieve what they wanted, and even now they are retired the energy and drive to help others still exists. I believe that their work ethic has a major influence on the way I have been able to achieve my goals throughout my working life.

## WHAT MAKES YOU MOST PROUD IN LIFE?

My wife and family. We have five children and also now have two grandchildren. When the children were young I worked long hours and was also away from home for long periods, but my wife kept the house running smoothly – I just messed it up at weekends!

## IF YOU COULD WITNESS ANY EVENT PAST, PRESENT OR FUTURE, WHAT WOULD IT BE?

I enjoy live music, and we unfortunately lost many great musicians and TV personalities in 2016. On a music front, I would have liked to have seen both David Bowie and Prince perform live.



“

My parents are perfect role models. They have always worked hard to achieve what they wanted, and even now they are retired the energy and drive to help others still exists.”

Going back to 1966 I would have loved to have been at Wembley for the World Cup Final. The atmosphere must have been incredible, and the final was played with 11 England players proud to wear the shirt!

## WHAT HOBBIES AND INTERESTS DO YOU GET INVOLVED IN OUTSIDE OF WORK?

I took up cycling a couple of years ago, and yes I am a MAMIL (Middle Aged Man In Lycra). I now take part in a number of organised charity rides each year and next year will be hoping to cycle in Italy with my wife around Lake Garda.

I also play badminton a couple of times a week and have just started playing squash again, which may be a bad idea!

I follow motorsport, mainly F1 and the British Touring Cars. Football is another keen interest of mine – not playing, only watching! ■



# NEW TAX YEAR, NEW ISA ALLOWANCE

Taking control over where your money is invested tax-efficiently

Each tax year, we are each given an annual Individual Savings Account (ISA) allowance. The new ISA limit for 2017/18 is £20,000. It is a 'use it or lose it' allowance, meaning that if you don't use all or part of it in one tax year, you cannot take that allowance over to the next year.

An ISA is a tax-efficient investment wrapper in which you can hold a range of investments, including bonds, equities, property, multi-asset funds and even cash, giving you control over where your money is invested tax-efficiently.

## SHELTERING YOUR MONEY FROM TAX

ISAs are becoming an integral part of financial planning. However, it is important to remember that an ISA is just a way of sheltering your money from tax – it's not an investment in its own right.

ISAs offer a unique range of benefits, as there is no Income Tax on interest payments (which are made by bond funds) or dividends (which are paid by equity funds), and you don't lock your money away, so you can still access it whenever you need to.

## WITHDRAWALS TO INCREASE YOUR INCOME

Income from an ISA doesn't affect your personal

allowance or age-related allowance, and there's no Capital Gains Tax (CGT) payable on any growth you may achieve. This means you could use withdrawals to increase your income when necessary. However, any losses made in the ISA cannot be used to offset gains made elsewhere.

When you invest through an ISA, you don't have to pay personal Income Tax on any interest you receive from your investments. In a Stocks & Shares ISA, interest is generated by bond funds, which many investors choose because they offer the potential for a regular lower-risk income, compared with equities.

## PARTICULARLY USEFUL IN RETIREMENT

This feature of an ISA is particularly useful in retirement, as it means you can hold your money in bond funds and generate a tax-efficient income on top of the payments you receive from your pension. It is also very beneficial if you want to generate long-term capital growth from your funds but prefer to take a cautious approach to investing.

When your investments are held in ISAs, you don't have to pay any CGT on the growth. Of course, this may seem like a minimal benefit if your profits are well within the current £11,300 threshold

for CGT, but it's worth remembering that stocks and shares investments are for the long term. If your funds perform particularly well for several years, holding them in ISAs will mean you have full access to your money at all times without having to worry about managing a potential tax burden.

## SIMPLIFYING YOUR FINANCIAL ADMINISTRATION

You don't have to declare any investments held in ISAs on your tax return. This may not seem like much, but, if you have to file an annual tax return, you'll know that any way of simplifying your financial administration can be very helpful.

If you feel that your existing ISA provider is no longer appropriate for your needs or you are looking to consolidate your investments under one roof, with an ISA you are free to transfer your investment between providers to suit your individual needs. Please note: your current provider may apply a charge when you transfer your investment. While your investment is being transferred, it may be out of the market for a short period of time and may not lose or gain in value.

