Finance

Supplement

Editor's Letter

A cousin at a family dinner once asked me why I was just a financial journalist and didn't want to cover anything more exciting.

I have been a journalist for almost two decades, spanning bank failures, recessions, multimillion pound frauds, bitcoin and Brexit – there has rarely been a dull moment.

The financial world affects everything we do, from the price of your challah to the cost of a bar or batmitzvah and that ever-increasing synagogue membership.

But it is seen as dull, inaccessible and boring by many, such as my relative.

Hearing about the Bank of England holding interest rates at 0.75 percent, or the strength or weakness of the pound, sounds like nonsense to most people.

But when you understand that the interest rate influences the cost of that loan or mortgage you want and the amount you can earn on your savings, while the value of the pound influences how far your wages will stretch, it all sounds a bit more interesting and important.

The biggest financial story of the moment is Brexit.

Whatever your view on the UK's decision to leave the European Union, more than two years on from the vote there is still plenty of political uncertainty over how, and even if, we leave.

Financial markets don't like uncertainty, and there has been plenty of that in recent weeks and months.

A lack of political direction and stability impacts the health of the UK economy, as businesses may not perform as well or create as many jobs, which makes sterling-backed assets less attractive to investors and pushes down the value of the pound.

If the pound falls, then businesses may end up paying more for imports such as food and clothes, with costs passed onto the end consumer, so effectively your pay packet doesn't stretch as far as it used to.

This may mean you have less to put aside to get onto the property ladder, start your own business or fund your retirement.

But you can't put your life on hold because of Brexit or indeed any other financial situation.

Whatever happens after 29 March, the sun will still rise, kosher chicken will be expensive and the perpetual debate over beigel and bagel will continue (it's bagel).

In this supplement, we have spoken with several experts to help you approach some of the most tricky financial situations.

Hopefully you will find answers and see the world of finance is at least a little bit interesting, even if my relatives don't agree.

Marc

Marc Shoffman

How to... get on the property ladder

It used to be said that an Englishman's home is his castle, but despite low rates it is getting increasingly harder to own your palace

Paltry savings rates and the high cost of living means it can be hard to save for a mortgage deposit and, even if you can, there is then a tough application process from your bank or building society.

So what are you options when it comes to getting on the property ladder?

Buying versus renting

Owning your own home gives you control of where you live. You can usually manage and maintain it as you wish, unlike with renting, where there may be strict rules on décor or the type of pets you can have.

You also have a financial asset that may rise in value, giving you more funds if you want to sell one day and move to somewhere bigger.

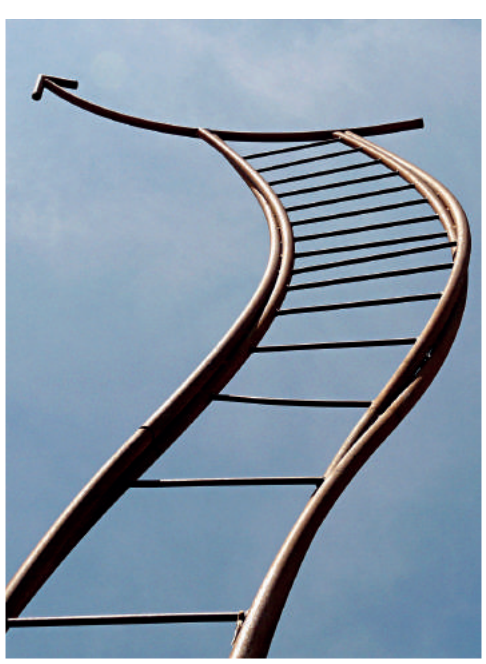
There are downsides to home ownership. If you cannot afford your monthly mortgage repayments, you could face having your home repossessed, while there is a risk that you may not be able to sell if you want to move somewhere quickly.

The alternative to buying a property if you want your own space is renting.

Depending on where you want to live, renting can be more expensive on a monthly basis than buying a property. This is because mortgage rates are pretty low at the moment, while landlords can set their rents based on demand and supply of properties.

