

Enhancing your financial plans as you approach 50

Steps you can take now to influence your retirement and overall financial security significantly

As you get closer to your 50th birthday, it's natural to feel anticipation and concern about your financial future. While financial planning might not seem urgent, the steps you take now can significantly influence your retirement quality of life and overall financial security.

This period might represent your peak earning years, presenting a golden opportunity to enhance your retirement savings. Alternatively, you might be dealing with various financial obligations and the complexities of tax-efficient allowances.

REASSESSING YOUR PROTECTION COVER

A rise in salary often accompanies ageing, providing a sense of increased financial security. This can lead to more significant expenditures, such as purchasing a larger home or funding private education. Despite these improvements, it remains crucial to prepare for unforeseen circumstances. An unexpected illness or accident could have severe financial consequences for your family.

Protection solutions like life insurance, critical illness cover and income protection are essential safeguards, ensuring your family's standard of living is maintained during challenging times. Review your existing policies to ensure adequate coverage for your current lifestyle and obligations. As your circumstances evolve, so should your protection. We can tailor your cover to meet your current family's specific needs.

STRENGTHENING YOUR PENSION PLANS

Turning 50 is an opportune time to reassess whether your retirement savings align with your future goals. Even if your retirement plans still need to be fully developed, having a general direction can shape your financial strategy. We can project your retirement income, factoring in current savings, life expectancy, investment returns and inflationary trends.

If your pension fund is deficient, adjusting your contributions can dramatically increase your savings, bolstered by the tax advantages associated with pension contributions. We'll evaluate your pension portfolio's performance and fees to ensure your investments are

optimised for growth. Diversifying your investments and recalibrating your risk exposure as you near retirement can also help secure your financial future.

OPTIMISING TAX ADVANTAGES

Harnessing available tax allowances can significantly improve your financial status as you approach this significant milestone. Up to £60,000 annually (tax year 2024/25) can currently be saved into a pension without paying tax. This is called the 'annual allowance', which resets at the start of each tax year. You might also be able to leverage unused allowances from previous years, adding flexibility to your financial strategy. Within the annual allowance limits which include any contributions from your employer, your own



contributions shouldn't exceed your earnings in the tax year of payment.

Individual Savings Accounts (ISAs) offer another efficient investment route, permitting savings of up to £20,000 annually (tax year 2024/25) without tax penalties on withdrawals or gains. Taking full advantage of these allowances requires strategic planning. We can help you navigate these opportunities, ensuring you capitalise on all available benefits.

SECURING YOUR LEGACY WITH A WILL AND LPA

Establishing a Will is prudent at any stage in life, particularly as you near 50. This document directs the allocation of your assets, safeguarding your family's future. A Lasting Power of Attorney (LPA) should also be considered, allowing trusted individuals to manage your affairs if you become incapacitated. This measure protects your interests, minimises family disputes and ensures your wishes are respected.

Review your estate plan regularly to account for changes in your personal or financial circumstances and ensure your arrangements align with your intentions.

GAINING CLARITY THROUGH PROFESSIONAL FINANCIAL ADVICE

The intricacies of financial planning can be overwhelming, especially as your financial landscape grows more complex. Professional

guidance demystifies investment choices and optimises your retirement savings strategy.

Is now the time to reassess your financial plan with our expert assistance? We can enhance the tax efficiency of your investments and verify your readiness for a secure and fulfilling retirement. ■

LOOKING TO START BUILDING A BRIGHTER, MORE SECURE TOMORROW?

Take the next steps towards securing a stable financial future for yourself and your loved ones today. Embrace the peace of mind that comes with proactive financial planning and expert guidance. Contact us now for personalised advice tailored to your unique needs and start building a brighter, more secure tomorrow.

THIS ARTICLE DOES NOT CONSTITUTE TAX, LEGAL OR FINANCIAL ADVICE AND SHOULD NOT BE RELIED UPON AS SUCH. TAX TREATMENT DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH CLIENT AND MAY BE SUBJECT TO CHANGE IN THE FUTURE. FOR GUIDANCE, SEEK PROFESSIONAL ADVICE.

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS THE PLAN HAS A PROTECTED PENSION AGE).

THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.

THE VALUE OF YOUR INVESTMENTS CAN GO DOWN AS WELL AS UP, AND YOU MAY GET BACK LESS THAN YOU INVESTED.

THE TAX TREATMENT IS DEPENDENT ON INDIVIDUAL CIRCUMSTANCES AND MAY BE SUBJECT TO CHANGE IN FUTURE.

THE FINANCIAL CONDUCT AUTHORITY DOES NOT REGULATE TAX ADVICE AND WILL WRITING.

