

## The big spring clean!

Location, location, location may be important to Phil and Kirstie but in the current market a more appropriate cry would be protection, protection, protection! Spring has arrived it is time to get out those old plans blow off the dust, shake off the cobwebs and decide if they still meet your needs. Insurance protects you from the financial consequences of the unknown whether it is a fire at your house; a collision in your car, being unable to work due to accident, sickness or unemployment, providing for your family in the event of premature death or giving you a lump sum if you are diagnosed with the critical illness and still have the burden of a mortgage or debt.

Protection is not just about insurance there are practical things you should be doing; do you have a budget of your income and expenditure, do you have a cash "buffer" held in a tax exempt ISA to cover immediate or short term needs? When was the last time you reviewed your will, for that matter do you have a will? Have you arranged an enduring or lasting power of attorney in case you lose mental capacity? If you are living with someone do you have a cohabitation agreement? Are all your important documents safely stored, do your personal representatives know where they are?

Are you controlling debt by making overpayments of mortgages or using offset accounts? With increasing prices and taxation and greater pressure on benefits reducing debt is a good way of improving future income.

You will have seen recent comments regarding miss-selling of payment protection insurance by banks and building societies. Thankfully the regulators have finally caught up with this problem. The sad thing about this episode is not just the cynical way these firms treat their customers but that payment protection insurance is very useful cover providing valuable protection particularly to low earners or those with very limited savings. For the most part the regulator has not criticised the nature of the policy cover but the way in which these policies were being sold to everyone irrespective of their circumstances or need.

We have been involved in the insurance and risk business for over 40 years and have the experience, qualification and ethical standards to ensure proper protection and peace of mind. Why carry out your spring clean alone call us and arrange an appointment.



### Closed for the holidays

Our office will be closed from Friday 24<sup>th</sup> June and will reopen Tuesday 12<sup>th</sup> July

During the break we will be checking messages. You can email to [cwfpltd@msn.com](mailto:cwfpltd@msn.com), text to 0791 803 2836 or telephone 01904 631839/656104.

### Buying an Annuity?

Single	Joint
Level	Increasing
Fixed	Index- Linked
Enhanced	Impaired
Guaranteed	Protected
Asset-backed	Value-protected
Short term	Drawdown

Who says you can do it yourself without professional help? As we are living longer it is crucial we make the right decisions to obtain maximum income. Call us we can help.

**State pension age rises**

For women will rise to 65 by November 2018.

For men and women will rise to 66 between December 2018 and April 2020

Rises to age 68 are being considered

**Planning for income in later life is vital; ring us to arrange a review**

The Joseph Rowntree

Foundation estimates that pensioner couples need a minimum income of

**£222 per week.**

**72%** of pensioners own their property outright

**£2.21 trillion** the estimated value of pensioners housing equity in 2036

**1.7 million** the increase in the over 65's in the last 25 years

**1.3 million** people currently working beyond state pension age

## Equity Release

Recent research discovered the "60 something's" are happier than their younger counterparts, feel financially and physically fitter, take more holidays and make more use of the internet. This group is growing rapidly as the baby boomer generation reaches 60. 81% of them will go on holiday every year with 40% taking between 2 and 3 holidays a year. 23% more of them will be using Skype or Facebook or social networking groups than the 40 and 50-year-olds; two thirds will be shopping on line; this is definitely the case of Bluetooth and not blue rinse! This group own property and will be content to release equity from their homes to achieve an active and fulfilling retirement.

Equity release has come a long way since the limited and poor quality schemes of the 1980s. Features now include flexible drawdown; the option to pay interest to prevent the debt accumulating. The latest providers will lend on second homes, holiday homes, flats and sheltered accommodation.

To find out how equity release may help you please contact Stephen, he is a chartered and certified financial planner with specific qualifications in equity release provision.

## Investment costs

While you cannot control what happens in the markets you can control how much you pay to invest. Costs and expenses over the long term can erode investment performance because investment returns are reduced pound for pound by the costs incurred. By minimising costs, investors improve their odds of meeting their investment objectives.

Generally speaking, the costs of investing in a fund fall into two broad categories:

### Transaction costs

The costs associated with investing in or exiting a fund, paid by investors as an upfront charge which may include purchase redemption fees; stamp duty reserve tax and the initial and exit charges.