Renting does have its benefits, though.

The start-up costs are lower than paying a mortgage deposit. You will just need to pay a security deposit and sometimes the first month or so of rent. You can often live more centrally when renting and have more flexibility to move around, but there can be downsides if you have a landlord who is unwilling to maintain the property or decides to sell up.



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> **GIVEN THE LOW INTEREST RATES AVAILABLE AT THE MOMENT, PAYING A MORTGAGE CAN BE CHEAPER THAN RENTING – SO IF YOU CAN RUSTLE UP THAT DEPOSIT, IT'S WORTH IT**

Andrew Montlake, director of mortgage broker Coreco, says: "Even though there has been talk of a rental generation who are no longer concerned about home ownership, people do still want to own their own home, although they are doing this later in life than in the past.

"Given the low interest rates available at the moment, paying a mortgage can be cheaper than renting, so if you can rustle up that deposit it is worth it to take that first step onto the property ladder."

How to save for a deposit

Unless you have very generous parents, you are most likely to need a mortgage to purchase a property.

The average property price as of November 2018 was £230,630. If a bank offered a 75 percent loan-to-value (LTV) mortgage on this property, you would need a deposit of £57,657.50. If you found a lender offering a loan at 95 percent LTV, you would still need £11,531.50.

This shows property prices are pretty high and it can be hard to get that deposit together. There are savings products to help first-time buyers, such as the Lifetime ISA

or Help to Buy ISA, which let you save for a mortgage deposit without having to pay tax on any interest earned.

There are other products, such as cash or stocks and shares ISAs, or general savings products.

Some lenders will even let your parents or relatives be a guarantor on your mortgage and will take a security on their savings or property, which should reduce the amount you need to put down.

Montlake adds: "With all of these methods, discipline is key and saving is great practice for budgeting and getting used to paying a mortgage."

Other costs to look out for

The mortgage deposit isn't the only cost to look out for. There may also be stamp duty to pay on your purchase, as well as mortgage application and legal fees.

Stamp duty is a property tax on the purchase of your home. First-time buyers don't have to pay the tax on any purchase up to £300,000 as long as the property value is below £500,000.

For anyone else, stamp duty charges start at zero for anything under £125,000 then two percent for the portion from £125,001 to £250,000, five percent for the amount between £250,001 to £925,000 and 10 percent for the amount between £925,001 to £1.5 million.

It is also worth paying for a conveyancer to check for any possible issues that could arise in your purchase, such as disputes over who owns the land or rights of way.

"An important thing to consider when selling a property is that you must make sure you have all the consents for works you have carried out to your property during your ownership when you sell," says Oliver Joseph, director at Gregory Abrams Davidson Solicitors.

"Without this, considerable delays are likely.

> **SAVING IS GREAT PRACTICE FOR BUDGETING AND GETTING USED TO PAYING A MORTGAGE**

"Buyers should always have a structural survey, if possible. It is always better to find out that there are defects with the property you are looking to buy before you actually buy it and incur substantial costs to rectify any issues."

He recommends buyers and sellers use a local solicitor for their conveyancing – the legal process of arranging the property purchase or sale – who can dedicate time and resources to each person and be easily reachable with queries.

Joseph warns there is also the risk of both a seller and buyer pulling out of a transaction, adding: "If you use a good agent, they will look into the buyer and ensure they are willing and able to purchase the property."

Should I wait for Brexit before I buy or sell?

The number of property sales dropped last year, while house price growth has also been slowing.

Many have blamed Brexit for drying up demand as potential buyers either wait for a housing market crash or are worried to part with their money, while sellers are also hesitant about getting the best price.

"We've noticed some purchasers are waiting to see what happens with Brexit before deciding whether to move, although stamp duty and affordability are also relevant," says London estate agent Jeremy Leaf.

"On the other hand, many of our customers believe pent-up demand means the market is at, or approaching, a low point so now could be the time to act."

