Planning for Retirement - Getting on Track
The content of this presentation is provided for illustrative purposes only and is not intended to be used for individual investment or financial planning and does not constitute personal advice.

Much of the content relies upon the more detailed explanation provided by the presenter at the time of seminar and so the contents should be considered in conjunction with this explanation.

Whilst every effort is made to ensure the accuracy of information contained in the presentation it cannot be guaranteed. In particular the rules relating to tax can frequently change.

Any reference to tax or the operation of tax or tax reliefs are illustrative only and the tax treatment in respect of any individual depends upon the circumstances of each individual.

All copyright or other intellectual property rights in the material constituting this presentation which has been provided by Wealth at Work Limited remains the property of Wealth at Work Limited.
Expenditure in retirement

Mortgage / Loans / Credit Cards
Household / Utilities
Food & Clothing
Motoring / Travel
Hobbies
Leisure
Holidays

exploring the options...
Life expectancy

Examples of non smokers in good health

<table>
<thead>
<tr>
<th>Sex</th>
<th>Age</th>
<th>Married</th>
<th>Single</th>
</tr>
</thead>
<tbody>
<tr>
<td>male</td>
<td>55</td>
<td>80½</td>
<td>78</td>
</tr>
<tr>
<td>male</td>
<td>60</td>
<td>81½</td>
<td>79</td>
</tr>
<tr>
<td>female</td>
<td>55</td>
<td>84</td>
<td>90</td>
</tr>
<tr>
<td>female</td>
<td>60</td>
<td>84½</td>
<td>90½</td>
</tr>
</tbody>
</table>

How to increase your life expectancy:

Men – get married or walk 2.8 miles a day
Women – divorce him or walk 1.5 miles a day

www.calculator.net
Income flexibility

exploring the options...

<table>
<thead>
<tr>
<th>Age</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
</tr>
<tr>
<td>65</td>
<td></td>
</tr>
<tr>
<td>70</td>
<td></td>
</tr>
<tr>
<td>75</td>
<td></td>
</tr>
<tr>
<td>80</td>
<td></td>
</tr>
<tr>
<td>85</td>
<td></td>
</tr>
<tr>
<td>90</td>
<td></td>
</tr>
</tbody>
</table>

- Acceptable Income Level
- State Pension
- Income Provision

£
Where am I today?
Where am I today?

• How much do I spend now?
• How does this compare with what I’ll need in retirement?
• What do I spend it on now?
• Could I reduce my current spending?
• Can I get better deals and save money?
• Where are my current savings invested?
• Could I find more suitable homes for my savings?
• Where would I put additional savings?
• Would tax efficiency help me?
• What can I expect from the State?
• What can I expect from pensions?
• What will I need from investments?
Where am I today?

What do I spend?

• What is your ‘take home’ pay?
  • Total it up for the year, particularly if it varies each month
  • are there any deductions for BT share schemes or for extra contributions to your BT pension?

• Do you spend all of your ‘take home’ pay?
  • How much don’t you spend?
  • Do you save it?
  • What are you saving for?
  • How much of it are you saving for retirement?

• How much are you really spending on your lifestyle?
  • Don’t forget some of your savings might be funding your lifestyle
Where am I today?

What do I spend?

• What expenditure do you have now that you won’t have when you retire?
  • Children and their education
  • Mortgage
  • Loans & credit cards
  • Two cars or just one?

• What is your lifestyle in retirement likely to cost?
  • Will it be more or less than you spend now?
  • How much more or less?

• Could you reduce your current spending and increase your savings for retirement without affecting your lifestyle?
Where am I today?