### Running costs

The costs associated with running an investment on an on-going basis which may include annual management charges; audit fees, custody fees, legal fees, trading fees and trustee fees. Collectively they are known as the total expense ratio (TER)

Costs, like interest, have a compounding effect over time. This is beneficial in the case of interest but detrimental for costs. They can have a dramatic impact on the investment returns, one that is not always obvious or transparent.

## What services do we offer?

- Financial lifestyle planning which includes an assessment of current assets, liabilities and income; a lifetime cash flow model, shortfall analysis, how to meet future needs and control and effectively manage your finances.
- Care fees planning, including advice on state benefits, how and where to obtain care, pre-funded and immediate care plans. Advice relating to the Local Authority Charging for Residential Accommodation rules. Modeling of asset reduction over time for those self-funding.
- Will writing and estate planning service, including arranging lasting powers of attorney, living wills, cohabitation agreements and arranging trusts for investments, life assurance and pension. Advice on inheritance tax mitigation.
- Pension planning and retirement income analysis, advice on pension transfers and rebuilding pensions following divorce.
- At retirement service advising on the most effective way to provide retirement income. Including annuity purchase, unsecured pensions, enhanced and impaired life annuities and phased retirement.
- Protecting against the financial consequences of death and disability, including all forms of life insurance, income replacement, and private medical insurance.
- House purchase mortgages, including advice and recommendations relating to payment protection insurance. Equity release schemes, including lifetime mortgages and home reversion schemes.
- Investment advice including asset allocation, fund selection, assessment of suitable products and tax wrappers, recommendations relating to holding investments in trust. Recommendations regarding the rebalancing of assets.
- Advice and recommendations relating to savings and managing short term cash accounts. Researching suitable accounts, using tax exempt accounts and offset mortgages.
- Advice and recommendations in relation to general insurance and protecting physical assets and potential liabilities. Please note we no longer undertake the “day-to-day” administration of general insurance but have arrangements to provide administration.

### The Ultimate Care Fees Planning Handbook

**If you are currently faced with the prospect of finding care for yourself, a relative or friend you are probably feeling emotionally drained right now.**

Our handbook was launched three years ago; the current version was updated in April 2011 to include additional information about care at home and equity release.

We are delighted with the response; it is clear that you have found the information helpful and reassuring at a traumatic time of life.

Research suggests that only 14% of people going into care obtain financial advice. This is worrying considering the complexity and risks associated with paying for care. To receive a complimentary copy please ring Veronica or Stephen.

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*"Caring advisers for the elderly"*

*"Successful investing is  
anticipating the anticipations of  
others."*

*"The avoidance of taxes is the  
only intellectual pursuit that still  
carries any reward."*

**John Maynard Keynes**

*"We make a living by what we  
get; we make a life by what we  
give."*

**Sir Winston Churchill**

*"Everyone has a game plan until  
they get punched in the face!"*

**Mike Tyson**

As a hypothetical example let's assume you arrange an investment which has a zero rate of return. If the running costs are 1.50% a year after 10 years you would be left with 85.97% of your investment. If running costs were at 2% a year you would be left with 81.71% at 2.50% you would only have 77.63%.

You do not have to venture far down the High Street to still find investments being arranged with eye watering costs. The financial regulator, The Financial Services Authority, has recognised this and from the beginning of 2013 costs and charges will need to be far more transparent under what is known as the Retail Distribution Review (RDR) but you do not have to wait for new regulations. Contact us now for a review of your existing investments and talk over your requirements for the future. We can show you how to invest cost effectively and create real value for the future.

*We both continue to support the work of our professional bodies in raising standards. Stephen has been re-elected as President of the Insurance Institute of York (IiY); he is a member of the Chartered Insurance Institute (CII) Awards panel and will shortly stand down from the Diversity Action group having been a member for 6 years. Veronica is a regional representative to the CII and continues as a CII Board member and treasurer for the IiY.*

We look forward to speaking to as many of you as possible during the year.

Best wishes

*Stephen & Veronica*

*We would like to cut down fewer trees and send you our newsletters electronically. Please send us your email address to [cwfpltd@msn.com](mailto:cwfpltd@msn.com) and remember to show your full name and postcode so we can identify you*