

Boost your retirement plans – prepare your pension for 2024

May 2024

Format

During the webinar

- Please use the **Zoom Q&A function** for Questions
- We will answer any questions at the end of the session
- Unanswered questions will be followed up afterwards (unless asked anonymously)

After the webinar

- Slides will be made available after the webinar,

Important information

FINANCIAL PLANS |
INVESTMENTS |
EMPLOYEE BENEFITS |

Nothing in this webinar is intended to constitute advice or a recommendation, and you should not take any investment decision based on its content. Our opinions may change without notice.

The value of an investment and the income derived from it can go down as well as up and investors can get back less than originally invested.

Examples of how tax or tax relief may apply are based on our understanding of current tax legislation. Whether any tax will be payable, at what level it is charged and whether individuals qualify for tax relief will depend upon individual circumstances and may be subject to change in the future.

Client examples are for illustrative purposes only.

The opinions expressed may be subject to change without notice.

This information is for UK residents only

Today's Speakers



Gary Smith

Financial Planning
Partner
Evelyn Partners



Andy King

Retirement Planning
Specialist
Evelyn Partners



Nick Scarborough

Investment Management
Partner
Evelyn Partners



About Evelyn Partners



1
of the leading
wealth management groups



187 YEARS
of helping clients achieve
their financial goals



179k+
clients trust us with
their financial future



£59.1bn
assets under
management



10+
Years
Performance
track record



A leading
provider of investment
and financial
advisory services



3000
>3,000 staff across the
UK, Ireland and Jersey



290+
Qualified financial
planners



330+
Investment
managers



30
local offices

Financial Planning Awards



Investment Awards



evelyn
PARTNERS

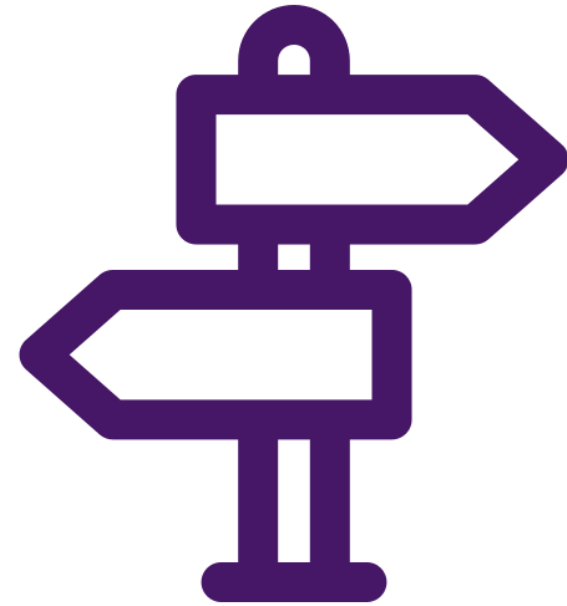


PENSIONS – 2024 AND BEYOND



- 1 What we know, what has changed and how have things U-Turned
- 2 Future Government plans and new rules for 2024
- 3 Client scenarios and planning opportunities
- 4 Q&A

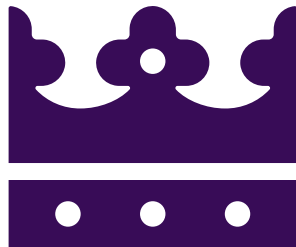
Which route to take?



Where are we now?

