Kith & Kin Financial Wellbeing

Financial Wellbeing AVC's

Sean Bruen – Financial Advisor

SOCIAL ENTERPRISE AWARDS 2017 NORTHERN IRELAND FINALIST

BIG LOTTERY FUND

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Making the Most of Your Money

WE ARE A SOCIAL ENTERPRISE THAT PROVIDES FINANCIAL WELLBEING FOR EMPLOYEES

ALL OUR PROFITS ARE INVESTED FOR SOCIAL GOOD

OUR STAFF ARE ALL SALARIED AND NOT PAID BY SALES OR COMMISSION

EMPLOYEES ARE NOT CHARGED FOR THIS SERVICE OR ADVICE

KITH & KIN FINANCIAL WELLBEING

Access to Financial Advice

- Accident / Sickness Redundancy Cover
- Estate Planning
- Savings
- Investments
- Wills / Trusts
- Income Protection

- Mortgage
- Budget Planning
- Home Insurance
- Life Cover
- Pensions
- Critical Illness

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Money Advice

AVC’s

- Additional Voluntary Contributions

AVC schemes were introduced to allow members of workplace pension schemes to build up additional pension benefits. AVC schemes may be offered by employers

AVC's

•If you're a taxpayer you get valuable tax savings on your regular contributions, as your employer takes them from your pay before its taxed. Tax savings will depend on your individual circumstances and rules can also change.

•retire on your planned retirement date, but potentially with more money.

•your employer's pension scheme benefits might not be enough to fund the kind of lifestyle you want in retirement.

https://www.moneysavingexpert.com/savings/discount-pensions/

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Current EANI Pension

- **Before you decide to invest in AVC's you need to know how much your current company pension is worth ?**

- **Have you maxed into your current company pension ?**

- **When looking at retirement, do you know when you are eligible for the state pension ? So you can calculate this in. if not**

- You can find out when you will receive your state pension using this link
- https://www.gov.uk/state-pension-age

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Financial Options

Your EANI Pension and AVC details

https://www.nilgosc.org.uk/additional-voluntary-contribution

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Types of pensions

Defined Benefits (DB)

Defined Contributions (DC)

Benefits of a DB pension

Guaranteed pension income
and lump sum provision

Fixed Benefits

Employer Covenant

Deferred Membershi
p

Transfer options

How much will I get?

- Pensionable service
- Pensionable earnings

Example

Years in scheme – **10 years**

You retire on a salary of – **£24,000**

Your scheme accrual rate – **1/60th**

10 x £24,000/60 = £4,000 a year

Benefits of a DC pension

Help from the Government

Flexibility on the way in

Investment options to suit you

Flexibility on the way out

Things to think about

How long you'll need your money to last

What your living costs might be

How long you want to keep working

How much tax you might pay

How much you want to leave behind

How health and/or lifestyle could affect what you get

Flexible ways to take your money

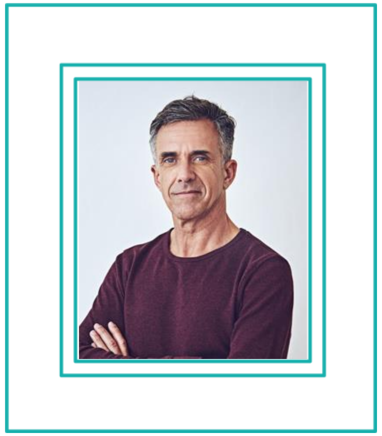
Cash in your pension all at once

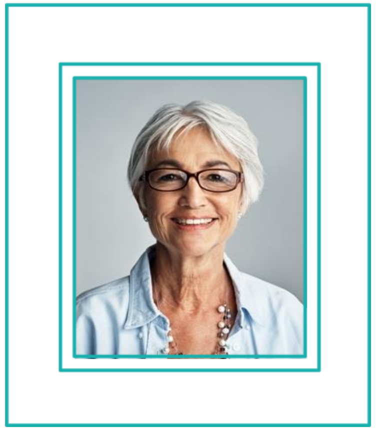
Get a guaranteed income for life (an annuity)

Flexible cash or income (drawdown)

Do nothing or take a combination of these options

Meet Scott, Simon and Sally





They’ve all got the same amount in their pension pot - **£40,000.**

They all want to take **£10,000** in
tax-free cash, right away.

But they each have different ideas about how to do it.

These aren’t real life examples or recommendations.

Scott wants to cash in all his pension pot at once

He has another pension to fund his retirement.

He needs a new car and some urgent repairs on his home.

25% tax-free cash **£10,000** to buy a new car	He will pay **40%** tax **(£12,000)** on the remaining **£30,000**	**£18,000** is left after tax – which he can use for the house repairs	After tax, he receives **£28,000** from his **£40,000** pension pot

This isn't a real life example or a recommendation.

Simon wants a guaranteed income for life (an annuity)

He wants to spend his 60th birthday in Italy.

But he’s worried about making his pension last his whole life.

25% tax-free cash **£10,000** to use towards his Italy trip	He can use the remaining **£30,000** to get a guaranteed income for life	He will get **£100** a month for the rest of his life	He may pay tax on his monthly payments

This isn’t a real life example or a recommendation.

Sally wants flexible cash (drawdown)

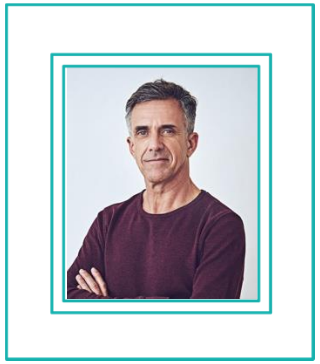
She wants to give her daughter some money towards her wedding.

But she doesn't need any more money, for the time being.

25% tax-free cash **£10,000** to help with her daughter's wedding.	She pays **£0** in tax and the remaining **£30,000** will stay invested, so can go down as well as up in value.	She can dip into the remaining money as and when she wants.	When she takes the remaining money she might have to pay tax on it.

This isn't a real life example or a recommendation.

Recap of their choices



Scott took all his cash at once

£40,000 pension pot
£10,000 tax-free cash
£12,000 paid in tax
£18,000 cash, after tax

Simon got a guaranteed income for life (an annuity)

£40,000 pension pot
£10,000 tax-free cash
£100 monthly for the rest of his life – taxable

Sally went for flexible cash (drawdown)

£40,000 pension pot
£10,000 tax-free cash
£30,000 left invested. How she takes this will depend on if or how much tax she'll pay.

These aren't real life examples or recommendations.

Shop around before you decide what to do: pensionwise.gov.uk/shop-around - 0800 280 8880

Contact & Advice

Contact Details :-

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Get our Corona **Financial** Newsletter and Budget Planner

https://www.kithandkinwellbeing.org/coronavirus-advice

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Any Questions?

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