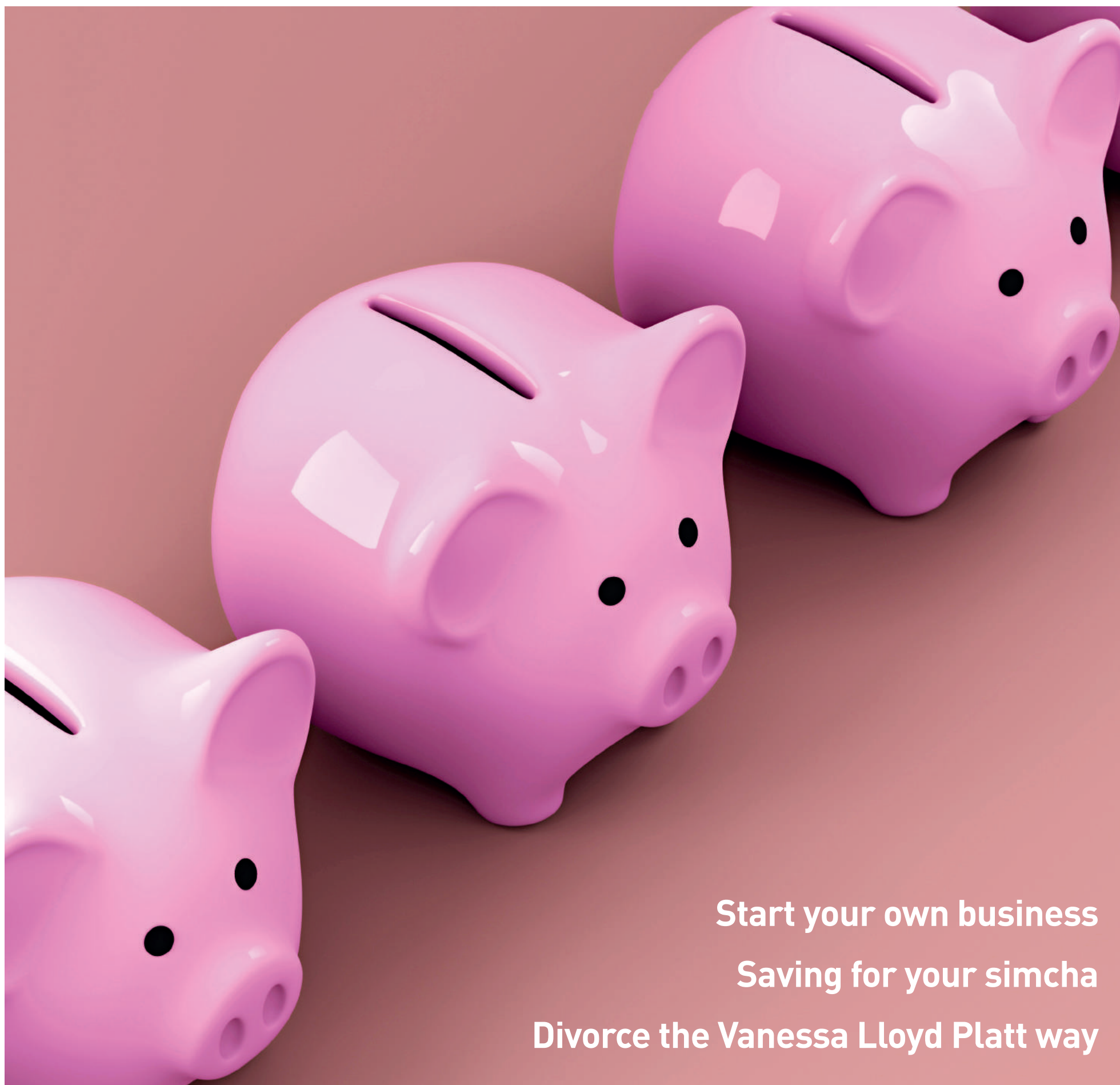


Finance

Supplement



Start your own business

Saving for your simcha

Divorce the Vanessa Lloyd Platt way

Finance / Property

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 your 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.

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



“

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

Property / Finance



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.

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



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.”



Kalms Property Finance is a London based independent finance brokerage.

We advise, structure and deliver bespoke real estate finance solutions* across all asset classes throughout the UK.

020 3370 0090

enquiries@kpfinance.co.uk

6 Duke Street, W1U 3EN

www.kpfinance.co.uk

*Whether the requirement is for senior or mezzanine debt, development finance, short term bridging finance or JV equity we have access to the most competitive funding sources in the market.

Conveyancing? We'll get you moving.

You'll want us on your side.