How to...
start a small business

Big businesses may be more hesitant about investment and jobs in the UK amid Brexit uncertainty, but there is evidence to show the entrepreneurial spirit is alive and well in Great Britain

The latest Companies House data, analysed by think tank The Centre for Entrepreneurs (CFE), shows that business formations recovered from a drop in 2017 to reach a record 663,272 in 2018 – up 5.7 percent annually.

So what do you need to consider if you plan to start your own business?

Get the structure right

There are three main business structures, all with various levels of liability.

The simplest and cheapest option is becoming a sole trader, where you just work as an individual but are responsible for any losses. This can put your personal assets at risk.

You could share this liability by setting up a partnership, which combines the minds of a group of sole traders and spreads the risk and responsibility.

Alternatively, you could set up a limited company. This is a legally separate structure, which protects your personal assets such as your home and savings if the business collapses.

A limited company can be more tax efficient, but there are more responsibilities such as filing annual reports and other documents to Companies House. All structures may also need to file VAT returns and will have to complete an annual self assessment tax return.

Choosing your business structure is crucial and it is important to get this right at the outset," says Edward Chapman, an associate at law firm Royds Withy King.

"While you can start as a sole proprietor, if you have plans to grow, I recommend incorporating a limited company.

"This will allow you to grow your business, and also ensure there is a level of protection over your personal assets and will help in the event of any disputes further down the line."

Protecting your ideas

Howard Freeman, senior partner at Freemans Solicitors, says it is important to protect your ideas, known as your intellectual property, which includes inventions, literary and artistic works, designs, symbols, names and images.

Freeman says: "Your solicitor can help you protect your designs from competitors who may want to steal your ideas, whether it's copying your trading name and logo or the products themselves.

"By owning your designs, you can make money from them by allowing other people / companies to use them or at a later date you could sell them to someone else."

Taxes

Companies are a popular business structure as you pay corporation tax on your profit, currently 19 percent, compared with sole traders who pay income tax ranging from 20 to 40 percent or 45 percent, depending on how much you earn.

There are other tax rates you need to pay, though, regardless of your company structure, such as national insurance contributions.

Company directors may still take a salary, so will pay income tax on that.

If you are paid in dividends, you will need to pay 7.5 percent, 32.5 percent or 38.1 percent, depending on whether you are a basic, higher rate or additional rate taxpayer, although everyone currently gets a £2,000 allowance for this tax year.

Whichever way you operate, planning how you take income can help reduce your tax bill.

Saj Hussain, director of chartered accountants Pinnacle Strategies, says setting up a company can be tax efficient, especially if family members are also made shareholders or directors so income can be shared between those on higher and lower tax brackets.

"In most small companies, the directors and shareholders are one and the same, and so they can choose the most tax efficient way to pay themselves," he says.

"Over recent years, many families have

been attracted by the savings that can be made by combining small salaries and large dividends.

"It is possible to increase the savings available by introducing a non-working family member into the business as a shareholder or co-owner, to use up their personal allowance and lower rates of tax.

"Care needs to be taken as rules aimed at counteracting this in the 'settlements legislation' could be used to challenge certain arrangements."

Where to work

You can cut costs by working from home, and you may also be able to expense your energy and broadband costs. Your home insurance may not protect your company assets, so you may need extra cover and your mortgage provider and local council may need to be notified.

Alternatively, having your own dedicated premises can give you somewhere to meet clients and a separate space from the spare room. If you choose to get an office, have a lawyer to check over the lease so you understand the terms.

Financing

Consider how you will fund your business. Is a business account and overdraft enough, or will you require a bank loan? You will need to come up with a decent business plan to impress the bank manager.

There are also other sources of funding such as peer-to-peer lending or venture capital.

You can get tips on accessing finance and how to apply from local enterprise partnerships. Find your local growth hub at www.lepnetwork.org.uk.

Freeman advises using a solicitor to ensure you are getting fair rates and terms.

The legal side

From staff contracts to ordering and providing goods and services, Freeman says it is important to get the legals right.

He also warns to prepare for all possibilities. What if you fall out with a partner or fellow shareholder? Can you be forced out? How do you make sure that responsibilities and profits are divided fairly? What will happen to your business if you become ill or die?