## WITHDRAWALS FROM AN ISA ARE TAX-EFFICIENT

ISAs can give you control over your retirement income, as you can take as much money out as you like, whenever you want. Savings in an ISA and withdrawals from an ISA are tax-free. If you are a pension saver, you can generally also take out as much money as you like, whenever you want, from age 55. However, at present only up to 25% of the pension can be withdrawn tax-efficiently, with withdrawals taxed at the applicable marginal rate of Income Tax. Separately, a test against the Lifetime Allowance may also be applied, which could result in additional tax becoming payable.

## TYPES OF ISAS AND ALLOWANCES

### CASH ISA

Anyone over the age of 16 can put their cash savings into a Cash ISA. Accounts can be either instant access, have notice periods or have fixed terms.

The annual allowance for a Cash ISA is currently £20,000. You can invest up to this full amount in your Cash ISA, or you can share this

allowance between a Cash, Stocks & Shares, and Innovative Finance ISA.

Many Cash ISAs are now flexible. If the ISA provider offers them and you withdraw from one, you can put it back into the same account in the same tax year without affecting your allowance. It works on money in old Cash ISAs and cash you've deposited this tax year.



Anyone over the age of 16 can put their cash savings into a Cash ISA. Accounts can be either instant access, have notice periods or have fixed terms.”

### STOCKS & SHARES ISA

Anyone over the age of 18 can put individual shares or managed funds into a Stocks & Shares ISA.

The current annual allowance for a Stocks & Shares ISA is £20,000. You can invest up to this full amount in your Stocks & Shares ISA, or you can share this allowance between a Cash, Stocks & Shares, and Innovative Finance ISA.

### LIFETIME ISA

This ISA will be available for those aged between 18 and 39 from 6 April 2017 (if you turned 40 on or before 6 April 2017, you won't be eligible).

Announced in the 2016 Budget, this new tax-efficient savings or investments account is designed to help under-40s purchase their first home or save for retirement.

For every £4 you save, the Government will add £1 (worth up to £1,000 a year), paid at the end of tax year, up to the age of 50. Up to £4,000 a year is eligible for the 25% bonus (you can add more, but it won't receive a government contribution).

In the first year, it will be paid annually, but from the 2018/19 tax year onwards the bonus is paid every month, so that you benefit from compound growth. You can invest in either cash or stocks and shares.

### INNOVATIVE FINANCE ISA

This ISA is for investments in peer-to-peer lending platforms such as Zopa, Ratesetter and Funding Circle. You must be over the age of 18 to invest.

The current annual allowance for an Innovative Finance ISA is £20,000. You can invest up to this full amount in your Innovative Finance ISA, or you can share this allowance between a Cash, Stocks & Shares, and Innovative Finance ISA.

These are generally considered higher-risk investments and may not be considered suitable for all types of investors. You could lose some or all of your capital.

### HELP TO BUY: ISA

This ISA has been introduced to help first-time buyers over the age of 18 get on the property ladder. You have to choose between either a Cash ISA or a Help to Buy: ISA, but you can have a Help to Buy and a Stocks & Shares ISA in the same tax year.



### Expert professional investment advice

*Choosing between a Cash ISA and an investment ISA such as Stocks & Shares will depend on the level of risk you are comfortable taking with your money, as well as factors such as how soon you will need to access your money. Please contact us to review the most appropriate options for your particular situation – we look forward to hearing from you*

You can start your Help to Buy: ISA with a lump sum deposit of up to £1,200. You can then save up to £200 a month.

For every £200 you save, the Government will add 25% up to a maximum bonus of £3,000. However, the government bonus on a Help-to-Buy: ISA can only be applied at completion by the solicitor as the final part of the property purchase payment. As such, the monies cannot be used to help fund the deposit element of a property purchase.

### JUNIOR ISA

Cash or investments can be wrapped in this ISA on behalf of children under the age of 18. The Junior ISA has an annual allowance of £4,128.

You must be a UK resident or crown employee to invest in any type of ISA (with the exception of the additional permitted subscription ISA allowance). ■

### Susan Steel Wealth Manager

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.

STOCKS & SHARES AND INNOVATIVE FINANCE ISA INVESTMENTS DO NOT INCLUDE THE SAME SECURITY OF CAPITAL WHICH IS AFFORDED WITH A CASH ISA.