Conveyancing
Personal Injury
Medical Negligence
General Litigation
Corporate & Commercial
Wills & Probate

For fast, effective and competitive conveyancing, call our team on

0208 209 0166

www.gadlegal.co.uk
@GAD_Legal

GAD GREGORY ABRAMS
DAVIDSON
SOLICITORS

Gregory Abrams Davidson Solicitors is a trading name of National Law Partners Limited authorised and regulated by the Solicitors Regulation Authority www.sra.org.uk and registered in England and Wales under Company number 08312439.

Finance / Starting up



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

PinnacleStrategies

Chartered Accountants

Accountants for Small & Owner Managed Businesses

Accountancy

Property
Finance

Tax

Business
Finance

Pinnacle Strategies is an independent Chartered Accountant firm providing accounts, tax, business planning and financing solutions to business owners across the London and Essex.

We take pride in going beyond just accounting. We provide the face time and attention to detail needed in order to achieve the most tax efficient outcome for our client's business and personal wealth.

To find out more about how we can help please visit our website www.pinnaclestrategies.co.uk for an overview of our services.

0203 633 2991
info@pinnaclestrategies.co.uk
www.pinnaclestrategies.co.uk

ICAEW
CHARTERED
ACCOUNTANTS



Starting up / Finance



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.

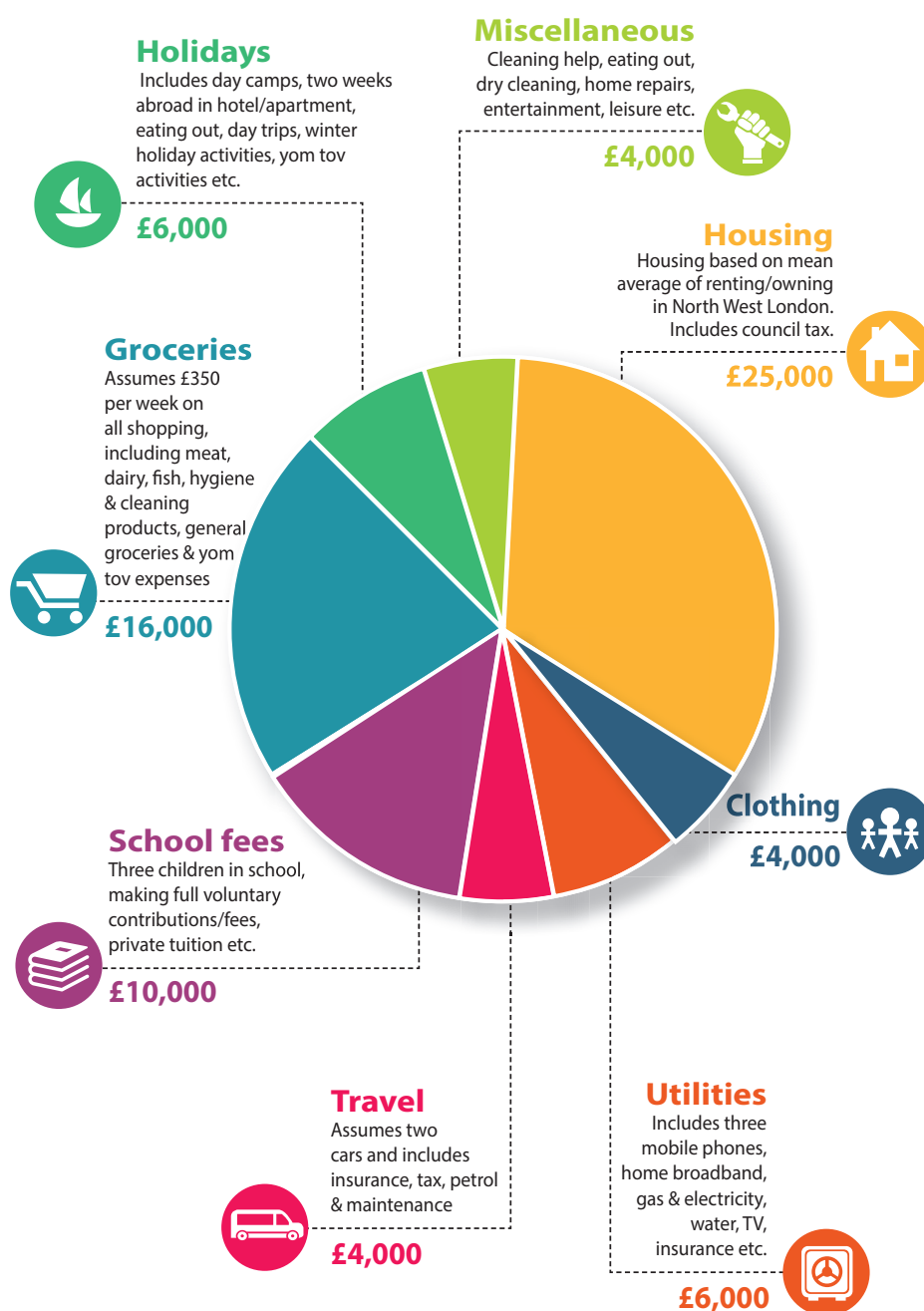
Government website www.greatbusiness.gov.uk has useful resources on starting a business and finding finance while startupdonut.co.uk has advice and tips.

