



## HOW TO PROTECT YOUR FAMILY AND YOUR FUTURE

The coronavirus pandemic has presented many of us with situations for which we could never have planned. These unprecedented times have emphasised how important it is for every individual to create a resilient savings and investments structure. It might feel exhausting to deal with financial issues during this time, but now it is more critical than ever to undertake a full financial health check and understand the answers to key pressing questions.

### Wills and Probate

Regardless of whether you have dependents and/or valuable assets, creating a Will is essential. It can speed up the process of probate, maximise assets and minimise tax liability.

#### Are my chosen beneficiaries still relevant?

Your chosen beneficiaries are likely to change as you move through different life stages, such as marriage, divorce, and starting a family. It is essential to reflect these changes in your Will as soon as possible to ensure that your estate is distributed to the right people and according to your wishes.

#### Have I chosen the right executor/s?

Choose an executor whom you trust fully to take on the responsibility of organising your estate and making sure that your wishes are fulfilled. Review this decision on a regular basis to ensure that the nominated party is still competent, able and willing to take on the role.

### Life Cover

As a baseline, your life cover should be arranged in a suitable trust to ensure the proceeds do not form part of your estate and are therefore not subject to inheritance tax.

If you own a business, a tax-efficient relevant life cover plan will pay a tax-free lump sum to your employee's dependents if they pass away while on your payroll. The policy is arranged as a under a discretionary trust arrangement. Premiums paid by employers are not normally assessable for employer or employee National Insurance contributions. Employees might also choose to take out their own life insurance in addition.

Our advisers will review your business and personal life insurance policy and trust documents to ensure that all beneficiary nominations and trust deeds are up to date. We can also ensure that your policy remains competitively priced, tax efficient and relevant to your age, state of health and lifestyle.

### Pension Planning

A pension is a long-term savings plan built up over your working life that grows entirely free of UK tax. Individuals makes regular payments into their pension and those with a workplace pension also receive employer contributions.

#### Am I at risk of breaching the contribution limits?

Higher earners should be aware of recent changes to the Tapered Annual Allowance. Income thresholds have been raised for the tax year 2021-2022, meaning a new threshold income of £200,000 and adjusted income of £240,000. If you are above both the threshold and adjusted income figures, your annual allowance is reduced by £1 for every £2 that you exceed the adjusted income figure.

Further to this, the minimum Annual Allowance for those who are fully tapered will reduce from £10,000 to £4,000. It is important to ensure you are not overpaying and at risk of a penalty. If you're uncertain about whether you're at risk of breaching the limits, contact our advisers for guidance.

### **Can I afford to retire?**

Everyone's ideal retirement will look very different and it's important to ensure that you are consistently saving in line with your desired retirement age. Factors including the cost of care for elderly parents can all take a big chunk out of your retirement pot and may mean you need to work longer if you're not prepared for the impact. You will also need to understand when and how you can draw your pension to ensure you have enough money saved for the age at which you plan to retire.

## **Critical Illness Cover**

While being diagnosed with a serious illness is something that none of us likes to think about, we should always make it a priority to financially prepare for when life does not go to plan.

### **Can I currently apply for cover?**

Yes. Some insurers are still taking applications, but the process may be delayed, particularly if you have had coronavirus symptoms or have had to self-isolate. In this case, cover may be subject to a full recovery or negative test result for the virus.

### **Will my policy pay out if I am affected by coronavirus?**

If you are left with critical complications due to coronavirus, your policy should still pay out if that complication – e.g. heart failure – is already covered. Check the fine print, as exemptions may vary.

## **Investments**

Recent stock market volatility has led many individuals to reconsider the structure of their investment portfolio to protect against market fluctuations. Individual Savings Accounts provide some of the best opportunities for tax relief alongside Venture Capital Trusts and the Enterprise Investment Scheme.

Our advisers will review your portfolio to ensure that you are comfortable with where your money is invested and the level of risk involved. We will also identify ongoing tax relief opportunities.

### **What are the benefits of consolidating investments?**

By consolidating your investments, you can more easily ensure that you are adhering to tax rules, keeping fees to a minimum and taking full advantage of allowances or redemptions. Consolidation also makes it easier to maintain the desired level of diversity.

## **Equity Release\***

Many clients previously taking income from their investments have decided to use the lifetime mortgage as an alternative. With exceptionally low base interest rates currently available and rates set for life, it makes good financial sense to review your position now.

### **How can I access advice?**

Due to social distancing rules, the Equity Release Council is temporarily allowing advice to be given remotely by video or telephone – though it must be recorded – with many lenders using automated or desktop valuations.

### **Can some of my property still be left as inheritance?**

Yes, you can choose to put aside a percentage of your home's future value to leave as inheritance. Most lifetime mortgages also include a no negative equity guarantee, ensuring you will never owe more than your home is worth.

**\* To understand the features, costs and risks of a lifetime mortgage, contact us for a personalised illustration.**

## **Private Medical Insurance**

PMI policies are adapting to the current situation with new support services including online GP telephone and video consultations, additional mental health support and 24/7 helplines with access to pharmacists, midwives, counsellors and nurses to answer questions about treatment and medication.

This makes now a crucial time to consider the many benefits of PMI on both a personal and corporate level, where individuals and employees can gain fast-track access to the very best quality care for the best chance of (speedy) recovery.

### **Can I apply for PMI at the moment?**

Yes, some providers are accepting applications. There might be a delay where additional medical evidence is required. You may also have to answer specific questions regarding coronavirus.

### **I already have a PMI insurance policy. Is my cover affected?**

The NHS is currently coordinating all coronavirus care, which means individuals cannot be privately treated. However, some providers are offering a cash benefit for those hospitalised with the virus.

### **If I cancel my cover, will I be able to apply again?**

If you have an existing policy you will want to protect your underwriting status and level of cover, as new exclusions and limits are being introduced. This means you may not have access to the same terms in the future.

### **Can I still make claims and receive other treatment privately?**

You can still make claims and providers are looking at ways to verify claims without GP reports. All non-urgent treatment is on hold and most insurers are offering digital access to GP's and specialists.

## **Your Financial Health Check**

We always recommend taking regular financial health checks and reviewing your options, especially during more challenging times. If you have any questions regarding the above strategies or your current financial planning structure, contact your adviser today on 020 8371 3111 or email us on [advice@vintagewealth.co.uk](mailto:advice@vintagewealth.co.uk)

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