Identify all your outgoings

- Utilities
- Loans
- Credit cards
- Insurances
- Mortgage

Review your expenditure
Shop around for the best deals
Where’s the money coming from?
BT Pension Scheme

Sections

• Section B
  • Members who last joined Section B between 1st December 1971 and 31 March 1986

• Section C
  • Members who last joined the Scheme on or from 1st April 1986
BT Pension Scheme

Features

• Normal Pension Age:
  • Pension and lump sum built up before 1st April 2009: age 60
  • Pension and lump sum built up from 1st April 2009: age 65

• Pension Basis
  • Pension and lump sum built up before 1st April 2009: Final Salary
  • Pension and lump sum built up from 1st April 2009: CARE
    (Career Average Revalued Earnings)
Benefits built up before 1st April 2009

- **Pension**
  - $\frac{1}{80}$th x Pensionable Service x Final Pensionable Salary*

- **Lump Sum**
  - $\frac{3}{80}$ths x Pensionable Service x Final Pensionable Salary*  
  (i.e. 3 x pension)

- **Example**
  - 30 years Pensionable Service to 31/3/2009 and £30,000 Pensionable Salary
  - Pension: $30/80 \times £30,000 = £11,250$
  - Lump sum: $3 \times £11,250 = £33,750$

* based on final pensionable salary at date of leaving BT
Section C

Benefits built up before 1\textsuperscript{st} April 2009

- Pension
  - \(\frac{1}{60}\text{th} \times\) Pensionable Service \(\times\) Final Pensionable Salary\

- Lump Sum
  - By exchanging pension for tax free lump sum
  - Rates depend on age and market conditions

- Example
  - 20 years Pensionable Service to 31/3/2009 and £30,000 Pensionable Salary
  - Pension \(\frac{20}{60} \times £30,000 = £10,000\)
  - Lump sum by exchanging pension

* based on final pensionable salary at date of leaving BT
Sections B & C

Example benefits built up from 1st April 2009 (CARE)

- **Pension**
  
  2009/10 = \(\frac{1}{80} \times £30,000 = £375\)
  
  2010/11 = \(\frac{1}{80} \times £31,000 = £388\)
  
  2011/12 = \(\frac{1}{80} \times £32,000 = £400\)
  
  2012/13 = \(\frac{1}{80} \times £33,000 = £413\)
  
  2013/14 = \(\frac{1}{80} \times £34,000 = £425\)
  
  2014/15 = \(\frac{1}{80} \times £35,000 = £438\)
  
  2015/16 = \(\frac{1}{80} \times £36,000 = £450\)
  
  2016/17 = \(\frac{1}{80} \times £37,000 = £463\)

  \[£3,352^*\]

- **Lump Sum**
  
  - 3 x pension: \((3 \times £3,352) = £10,056\)

* Subject to an offset at State Pension Age – more later
Section B example

Pension benefit totals as at 31st March 2017

• Pension pre 1st April 2009: £11,250* → £13,875
• Pension post 1st April 2009: £3,352† → £3,709

Lump sum: 3 x pension (3 x £17,584) = £52,752

* Based on final pensionable salary at date of leaving BT
† Increased at the lower of RPI or pensionable salary increases - assumed at 3%
BT Pension Scheme

Section C example

Pension benefit totals as at 31\textsuperscript{st} March 2017

- Pension pre 1\textsuperscript{st} April 2009: £10,000* → £12,333
- Pension post 1\textsuperscript{st} April 2009: £3,352† → £3,709
  - Built up before 1\textsuperscript{st} April 2009: by exchanging pension for cash
  - Built up from 1\textsuperscript{st} April 2009: (3 \times £3,709): £11,127

* Based on final pensionable salary at date of leaving BT
† Increased at the lower of RPI or pensionable salary increases - assumed at 3%
What’s the ‘market value’ of my BT pension?