"Your solicitor can cover all these questions with you and advise how to protect your interests now and in the future," Freeman adds.

Where to go for support

An accountant can make sure your business is tax efficient and that you are making use of all your allowances, while a solicitor can ensure you are on a solid legal footing to avoid any short or long-term lawsuits or issues.

Government website www.greatbusiness.gov.uk has useful resources on starting a business and finding finance while startupdonut.co.uk has advice and tips.

It may also be worth joining local business groups to meet and link up with other entrepreneurs such as through a nearby BNI network or trade bodies such as the Federation of Small Businesses.

How to... save for a simcha

From frocks and food to DJs and dance floors, planning for a bar or batmitzvah party, or your child's wedding, can be expensive

You don't have to spend a fortune on Jewish milestones, but the earlier you start putting money away, the more options you'll have for your and your child's special day. So what are the best ways to save for your simcha?

When should you start saving?

The best way to start saving money is with a goal in mind. This helps you focus and gives you an idea of how long you may need to put aside money for. This could mean having many different pots for a house, wedding or milestone such as a barmitzvah.

You may not know when you are going to pay for the first two, but at least with a bar or batmitzvah, there is a set time frame in mind.

Ed Monk, associate director for personal investing at investment firm Fidelity International, says: "A barmitzvah takes learning, dedication and lots of preparation for not only the child, but the whole family.

"With extra barmitzvah classes, the service itself, new outfits for the day, the costs can really start to add up. Then, of course, there's a celebration to pay for and perhaps cash gifts to help set the child on their way.

"From a financial planning perspective, the advantage of barmitzvahs is that we know exactly when they are going to happen and how long we have to prepare. So, why not take advantage of this?

"It may seem slightly ridiculous to start saving from when your child is born for a party 13 years away; however, the earlier you plan your finances, the better. The same goes for school fees, university fees, and so on.

Rabbi Benji Landau, executive director of financial literacy charity Mesila UK, warns that it is important to avoid "keeping up with the Joneses" when planning a simcha.

He suggests defining your spending priorities and then coming up with a plan.

"If, after analysing one's priorities, a family has discovered it is important for them to make an extravagant simcha, then one has to identify the relevant costs and ensure they build towards that ahead of time," he says.

"This will require forgoing other short-term purchases to put away the necessary sum for making their desired style of simcha.

"It is equally important to identify and budget for irregular and unexpected expenses.

"The key is understanding that the surplus at the end of each month is not available until this has been done."

> IT IS IMPORTANT TO AVOID 'KEEPING UP WITH THE JONESES' WHEN PLANNING A SIMCHA

How to save and invest

The taxman may not always seem that generous, but HMRC does actually let everyone save up to £20,000 a year tax-free in an individual savings accounts (ISA).

This means you can earn interest from a cash savings account or by investing in the stockmarket without having to pay back anything to the taxman.

There are two main types of ISA, which are sometimes called tax wrappers. Cash ISAs pay a fixed amount over a defined period, while you can potentially earn more by investing the shares of companies or investment funds through a stocks and shares ISA.

The potential earnings from investing in the stock market are higher, but you are taking more risk as the value of your portfolio may also fall. Starting early means you can ride out both the highs and the lows of the stock market.

There are other types of ISA, such as a Help to Buy ISA or Lifetime ISA, that can help you save for a mortgage deposit, or an Innovative Finance ISA that lets you earn money from peer-to-peer lending tax free. You can also set up a Junior ISA that creates a dedicated portfolio for your child to access once they turn 18.

Research by Fidelity for *Jewish News* shows that if you had invested £1,000 a year into the FTSE All Share 13 years ago – to save for a barmitzvah – you could now have a savings pot of £19,998.25. Whereas if you had invested a £1,000 a year for your child in an average cash savings account over the same period, you would have ended up with £13,275.65.

Monk adds: "Whatever way you decide to save or invest your money, it is important to have a plan in place to ensure financial pressures don't get in the way of enjoying this special day. This could also be a great opportunity to start teaching your child about responsible personal finances. After all, barmitzvahs are all about learning."