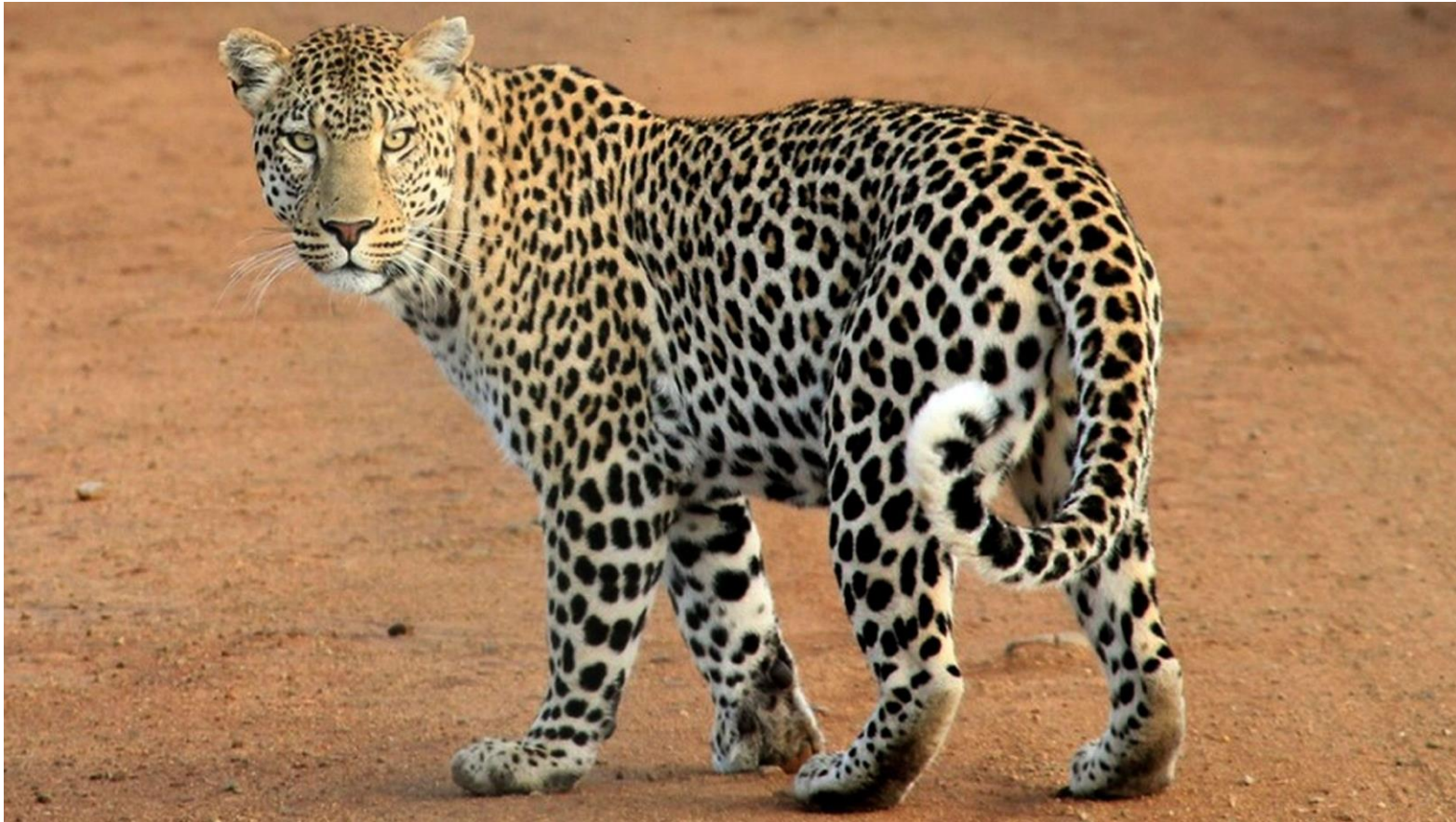


The last three budgets and pension related issues



Draft legislation and what is still being ruminated

Can these spots be changed ?

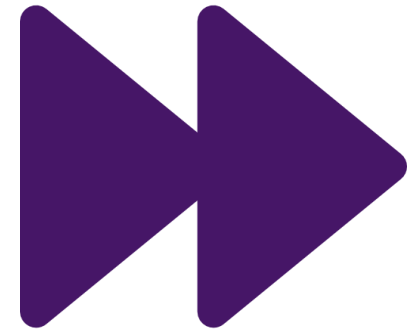


DO PENSIONS STILL OFFER VALUE FOR INVESTORS



- 1 Contributions, carry forward and tax relief
- 2 A wide range of investment options
- 3 Pension consolidation
- 4 IHT and inter-generational planning

Taking pension action now ?



Client Example – Mr Andrews



- Mr Andrews is aged 59, an employee, earns £205,000 per annum plus bonuses, has a SiPP valued at £985,000 and has no form of protection.
- He had opted out of his company scheme in 2021 due to his proximity to the Lifetime Allowance.
- He plans to retire in October 2024

Helping Mr Andrews in a nutshell



- Take advantage of re-joining workplace schemes
- Look at carry forward
- Maximise tax relief and reduce income tax
- Crystallise and avoid the Lifetime Allowance charge

Client Example – Mrs Clarke



- Mrs Clarke stopped working full time in early 2023
- She will be 65 in February 2025 and had planned to live off her savings and take her pensions then
- She has a Final Salary (Defined Benefit) pension due to pay her £55,000 pa
- She also has a SiPP pension valued at £700,000
- She has a £150,000 interest only mortgage
- She is married and her younger spouse has limited pension provision