Based on market annuity rates closely replicating the BT pension scheme* and the previous examples, the size of fund required to secure similar pensions for a 60 year old male would be:

• Sections B example:
  £712,331

• Section C example:
  £608,957

* Data source – www.moneyadvice service.org.uk
BT Pension Scheme

Increase your retirement benefits

• You can increase your retirement benefits by paying Additional Voluntary Contributions (AVCs)

• Contributions receive tax relief within limits and can be made via ‘Smart Pensions’ benefitting from National Insurance savings too

• Your AVC contributions are invested in a defined contribution fund, and will grow free of most taxes

• Subject to HMRC limits, at retirement your accumulated fund could be taken as tax free cash, or alternatively be used to purchase an annuity
BT Pension Scheme

Increase your retirement benefits

• HMRC impose limits on pensions in two ways through Lifetime Allowance (LTA) and Annual Allowance (AA)

• LTA restricts the total value of all pension benefits one is allowed to receive without incurring tax penalties
  • Defined Benefit pensions values are 20 times the annual pension
  • Current limit is £1.5m but is reducing to £1.25m from April 2014

• AA restricts the total contributions, including employer’s, that can be made without incurring a tax charge
  • * Defined Benefit pensions are valued according to a formula
  • Current limit is £50,000 but is reducing to £40,000 from April 2014

* This value is shown on your annual benefit statement
BT Pension Scheme

Increase your retirement benefits

Example Section B

- Pension = £17,584 p.a.
- Lump Sum = £52,752
- Maximum Lump Sum = £100,000*
- Amount of AVCs paid in = £12,000 (paid monthly)
- Maximum lump sum is now = £103,000*
- Normal lump sum plus AVCs = £52,752 + £12,000 = £64,752

This is less than the maximum permitted lump sum, therefore all the AVCs can be withdrawn **tax free!!!**

*but the actual cost to you was only £8,160!!!**
*(or £6,960 for a 40% taxpayer)*

* Actual amount may vary according to age as per HMRC limits
BT Pension Scheme

Increase your retirement benefits

Example Section C

- Pension = £16,042 p.a.
- Lump Sum = £11,127
- Maximum Lump Sum = £80,000*
- Amount of AVCs paid in = £12,000 (paid monthly)
- Maximum lump sum is now = £83,000*
- Normal lump sum plus AVCs = £11,127 + £12,000 = £23,127

This is less than the maximum permitted lump sum, therefore all the AVCs can be withdrawn tax free!!!

* Actual amount may vary according to age as per HMRC limits

but the actual cost to you was only £8,160!!!
(or £6,960 for a 40% taxpayer)
BT Pension Scheme

Additional options

• Early retirement
  • You can draw your pension early, subject to an early payment reduction factor of approximately 6% for each year before NPA
  • Benefits accrued to 31\textsuperscript{st} March 2009 have NPA of 60
  • Benefits accrued from 1\textsuperscript{st} April 2009 have NPA of 65

• Increasing or non-increasing pension
  • You can convert part of your pension which increases, for a higher starting pension which doesn’t increase
BT Pension Scheme

Should I think about early retirement?

Factors to consider:

• When would you prefer to retire?
  • Now or Later?

• What will be your **NET** income?
  • Don’t forget that deductions from pension will be lower than deductions from salary – coming up soon

• Earlier payment of lump sums gives greater personal flexibility
  • Repay personal debts / mortgage
  • Investing for the future – more later
Increasing or non-increasing pension?

- Historical increases have averaged 2.9% p.a.
- Future increases could be more or less than this
- The calculations will be personal to you
  - Conversion applies to pre April 1997 benefits only
- Work out where your ‘income crossover’ and ‘cumulative crossover’ points are
- The conversion option gives more immediate income, but in the longer term the ‘real’ value of the pension will fall
BT Pension Scheme

Increasing or non-increasing pension?
BT Pension Scheme

Benefit Statements

• Current statement available on Gatekeeper

• BT Pension Portal (BTPP)
  • Access through ‘BT People’
  • View your pension benefit statement
  • Perform illustrations of how much pension you will receive at various retirement ages and with different pension and lump sum choices
BT Pension Scheme

exploring the options...