While £1,000 may seem like a lot of money, it works out at around £19.50 a week, or about £2.74 a day, which is the cheaper than the cost of some cups of coffee.

Joshua Gerstler, financial adviser at advisory firm The Orchard Practice, said people will have different feelings about how much risk they want to take with their money.

"A stocks and shares ISA would be better for an investment of five years plus," he says. "A cash ISA is simply a bank account with no tax and, with interest rates so low, the amount you will earn is therefore also low.

"An investment that seems full of exciting potential to one individual can seem frighteningly unpredictable to another. Investing can never be entirely predictable.

"The key point is that risk and the potential for reward go hand in hand. Investments that are low in risk are low in potential reward. As you accept more risk, the potential for reward becomes greater. The skill lies in managing the balance between the two.

"It is essential that, with the help of your adviser, you are clear how much risk you need to take to reach your goals and that you feel entirely comfortable with this."

Gerstler recommends starting to save as soon as possible and doing so on a monthly basis, explaining: "It is easier to build up the money you need over a 13-year period than a three-year period. Once you are investing on a monthly basis you will not even notice it, it just becomes a regular payment."

Where to go for advice?

A financial adviser can help you decide the best ways to save and invest and build and manage a portfolio for you.

If you're confident about managing your money, there are DIY investment platforms such as Hargreaves Lansdown or AJ Bell where you can set up or run your own portfolio, or digital advice firms such as Nutmeg, which set up investments for you based on your responses to a risk questionnaire.

All will have various charges, so check before you invest. Also, make sure any firm you use is listed on the Financial Services Register (find it on the Financial Conduct Authority website).

ADVERTORIAL

Land of opportunities

Technology, real estate and the energy sector are just some of the areas feeding Israel's vibrant economy

ISRAEL IS A VIBRANT ECONOMY with amazing opportunities to explore and be part of.

The Jewish state can be an attractive place to find investment opportunities and establish a new business presence.

With around $40,000 of gross domestic product per capita, Israel's economy has substantial buying power.

The nation is creative and fast thinking and has a very developed ecosystem of innovation in technology and industrial development.

There are also opportunities to take advantage of the country's real estate shortage and a vibrant energy market amid a renewable energy boom.

This all combines to make Israel an attractive place to find investment opportunities and establish a new business or economic presence.

In the past 10-15 years, the energy sector has become attractive for private players.

Renewable energy is expected to grow to 10 percent of the energy mix in few years.

Tal Mund

Energy reforms, which are on the way, and the findings of natural gas reserves support meaningful opportunities in development of large independent power producers, distributed generation, solar PV projects and micro grids. The high tech ecosystem is creating hundreds of new companies.

These are where smart and experienced entrepreneurs are contributing to the disruptive changes of different industries such as cyber security, medical devices, renewable energy, e- mobility innovation and much more.

These are opportunities not to be missed for savvy investors and business people as well as anyone that may find Israel as an economic haven.

With more than 20 years in senior roles with leading Israeli and global companies, Tal Mund, the founder and chief executive of Wanaka Investments has significant knowledge, influence, and a local and international network to help investors and entrepreneurs who want to be part of these innovative opportunities.

Tal and Wanaka has helped global players enter new markets develop their strategy and build their business and has managed or consulted on business development, commercial and investment discussions as well as mergers and acquisitions.

Wanaka will be happy to address your needs, desires, questions, explorations and plans and support you on a new or existing journey within the Israeli economy and market place.

Tal Mund is founder and chief executive of Wanaka Investments. You can contact him on +972525225521 or email Wanakainvestments@gmail.com

How to... get divorced

Preparing your finances to save for a simcha or to navigate the financial markets is tough enough. But a marriage breakdown can also have a detrimental impact on your family, home and wallet

Many married couples split up because of money issues or the stresses of arranging a wedding or barmitzvah.Celebrity divorce lawyer *Vanessa Lloyd Platt*, who runs Lloyd Platt & Co, reveals the key things to consider when separating from your spouse.