Helping Mrs Clarke in a nutshell



- The preferential order in which you take your pensions has changed
- Early retirement reduction factors may be outweighed by the tax savings
- The Defined Benefit pension would have previously been reduced by the Lifetime Allowance charge
- She can now take maximum advantage of the inflation proofed, guaranteed Defined Benefit income
- Her cash savings which would have been drawn on will now be maintained

Client Example – Mr Donaldson



- Mr Donaldson previously applied for Fixed Protection 2012 to maintain an Lifetime Allowance of £1.8 Million
- He has not contributed to a pension over the last 11 years and is an additional rate taxpayer earning £200,000 per annum

Helping Mr Donaldson in a nutshell



- Use carry forward as now back in play for this client
- Maximise the new £60,000 annual allowance
- Look at spreading carry forward over 2 years
- Maximise tax relief and reduce income tax

Client Example – Mrs Evershed



- Mrs Evershed is aged 62, married with one grown up child and currently has an existing uncrystallised pension valued at £1,300,000. The pension does not offer a dependants or beneficiaries' drawdown.
- Her pension benefits are held in a trust for the benefit of her son, who is an additional rate taxpayer.

Helping Mrs Evershed in a nutshell



- Review current pensions to ensure they offer flexible death benefits
- Look out for pensions written in trust
- Check nomination of beneficiaries is up to date and effective
- Consider the taxation position of beneficiaries

Client Example – Mr Villiers – Crystallise remaining benefits?



- Mr Villiers 59 has a SIPP valued at £2,200,000 and holds Fixed Protection 2014 and has not paid into a pension since 2014.
- He is married with 2 grown up children.
- He has previously crystallised part of his pension up to his protected Lifetime Allowance of £1.5m.
- Should he crystallise his remaining benefits ?

Explaining what Mr Villiers can do in the new world



- To crystallise or not to crystallise ?
- Designate remaining funds to drawdown
- Re-join workplace scheme and accrue more benefits
- Check death benefits and that nomination of beneficiaries is up to date and effective

Key considerations – restarting pension contributions

Do you hold any form of protection ?

Will you be auto-enrolled at some point ?

Do you have any other pension related benefits, such as death in service life cover ?

Would your employer backdate contributions to April 2023 ?

Key considerations – crystallising and avoiding the Lifetime Allowance charge

When will you start taking money from either pension or other assets ?

Why did you not crystallise previously ?

Would a Defined Benefit early retirement factor be outweighed by the Defined Benefit income received on a non Lifetime allowance charge basis ?

If you do crystallise and take tax free cash, what will you do with the money ?

Who is the eventual beneficiary of your pension?

How does this change to the pension fit in with your other IHT planning ?

The flies in the ointment

- Tax free cash frozen to a maximum of £268,275 (unless previous Protection in place)
- Lump sum benefits in excess of the Lifetime Allowance are now taxable on the recipient's highest marginal rate (previously taxed at 55%).
- Labour Party pledge to reverse reform and reinstate Lifetime Allowance
- IHT planning doubts now need to be considered - Plan B?
- Pensions with scheme specific tax-free cash entitlements



Financial planning opportunities

<p>Anyone with funds in excess of the Lifetime Allowance and those who have already partially crystallised</p>	<p>Restructuring of IHT planning</p>	<p>Anyone considering crystallisation in the next 2 years, Defined Benefit and Defined Contribution</p>
<p>NHS & Public Sector pension scheme members</p>	<p>Anyone who has opted out of Defined Benefit or Defined Contribution schemes and ceased pension accrual</p>	<p>Spouses of deceased clients, awaiting benefit settlements</p>
	<p>Clients with pensions where benefits are held in a trust and the provider does not offer dependants drawdown</p>	

Pensions – The Future



Any questions?



Contacts

FINANCIAL PLANS | INVESTMENTS | TAXES

Evelyn Partners Client

Please contact your usual adviser with any queries.

Non-Evelyn Partners Client

Please contact us online at

<https://www.evelyn.com/contact-us/>

where you can request a call back, book an appointment or send us an email or call on 0207 189 2400.

Important information

FINANCIAL PLANS | INVESTMENTS | TAXES

Nothing in this webinar is intended to constitute advice or a recommendation and you should not take any investment decision based on its content.

Remember that the value of investments, and the income from them, can fall as well as rise and that you may not get back the amount you originally invested.

Prevailing tax rates and reliefs depend on your individual circumstances and are subject to change.

Advice in relation to Inheritance tax and taxation advice is not regulated by the Financial Conduct Authority, however, the products used to mitigate tax may be regulated.

Issued by Evelyn Partners Financial Planning Limited which is authorised and regulated by the Financial Conduct Authority.