Retirement Planner

Your Retirement Planner Estimate

Guidance

The table contains an estimate of the BT Pension Scheme benefits payable to you. Your pension benefits are payable from...

As a Section B member of the BT Pension Scheme you have a number of options in the way in which you may take your benefits.

These options are set out in the table. To select one of these options first click on the applicable row and then click on the Proceed with Choice button.

For more information on the options available view the pension fact sheet below.

Pension Fact Sheet

Retirement Estimate Options

<table>
<thead>
<tr>
<th>Pension Options - further information regarding the options below is provided in the fact sheet</th>
<th>Annual Increasing Pension</th>
<th>Annual Non-Increasing Pension</th>
<th>Total Initial Pension</th>
<th>AVC Fund Value</th>
<th>Tax Free Lump Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard benefits</td>
<td>14,430.64</td>
<td>N/A</td>
<td>14,430.64</td>
<td>N/A</td>
<td>43,291.91</td>
</tr>
<tr>
<td>Maximum tax-free cash (taken from BTPS Pension as priority)</td>
<td>12,159.72</td>
<td>N/A</td>
<td>12,159.72</td>
<td>N/A</td>
<td>81,064.82</td>
</tr>
<tr>
<td>Tax-free cash taken from AVC as priority</td>
<td>14,430.64</td>
<td>N/A</td>
<td>14,430.64</td>
<td>12,000.00</td>
<td>55,291.91</td>
</tr>
<tr>
<td>Pension increase conversion</td>
<td>10,460.19</td>
<td>4,870.55</td>
<td>15,330.74</td>
<td>N/A</td>
<td>43,291.91</td>
</tr>
<tr>
<td>Maximum tax-free cash with pension increase conversion (Pension priority)</td>
<td>7,931.73</td>
<td>4,870.55</td>
<td>12,802.28</td>
<td>N/A</td>
<td>85,348.55</td>
</tr>
<tr>
<td>Tax-free cash, with pension increase conversion, taken from AVC as priority</td>
<td>10,460.19</td>
<td>4,870.55</td>
<td>15,330.74</td>
<td>12,000.00</td>
<td>55,291.91</td>
</tr>
</tbody>
</table>

Developed By: accenture

WEALTH at work

When can I afford to retire?

What will I have to spend?

While working for BT you typically pay:

- Income Tax
- National Insurance
- BT Pension contributions
- BT UK saveshare
- Mortgage
- Loans

When retired you typically pay:

- Income Tax
When can I afford to retire?

Typical example

<table>
<thead>
<tr>
<th>Salary £30,000:</th>
<th>30,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Income Tax</td>
<td>4,112</td>
</tr>
<tr>
<td>• National Insurance</td>
<td>2,670</td>
</tr>
<tr>
<td>• BT Pension contributions</td>
<td>2,250</td>
</tr>
<tr>
<td>• BT UK saveshare</td>
<td>1,800</td>
</tr>
<tr>
<td>• Mortgage</td>
<td>3,600</td>
</tr>
<tr>
<td>• Loans</td>
<td>2,400</td>
</tr>
<tr>
<td></td>
<td><strong>13,168</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pension £15,000</th>
<th>15,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Income Tax</td>
<td>1,112</td>
</tr>
<tr>
<td></td>
<td><strong>13,888</strong></td>
</tr>
</tbody>
</table>
State Pension Age (SPA)

- 65 for men born before 6/12/53, and a sliding scale between 60 & 63 for women born between 6/4/50 & 5/4/53
- Men born after 5/12/53 and women born after 5/4/53 will have their SPAs harmonised and increased to 66, based on sliding scales
- SPA will be 66 for everyone born between 6/10/54 & 5/4/60
- *SPA will rise to 67 for everyone born between 6/3/61 & 5/4/69, with those born before, having one month added for each month or part of a month they were born after 5/4/60
- For those born later, SPA will rise to 68 or above