What is the first thing I need to do when divorcing my partner?

Ensure that all other options have been exhausted namely counselling or mediation over the marriage itself. Prepare a statement of the history of events and finances and try to collate as much financial information and documents as possible to assist the process. Knowledge in these cases is king.

What will happen to our children?

The courts do not like interfering when it comes to decisions over children. The basic principles are to allow parents to agree arrangements between themselves. The courts are now adopting shared care regimes.

That does not necessarily mean shared time, but for example three days for one party, four days for the other, or one week on and one week off for each party and shared holidays.

Standard contact is either every weekend for one day or alternative weekends with a day in between. It is important to be as flexible as possible with arrangements. It is vital not to let the children down on contact visits and be there when it has been arranged.

Children feel rejected when used as pawns in divorce cases.

What will happen to the home?

In most divorce cases there is a presumption that the starting point for the home is a 50:50 division. However, this will shift if there is only one home and the children are young with the likelihood that either the wife will be allowed to remain in the home with a percentage paid to the husband either now or in the future, or a greater percentage retained by her upon immediate sale. The greater the assets, the more options that are available.

Quite often the wife will trade off pension rights for more upfront monies from the home. The golden rule is not to sacrifice too much for the sake of keeping the home or most of the proceeds. Often parties will have to sell the home since it may not be affordable to run two households without doing so.

What will happen to my savings and pensions?

These will mostly be divided equally on divorce unless there has been some trade off regarding the home or maintenance. Do not be tempted to transfer savings just before or during the divorce since the court can deem them to be yours anyway.

Sometimes savings can be used to capitalise maintenance claims i.e. to pay them off where the claims are small. This is helpful if you are young.

Pensions and assets acquired before the marriage can sometimes be left out of a settlement or ringfenced, or protected by a prenuptial agreement before the marriage. Maintenance rarely goes on longer than set periods ie five years or ten years and therefore considering your overall settlement carefully is vital.

The issue of whether you are entitled to maintenance for yourself and the children and if so at what level and for what period, must be considered. Pensions acquired before the marriage can be ignored as pre-acquired assets. It is only pensions amassed during the marriage that will be taken into account.

How can a solicitor help me?

Solicitors are vital in divorce cases to assist with strategy. Finding the correct solicitor is important to achieve an early outcome and to advise you over your claims for the home, lump sums, maintenance and pensions etc.

Choose an experienced resolution-qualified solicitor to structure the petition, finances and issues concerning the children. Focus with the solicitor on the outcome you wish to achieve but have realistic expectations of your settlement.

Simply because your friend had a good settlement does not mean that you will. Do not use your solicitor as a counsellor but to strategise.

How to... fund for retirement

Retirement should be a time of happiness, new adventures and enjoying the fruits of your labour. But what options do you have to prepare, and is it worth retiring for the sunnier climes of Israel?

The term retirement is a bit misleading nowadays as plenty of people work beyond when they can draw their state pension, which currently comes at age 65 and is set to increase to 66 by 2020.

Whenever you plan to retire and reduce your workload, you will still have bills to pay and may want to fund holidays and other luxuries.

Preparation is key

Life expectancy fortunately has gone up, which means people have to fund a longer retirement," says Stephen Goldman, managing director of AM&A Investment & Pension Planning.

"Some expenses go down when you retire as you may no longer have a mortgage, but you still will want money to enjoy life.

"Many people underestimate how much they would actually need and are surprised by the sums needed for the lifestyle they want."

Pension planning

The main financial product that helps you prepare for your retirement is a pension.

The government provides a state pension, currently £164.35 a week, but you can build up a bigger pot yourself.

A pension lets you build up an investment portfolio to access when you retire.

Most employers must offer company pensions and will even contribute to your pot, or if you are self-employed you could set up your own.

The government also provides tax relief on your contributions, which boosts the amount you put in.

Your pension is typically invested into companies through either shares or funds as well as other assets such as bonds or commodities like gold.

If these go up in value then so will your pension, but the amount put away will also decline if the underlying assets performing badly.