# SAFEGUARDING WEALTH FOR FUTURE GENERATIONS

New Inheritance Tax rules apply from 6 April 2017

Unforeseen life events and circumstances can potentially impact your finances in a number of ways. We can help you to safeguard your wealth for future generations.

Although often in the news, Inheritance Tax (IHT) is still not widely understood. That's worrying, because it affects thousands of families every year. If you thought IHT was just for extremely wealthy people to worry about, think again. The amount of IHT collected has doubled over the last five years[1].



## MONEY AND POSSESSIONS

If your estate has an IHT liability, IHT must be paid prior to probate and therefore prior to the beneficiaries receiving their legacy. This may not be the kind of legacy most people think of leaving behind. IHT is payable on assets such as property, money and possessions that are passed on when you die. IHT is payable at 40% (or 36% if 10% of the net estate is left to a registered charity) on assets that exceed the threshold 'nil-rate band', which is currently at £325,000.

The good news is that there are things you can do – in your lifetime – to take care of a potential problem. But finding the right options for you will depend on your personal circumstances and receiving appropriate advice.



The new rules are designed to ensure that the elderly are not encouraged to retain family homes they would otherwise have sold.”

## NEW IHT RULES

Under the new IHT rules, more estates are likely to pass free of IHT post-5 April 2017. By 5 April 2021, some estates worth £1 million will pass free of IHT. This is the good news, but it's far from the whole picture. For many, in particular the childless, the IHT could in fact (with the effect of inflation) be higher post-5 April 2017.

For deaths from 6 April 2017, an additional IHT-free 'residence nil rate band' (RNRB) will be

available. This will begin at £100,000 in the tax year 2017/18 and will increase by £25,000 each tax year, reaching £175,000 by tax year 2020/21. Based on the current information, from tax year 2020/21 onwards, the RNRB will increase each year in line with increases in the consumer prices index.

This RNRB is available where the deceased leaves a property (or the proceeds of sale of a property) in which they have lived at some point to their direct descendants or the spouse or civil partner of a direct descendent (children and their issue).

## RESIDENCE NIL RATE BAND

The residence nil rate band is available on top of the existing IHT nil rate band of £325,000, so that in 2020/21 an individual will potentially be able to leave £500,000 free of IHT. As is now the case with the standard nil rate band, where the first of a married couple to die leaves their estate to their spouse, the IHT nil rate band can effectively be 'passed on' to the surviving spouse.

For those with a conventional family, a modest home and savings (and subject to the rate of house price increases in the coming years), it is therefore likely that no IHT will be payable on their estate.

## DOWNSIDED OR SOLD UP

The new rules are designed to ensure that the elderly are not encouraged to retain family homes they would otherwise have sold. Where the deceased has downsized or sold up, it will still be possible to pass on the proceeds of the family home. The rules provide only that the deceased must have lived in the property in question at some point, and that assets of an equivalent value are passed on to direct descendants.

The additional RNRB will not be available to the most valuable estates. This is because where the value of the deceased's estate (after deducting liabilities but before deducting any reliefs and exemptions) exceeds £2 million, the RNRB will be reduced by £1 for every £2 that this £2 million threshold is exceeded. If, therefore, death was to occur in the 2020/21 tax year when the RNRB will be £175,000, this would mean that no RNRB will be available for estates with a value of £2.35 million or more (or £2.7 million on the

death of a surviving spouse where a full RNRB is available to be transferred to the survivor).

### ERODED BY INFLATION

The nil rate band of £325,000 is now frozen until at least April 2021. This means that for the unmarried, and for those who leave no children or grandchildren, the IHT-free band will continue to be eroded by inflation. A single person owning property in London, for example, is highly likely to leave an estate subject to IHT. The number of single and childless persons of even modest means who will fall within the IHT bracket will inevitably continue to increase.

The actions you need to take depend on your family's needs for capital and income, as well as your current assets and your intended beneficiaries, so it's important to speak with us for expert advice on the best options for your circumstances. ■

#### Mike Moore Wealth Manager

LEVELS, BASES OF AND RELIEFS FROM TAXATION MAY BE SUBJECT TO CHANGE, AND THEIR VALUE DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF THE INVESTOR.