* Awaiting Parliamentary approval
State Retirement Pension

Reaching SPA before 6/4/16

• Basic State Retirement Pension – £110.15 per week

• Determined by the number of qualifying years attained
  • 30 qualifying years of NI credits are required for a full pension

• State Second Pension (S2P) an additional pension based on earnings until 2010 and a flat rate for each ‘qualifying year’ thereafter
  • BTPS Sections B & C have been ‘contracted in’ since April 2009, and when State Pension becomes payable, a reduction is applied to the BT pension of an equivalent amount related to service in the BTPS since 2009
State Retirement Pension

*Reaching SPA after 6/4/16

- Flat rate pension – £147.60 per week (2013/14 values)
- Determined by the number of qualifying years attained
  - 35 qualifying years of NI credits will be required for a full pension
- For those with ‘contracted out’ service a deduction will be made for each year of contracting out
  - for every qualifying year attained beyond 35 any such deduction will be reduced
- If the current system would have produced a higher total pension, this higher amount will be payable instead

*Awaiting Parliamentary approval
Personal Savings And Investments
Principles of investment

There are only two types of investment ..... 

..... secure or risk

Don’t put all your eggs in one basket ..... 

..... diversify

If something looks too good to be true ..... 

..... it probably is
What are your objectives?

Access
Income
Growth
Security
Tax efficiency

Don’t put all your eggs in one basket ..... diversify
Asset distribution

Balance between the three will depend on the Investor’s specific requirements.
Assets for your needs

Asset classes

- Access – cash
  - Deposits
  - ‘Other’ cash based investments

- Income – bonds
  - Gilts
  - Corporate bonds

- Growth – equities
  - Direct shares
  - Investment Trusts
  - ‘Pooled Funds’ e.g. Unit Trusts, OEICs
Investing for growth

Cash v Bonds v Equities

Data Source: FE (TR/GBP)

*Cash on Deposit is calculated using: FInex 90 Day Money Deposit; 30/06/1993-31/05/2010 and FE FER Cash Proxy; 31/05/2010-30/06/2013.
Asset classes

What’s your attitude to risk?

Low Risk

Cash

Directly Invested Bonds

Bond Funds

Equity Unit Trusts

Investment Trusts

Shares

Adventurous
Asset classes

What will you choose?

• Cash
  • Bank & Building Society accounts – shop around for best rates
  • cash ISA – more in a moment
  • compensation limited to £85,000 per firm
• Bonds
  • Bank & Building Society bonds & fixed rate accounts
  • direct investment into Gilts & Corporate bonds
  • pooled funds – unit trusts & OEICS
• Equities
  • direct investment into shares
  • Investments Trusts
  • pooled funds – unit trusts, OEICS & tracker funds
exploring the options...

Saving with BT Benefits
UK saveshare

Key Features

• You can save a fixed amount from £5 to £250 per month for a 3 and/or 5 year term

• You can then buy BT shares at a discount to the share price at start of the plan
  • 10% discount for the 3 year and 20% for the 5 year scheme

• Money is held in savings account

• No Income Tax to pay if you buy the shares, but there could be Capital Gains Tax to pay, when you sell them

• Refer to: Your share in BT – A Leavers guide, for what happens when you leave BT
UK saveshare

Choices at the end of the savings period

• Use your accumulated savings to buy the shares at the discounted saveshare price and keep them
  • if you think the share price may increase
  • shares will be transferred to your EasyShare account
  • transfer to an ISA, or a spouse/civil partner – more later

• Buy the shares and sell them immediately
  • benefit from any increase in the share price

• Have your accumulated savings returned and don’t buy shares
  • if the saveshare price is higher than the market price
UK saveshare

A success story

- UK saveshare 10 matures on 1st August 2014
  - Someone saving the maximum £225 per month will be buying 23,090 shares at 61p
  - If the market price is 300p, the value will be £69,270 – a gain of £55,185

- Assuming the same market price, for other savings amounts the gains will be:

<table>
<thead>
<tr>
<th>Monthly Saving</th>
<th>Account Value</th>
<th>Number of Shares</th>
<th>Total Value</th>
<th>Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>£50</td>
<td>£3,130</td>
<td>5,131</td>
<td>£15,393</td>
<td>£12,263</td>
</tr>
<tr>
<td>£100</td>
<td>£6,260</td>
<td>10,262</td>
<td>£30,786</td>
<td>£24,526</td>
</tr>
<tr>
<td>£150</td>
<td>£9,390</td>
<td>15,393</td>
<td>£46,179</td>
<td>£36,789</td>
</tr>
<tr>
<td>£200</td>
<td>£12,520</td>
<td>20,524</td>
<td>£61,572</td>
<td>£49,052</td>
</tr>
<tr>
<td>£225</td>
<td>£14,085</td>
<td>23,090</td>
<td>£69,270</td>
<td>£55,185</td>
</tr>
</tbody>
</table>
A success story

• No doubt this will have a serious effect on many people’s retirement plans - but is it taxable?

• Without any tax planning someone saving the maximum £225 per month could be paying up to £15,452 in tax*

• With tax planning this could be reduced to ZERO

• Even if they haven’t used any of their CGT exemption for the year, anyone who’s been saving £46 or more per month could end up seeing some of their money disappear in tax if they don’t take action*

• We’ll look at the tax efficiency issues later

* assumes all the shares are sold in the same tax year
Key features

- Invest between £10 & £125 per month or £1,500 p.a. as a lump sum, by deduction from gross salary
- Savings in Income Tax and National Insurance
- The shares are yours immediately, but there would normally be Income Tax and NI payable if they don’t remain in the plan for five years
- You can use your dividends to buy ‘dividend shares’
- After five years (three years for ‘dividend shares’), shares can be sold or transferred tax free from the plan, but then future returns may be taxable
- Shares must come out of the plan when you leave BT*

* refer to: Your share in BT – A Leavers guide
exploring the options...

Tax Efficiency
Taxation

- Use tax allowances and exemptions
  - Income Tax
  - Capital Gains Tax

- Avoid tax inefficient wrappers

- Use tax efficient wrappers
  - Individual Savings Accounts (ISAs)
  - Pensions
When total gross income exceeds £100,000 the personal tax allowance is progressively eroded. A 45% tax rate applies to all income in excess of £150,000.
Ownership of investments

• Jointly owned interest / income producing assets normally have HALF the returns assessed to tax on EACH partner

• Be aware that if you’re transferring ownership of investments to someone who is not a spouse or Civil Partner, there may be other tax implications with assets such as shares
Capital Gains Tax

• A completely separate tax system from Income Tax

• A tax assessed on gains when certain assets and investments are sold or transferred
  • e.g. Shares, Investment Trusts, Unit Trusts & OEICS

• Annual exemption - £10,900 of gains

• Gains above the annual exemption are added to income to determine the rate of tax payable
  • taxable gains below the 40% Income Tax threshold are taxable at 18% and those above at 28%

• Transfers between spouses / civil partners are exempt
Capital Gains Tax

- Other main exemptions are:
  - principal private residence
  - British Government Bonds (Gilts)
  - National Savings
  - Individual Savings Accounts (ISAs)

- ‘Pooling’ applies to shares acquired in the same company at different prices – worked example in a moment

- Matching Rules -
  - sales and purchases within 30 days are ‘matched’
  - originally introduced to prevent ‘Bed & Breakfasting’
Capital Gains Tax

Pooling example

1,350 shares remaining at Pooled Price of £5.40

1,900 shares remaining at Pooled Price of £4.80

Year 1
Year 2
Year 3
Year 4
Year 5
Year 6
Year 7
Year 8
Year 9
Year 10

Pooled Price
£5.40

Pooled Price
£4.80
Capital Gains Tax

Planning

• Use annual exemption
• Transfer to a spouse / civil partner and use their exemption
• Spread sales over more than one tax year
• Transfer shares from UK saveshare to an ISA within 90 days as a tax free transfer
• Bed and ISA
• Transfer to a partner, children, or others
Capital Gains Tax