This makes it important to spread your money and risk across different types of investments so gains in one area outweigh falls in others.

You can also make up for any losses over time if you start early enough and invest over the long term, while also benefiting from compound interest, where your earnings are boosted by being regularly reinvested.

"Anecdotally, every five years that you wait, you have to double the monthly amount you would need to save," Goldman adds.

"Setting up a monthly direct debit can also help as you may not notice it coming out."

Advisers also suggest looking beyond a pension and finding other ways you can accumulate wealth for your retirement such as property or Isas.

"People will need to accumulate assets and wealth," says Simon Benarroch, of wealth manager Raymond James.

"These assets will need to be switched into income producing assets in retirement. Your greatest investment friend is time, the power of compound interest over many years is quite incredible.

"Therefore, the earlier one starts to build wealth and accumulate savings and assets the better."

Your retirement options

The minimum age you can access your pension is 55, aside from in some special circumstances such as if you are seriously ill.

There are a few options when you retire. Everyone gets to access 25% of their pension tax-free.

After that, you are able to access your pot under pension freedom rules and pay income tax on withdrawals.

You can also take an income drawdown product that keeps funds invested while paying you a regular amount.

Alternatively, you can pay an insurance company for an annuity, which looks at your

age, health and lifestyle and calculates a regular amount of money to pay you for life.

Home owners aged over 55 could also use the value of their property to withdraw capital using a product called equity release.

Robert Levy, a specialist with independent advisers The Right Equity Release, says: “Equity release schemes can be useful for retirees wanting to reduce withdrawals from taxed pension funds, by accessing some of the capital tied up in their property tax free.”

There are two types of equity release product, a lifetime mortgage, which only has to be repaid after you move into care or by your estate when you die, or a home reversion plan that buys a percentage of your home for a lump sum.

In both cases you can usually reserve an amount to be passed on to loved ones.

You don’t just have to use it for retirement and can instead provide money for your loved ones, to pay off debts or just to enjoy with your family.

It is important to understand the costs and risks of such schemes, Levy adds.

“Equity release may not be an ideal solution for everybody and this highlights the need to seek expert guidance from a professionally qualified and independent adviser,” he says.

You should also consider inheritance tax (IHT) planning. If your estate – your financial assets such as savings, investments - are worth more than £325,000 when you die, the taxman will be owed 40% in inheritance tax. This can be reduced to 36% if you leave money to charity.

There may also be tax to pay on your leftover pension if you die beyond age 75.

The value of your estate can also be complicated if you are passing on property.

There is a main residence allowance, currently £125,000, which effectively boosts your threshold to £450,000 before you need to pay IHT.

Most assets can be passed to a spouse without any IHT to pay, but others such as your children may be lumbered with the bill.

Benarroch adds that there are products that can help reduce your IHT liability, but there is another route which may appeal to those keen on retiring to Israel.

He says: “Israel does not have any inheritance tax, however you would need to reorganise your UK assets for this to be effective.”

Making Aliyah in retirement

Moving to Israel is definitely gaining popularity with retirees, Benarroch says.

“From a social and family perspective many people now have family and or close friends in Israel. People also are anxious about the political landscape in the UK,” he says.

Israel is encouraging Aliyah by offering a 10-year tax exemption on income or capital gains made outside of Israel.

Benarroch adds: “When moving to Israel the usual advice is not to move much money to Israel as it is potentially taxable and keep most of your money invested outside of Israel.

“People moving to Israel need to concentrate on organizing their UK investments and assets, this is something we help our clients with.”

However, he warns that the UK and Israel have different taxation rules on pension income, adding: “On the whole if organised properly you will most likely pay less tax on your pension that you would if you stayed in the UK but you will need to seek appropriate advice on this.”

Where to get advice

A regulated financial adviser can help you start a pension, define your strategy and eventually decide on the right type of retirement product for you.

Websites such as Unbiased.co.uk and VouchedFor provide adviser directories where you can search for a firm near where you live and read reviews.

It is also worth checking the Financial Conduct Authority financial services register to ensure they are regulated.