



Your top 10 personal finance actions

Regardless of your level of wealth, it is essential to plan for the future. We have created a simple personal finance action list to help you

1. Set financial goals and do an annual check up

Consider your personal financial priorities:

- What do you want to achieve in your lifetime?
- What lifestyle would you like in retirement?
- What would you like to be able to leave your family?
- What can you do now to help you prepare and get there?

Your plans and priorities are likely to change throughout your lifetime. Review your finances and goals annually and adjust accordingly to keep on track.

2. Write a Will and keep it up to date

If you have not written a Will, now is the time to do so. If you have young children, you ought to consider appointing guardians in your Will and decide how old your children should be before they inherit.

For those who do already have a Will - when did you last review it? Have you had any changes to your personal circumstances, the persons listed in your Will or your finances since it was written?

This may be the right time to review and determine if your Will needs to be updated to ensure it continues to reflect your wishes.

3. Consider a Lasting Power of Attorney (LPA)

An LPA is a legal document that enables you to decide who would make decisions on your behalf should you no longer be able to make them for yourself.

There are two types of LPAs, 'Property and Financial Affairs' and 'Health and Welfare'.

We recommend you sign both types as it is vital that all aspects of your life are covered to protect your best interests.

Have you got LPAs in place?

4. Review, update and invest in your pensions

Following the abolition of the lifetime allowance in the 2023 Spring Budget, pension rules from 6 April 2024 are now clearer with new allowances called Lump Sum Allowance (LSA) and Lump Sum and Death Benefits Allowance (LSDBA) being introduced.

Review your state pension

Many individuals are unaware of how much they may be entitled to receive under the current new state pension or previous entitlements and what date they would qualify for it. Check this for free at: www.gov.uk/check-state-pension.

Collate your old pension arrangements

Many individuals have old pension policies, perhaps from previous employers, to which they no longer contribute. These accumulated benefits could make a real difference towards funding your retirement – you can track these down using the government’s free ‘Pension Tracing Service’.

Update your pension beneficiary forms

Where the benefits under a pension are paid at the discretion of the pension trustee they do not usually form part of your estate for inheritance tax purposes and are not usually inherited under your Will.

It may be the case that nominated beneficiaries are able to retain the tax advantageous pension wrapper in the form of a beneficiary’s pension.

Who do you wish to inherit your pension policies? Complete an ‘Expression of Wish’ form with your pension providers to ensure this is documented and keep this updated.

Invest in your pension

Investing in company and/or private pensions throughout your lifetime is one of the most effective and reliable ways to plan for and fund your retirement. Review your pension fund regularly. Will this give you enough funds for the retirement you are aiming for? If not, consider investing more or finding alternative funding methods.

5. Review and consider your insurance policies

Existing insurance policies

Review your existing policies regularly to ensure you are adequately covered in the event you have to claim. If you cannot locate your original policy documents, contact your insurance provider.

Check if your life insurance policies are written in trust. Where policies are written in trust it may mean that when funds are paid out they may not automatically form part of your estate and may not be subject to inheritance tax.

Consider new insurance policies

There is currently a ‘protection gap’ in the UK meaning a large proportion would be left financially vulnerable should they or their spouse pass away prematurely or suffer an illness or injury that would affect their earnings.

If you haven’t already taken out cover, consider life insurance, critical illness, or income protection cover to protect yourself and your family.

6. ‘Future plan’ your role in a business

We recommend that those who own all or part of a business consider its future plans, their ambitions as part of the business, and how a future exit might be structured. This will help ensure that both the business and you are ready for the exit, maximising value where appropriate, and minimising the various tax exposures.

Business owners should also consider the formalities associated with the business (for example a partnership agreement or shareholders’ agreement) and how this interacts with their personal affairs, in particular their Will. There are significant tax exemptions for qualifying business assets, and these should be considered when drafting your Will and business documents.

You may wish to consider a Business Lasting Power of Attorney and Key person insurance to ensure your business interests are protected.

7. Understand your inheritance tax exposure

Complete a periodic review of your financial position from an inheritance tax perspective and understand your current potential exposure. Consider lifetime giving as a way to mitigate your estate's liability sooner rather than later to make the most of the seven-year period for a gift to be exempt from inheritance tax.

Make sure you understand the tax implications before gifting assets to family or friends. Inheritance tax, capital gains tax and stamp duty land tax may all be relevant on a non-cash gift. For cash gifts only IHT needs to be considered.

Consider your income and capital before making gifts. Making gifts must not be to the detriment of your general living – consider what you need for the longer term as part of this process.

8. Making charitable donations

There has been overwhelming support for some charitable causes recently. If you are doing so it is worth remembering that you may be able to elect to make donations via gift aid, enabling the registered charity to receive an extra 25% at no extra cost to you if you pay sufficient tax.

If you are a higher or additional rate taxpayer you may also be eligible to claim the difference between the rate of tax you normally pay and the basic rate on your gross donation, so should always note this figure for entering within your self-assessment tax return. There may also be inheritance tax benefits of leaving 10% of your estate on death to charity.

9. Review your expenditure and budget

Review your expenditure, budget and where your savings are held. We have seen the Bank of England base rate increase for the first time in over ten years.

You should review your savings to ensure they are working hard for you and consider how this rise in interest rates impacts on other areas such as marriage allowance, pension input, claiming of the child benefit (given the recent 2024 Spring Budget

changes) and different income tax allowances. You should take action at the start of the tax year to avoid unexpected tax charges on your bank interest.

10. Create an 'in case of emergency' document

It can often be the case that family members are unaware of where important documents are held and/or who to contact in the event of incapacity or death.

It helps to include all of the relevant information in one document listing appropriate wealth managers, accountants and solicitors, with their contact details along with anything else you think may be relevant or could help should something happen to you.

It is incredibly important to plan for your future throughout your lifetime, whether for yourself or for the benefit of your loved ones. Whether you are accumulating, growing, managing, preserving, protecting or transferring your wealth, we are here to support you for what really matters. Guiding you and your family to a brighter financial future.

This action list is not exhaustive and is intended as general information of the key elements to consider. Independent, professional advice tailored to your own particular situation should always be taken before making any decisions.

For all your business, tax and wealth needs.

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