#### Source data:

[1] HM Revenue & Customs (HMRC) collected £4.7 billion from thousands of bereaved families in 2015/16. Source: Office for National Statistics, 2016



#### Don't leave loved ones with a large and unnecessary IHT bill to pay

*Estate planning can be complicated, and talking to us about your situation can make a real difference. Our experience is that too many people are leaving their loved ones with a large and unnecessary IHT bill to pay. To review your situation, please contact us.*





# AUTOMATIC ENROLMENT

## The impact of rising contributions

Recently, Parliament passed the dates for when the auto enrolment minimum pension contribution increases will begin. The new employer duties are being introduced gradually; the minimum contribution has been introduced at 2% of an employee's pay. This will rise gradually to 8% – the dates for the increases to 5% and 8% are April 2018 and April 2019.



The average employer contribution is 3%, but many employers using NEST contributed just 2%. NEST is the workplace pension set up by the Government, which is free for employers. Employers using NEST are likely to be offering pension provision for the first time as a result of automatic enrolment, and often contribute the legal minimum.

### HOW WILL THIS IMPACT THE NATION'S RETIREMENT POTS?

By April 2019, four times as much will be contributed into every employee's pension each month, resulting in extra benefits such as tax relief and investment growth. Retirement pots of the future will now be significantly greater in value when employees reach their retirement age. Future generations who have saved well will be able to decide when they stop working, rather than relying on working past their State Pension age to supplement their income.

### WHAT'S CHANGING?

	Employer minimum based on Qualifying earnings	Employee minimum based on Qualifying earnings
Currently	1.00%	1.00%
From April 2018	2.00%	3.00%
From April 2019	3.00%	5.00%

	Employee contribution deducted after tax	Tax relief applied	Total employee contribution
Currently	0.80%	0.20%	1.00%
From April 2018	2.40%	0.60%	3.00%
From April 2019	4.00%	1.00%	5.00%

### FACT

62% of staged employers are phasing in contributions, but 32% are contributing at least 3% already.



Other factors that will lead to a greater contribution being made are wage increases, amendments to the qualifying earnings banding and future legislative increases to the minimum total contribution above 8%. Employers do not pay National Insurance on pension contributions and the contributions are tax deductible from corporation tax/income tax (Sole traders and Partnerships). ■

**Ryan Oates DipPFS BSc**  
Corporate Services Manager

# CHAIRMAN'S THOUGHTS

by Professor Andy Wood OBE

I'm incredibly proud and delighted at the progress SG Wealth Management has made in recent years. This has been driven by us supporting clients across Norfolk and Suffolk with decision-making around their (often hard-earned) wealth and by our strong reputation for transparency and professionalism. Our teams not only enable our clients to plan for the future but importantly advise them on how to safeguard their wealth for future generations – an important consideration in these uncertain times as the UK works out its new role in the world.

Despite the potential for much economic concern as we work through 2017, we can offer peace of mind to our clients and those who work with us through our years of experience, our transparency, our professionalism and our impartiality. All of which leads to us being a trusted partner. Our experience and long-term perspective will undoubtedly serve us well and reassure clients over their concerns. On a personal level, I have had no hesitation in recommending friends and family to use our first-class investment skills on their behalf as they plan their futures.

The world of investment can be complex and at times ambiguous. Our clients trust us to make the right decision over the right timescale for them whilst they get on with living their lives safe in the



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knowledge that they have a great team looking after them. Peace of mind indeed!

Thank you to each and every one of our employees for their commitment to SG Wealth Management and to our clients. I greatly appreciate it.

## ANDY'S LIFE OUTSIDE OF SG WEALTH MANAGEMENT:

- Andy is CEO of Southwold-based brewers Adnams and has played a leading role in the company's expansion over recent years
- He completed a Doctorate at Cranfield University in 2007
- He was awarded an OBE in the Queens Birthday Honours 2013 and was HRH The Prince of Wales' Ambassador for Responsible Business in the East of England until 2016
- He is Professor of Corporate Leadership and Associate Dean of Enterprise (Faculty of Social Science) at the University of East Anglia and has further honorary degrees from Cranfield University, Anglia Ruskin University and the University of East Anglia.



# AUTO ENROLMENT WE'LL HELP GUIDE YOU IN SAFELY

Here at SG Corporate Services, our aim is to give every employer, no matter how small, access to a professional, independent service that will implement an Auto Enrolment solution on time.

**For a free no obligation quote, please contact our Corporate Services team.**

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