

Charles Wilkinson Financial Planning Ltd

In this issue:

- Budget changes to pension rules
- Budget changes to individual savings accounts rules
- New guide to care fees planning available
- Affordable mortgages—record keeping is vital

Closed for the holidays

We will be closed from 5pm 25th June and reopen 9am 14th July. We will be checking messages. Our email is info@cwfp.co.uk this is the preferred method to contact us. Our messaging service is 0113 314 2385 (please allow time for this to connect) or you can text us on 0791 803 2836 (extra network charges may apply). Our website is www.cwfp.co.uk

A curved ball

The Chancellor surprised us all with his budget by announcing changes to private pension rules and tax exempt individual savings accounts. The proposed changes are based on the acceptance that we should be free to make our own decisions with a minimum of restriction. If we have the sense to accumulate our money we should be trusted on how we spend it. Some of the pension changes are subject to debate and confirmation to start in April 2015 The amendments are generally good news but with freedom to choose comes the responsibility for the outcome if you make a poor choice. Informed planning will become more important; we are here to help you make suitable choices contact us to discuss your options and how we can help.

The key points are:

- ⇒ The compulsory purchase of an annuity by age 75 will go. Annuities may still be appropriate getting advice on the options is vital
- ⇒ Income drawdown schemes, which allow you to take income directly from the pension fund without buying an annuity, will change and the restrictions on the amount of income you can take will be removed
- ⇒ For those with small pension pots the triviality rules will be amended to give easier access to lump sum payments
- ⇒ Pension providers will be required to give “guidance” on the options for taking benefits. Be aware that guidance is not detailed personal advice, if you want to get the best from your investments and savings qualified independent financial planning is required
- ⇒ These changes will not apply to final salary defined benefit schemes, there are likely to be restrictions on transfers from these schemes particularly for public service schemes
- ⇒ From 1st July 2014 the individual savings account limit will increase to £15,000. The separate limit for cash deposit ISAs will be removed. In future you can put all you allowance in cash or investments or a mixture of both

The Government is extending tax free savings and giving you greater freedom from unnecessary restrictions. Do not waste the opportunity by failing to plan.

The latest edition of our **ULTIMATE CARE FEES PLANNING HANDBOOK** is now available, if you require a copy of this guide please contact us. The latest version will be available shortly to download from our website.

Mortgages are now subject to affordability tests not just based on a multiplier of income. Exact information about monthly expenditure for all household and personal expenses is required. Make sure you keep accurate records of what you spend together with banks statements, payslips, P60s and benefits statements and letters. Without this information getting a mortgage acceptance will be a much more drawn out and painful process. Simple and orderly bookkeeping will avoid delays and anguish.

Enjoy the summer and thank you for your business

Stephen & Veronica Wilkinson