Back to UK saveshare 10

- Use annual exemption
- Transfer to a spouse / civil partner and use their exemption
- Spread sales over more than one tax year
- Transfer shares from UK saveshare to an ISA within 90 days as a tax free transfer
- Be careful about the ‘matching rules’
- Remember that pooling can be a valuable planning tool
Capital Gains Tax

Back to UK saveshare 10

• Earlier we saw that without any tax planning someone saving the maximum £225 per month could end up paying £15,452 in tax – how can this be reduced?

  • by delaying the exercise of options until the end of January 2015 and transferring shares into an ISA within the 90 day window in TWO tax years (February & April 2015) – saves £5,140

  • by transferring half the remaining shares to a spouse

  • by both selling shares within the CGT exemption in TWO tax years (February & April 2015) – saves the remaining £10,312

  • all of the shares have been sold tax free within 9 months from the original maturity date

Assumptions – share price is 300p throughout, although it could go down and is not guaranteed ISA limits & CGT exemptions remain at 2013/14 levels
Capital Gains Tax
exploring the options...

Back to UK saveshare 10

Is there anything I should be doing now?

• If you already own BT shares, consider:
  • using 2013/4 ISA allowance through Bed & ISA
  • reducing your exposure to BT shares in anticipation of acquiring more with the saveshare maturity, by selling now or diversifying into other investments
  • looking at the possible impact of pooling
  • whether you accept investment risk before deciding to hold or sell shares
  • seeking professional advice sooner rather than later – more later
Tax inefficient wrappers

- Distribution Bonds
- With Profit Bonds
- Managed Funds
- Investment Bonds

Insurance products

- returns are taxed at source and the tax is non-refundable –

- including CGT
Individual Savings Account

exploring the options...

- An ISA is not an investment
- It’s a ‘tax wrapper’

![Chart showing ISA options]

- Interest is free of Income Tax
- Growth is free of Capital Gains Tax

You could start **NOW** by using your BT shares
What can you do now?
What can you do now?

- Consider what lifestyle you want in the future
- Figure out what acceptable income level you will need
- Work out how much you spend now
- Compare current spending to future needs
- Can you get better ‘deals’ on essentials?
- Can you increase savings by reducing expenditure?
- Where are your current savings and investments?
- Can you find a better home for your savings?
- Where will you put any additional savings?
- Obtain pension forecast from the BT pension calculator
- How much extra will a non increasing pension give you?
- Calculate your BT pension after Income Tax deductions
- Don’t forget State Pensions, take them into account
- Calculate the income you’ll need from investments
- How much extra can you get through tax efficiency?
- Consider what immediate action you can take
- If appropriate, obtain some specialist advice
Seeking Advice
Seeking advice

Eight Golden Rules

1. Take advice from more than one qualified professional source
2. Any recommendations should be personalised and in writing
3. They should contain a good spread of investments
4. Your personal tax situation should be fully taken account of
5. Ask how the fees are calculated and estimated total cost
6. Ask about any on-going service and active management
7. Understand the type of advice you are receiving
8. Take your time

‘invest in haste, repent at leisure’
my wealth services

- Investment Advice
- Creating investment strategies
- Discretionary portfolio management
my wealth services

Investment advice

- Face to face consultation
- Investment planning
- Tax efficiency planning
- Comprehensive investment planning report
- Follow up meeting

No obligation
No cost
Implementing the plan

- Fee based service
- Day to day portfolio management
- Regular review meetings
- Half yearly investment summary
- Online investment valuations
- Tax statement for income and gains at year end
- Newsletters
Thank You

0800 028 3200 | www.wealthatwork.co.uk/bt