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 far does a net household income of £75,000 stretch?

* Based on a family of five, with one full time gross salary of £70,000 & one full time gross salary of £35,000.



- What if you earn less or spend more?
- What about short, medium and long term savings?
- Are you looking to create an efficient and stable financial management plan?

Mesila's professional financial coaches will empower you to reach your financial goals – call us to find out more.

MESILA
Providing The Path to Financial Stability

admin@mesilauk.org • 0333 344 1711 • www.mesilauk.org

Finance / Paying for a party



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.

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



Tal Mund

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

WEALTH MANAGEMENT THAT IS
SIMPLY PAR FOR THE COURSE

We specialise in providing face-to-face wealth management advice that is tailored to reflect individual circumstances. We place you at the heart of everything we do, and are committed to building and sustaining long-term relationships based on trust, superior service and the quality of our initial and ongoing advice.

We can help you throughout your various life stages, providing a comprehensive range of financial solutions to address a multitude of needs and objectives. This includes investment, retirement, tax and estate planning. Our experience is that everyone has their own personal concerns, responsibilities and ambitions, and that the solutions that work for one simply would not work for another.

Contact us for further information.

The Partner Practice is an Appointed Representative of and represents only St. James's Place Wealth Management plc (which is authorised and regulated by the Financial Conduct Authority) for the purpose of advising solely on the group's wealth management products and services, more details of which are set out on the group's website www.sjp.co.uk/products. The 'St. James's Place Partnership' and the titles 'Partner' and 'Partner Practice' are marketing terms used to describe St. James's Place representatives

H2SP31241 02/19



Senior Partner Practice of
St. James's Place Wealth Management

HERONSLEA HOUSE | HIGH STREET | BUSHEY
HERTFORDSHIRE | WD23 3HH

Tel: 020 3384 0096 | Mob: 07921 316 595
Email: james.castle@sipp.co.uk
www.kineticwealthmanagement.co.uk

Finance / Divorce

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.

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.

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



Unlock the value of your home

Equity Release could help you and your family enjoy life



As a homeowner, your property is probably your biggest asset, but have you ever considered releasing some of the tax-free cash tied up in it? Best of all, you can use the cash lump sum however you wish:

- Boost your retirement income
- Settle your existing mortgage
- Help your family onto the property ladder
- Carry out home improvements



If you're a UK homeowner aged 55 or over, with a property value of at least £70,000, then equity release available through The Right Equity Release could be right for you.

Arrange a FREE no obligation appointment today by calling
Robert Levy on 07730 517671 or Freephone 0800 145 5399
robert.levy@therightequityrelease.co.uk
www.equityreleaseworcester.co.uk

The Right Equity Release Limited is authorised and regulated by the Financial Conduct Authority. The Right Equity Release Limited, Croft House, 21D Station Road, Knowle, Solihull, B93 0HL. Registered in England and Wales. Registration Number 07166676. This is a lifetime mortgage or Home Reversion. It may affect your entitlement to state benefits and will reduce the value of your estate. Mortgages on or equity released from your home will be secured against it. Think carefully before securing other debts to your home. To understand the features and risks, ask for a personalised illustration. The Right Equity Release does not charge any up-front fees. A fixed fee is only charged on completion of an Equity Release Plan. Typically, this is 1.5% of the total facility or £1,295 whichever is the greater.



Lloyd Platt & Co.

Family, divorce & criminal solicitors

We are pleased to help with all forms of matrimonial work including:

- **Divorce**
- **Pre-Nuptial Agreements**
- **Cohabitation Agreements**
- **Domestic Violence**
- **Childcare**
- **Adoption**
- **Settlement for Co-habitees**
- **Civil Partnership**
- **Financial settlements on Divorce**
- **Any aspect of family law**

To make an appointment please telephone **020 8343 2998**

**Lloyd Platt & Company, Third Floor, Elscot House,
Arcadia Avenue, London. N3 2JU**

Website: **www.divorcesolicitors.com**

Email: **lloydplatt@divorcesolicitors.com**

Regulated by the Solicitors Regulation Authority

Finance / Retirement planning

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



LONDON • WATFORD

Freemans
solicitors

Our main areas of expertise include

- ✓ Residential/Commercial Conveyancing
- ✓ Family Law
- ✓ Employment
- ✓ Immigration
- ✓ Civil & Commercial Litigation
- ✓ Crime
- ✓ Wills, Estate Planning & Probate
- ✓ Company & Business Law

Call Now

London 020 7935 3522 Watford 01923 919990

www.freemanssolicitors.net

Out of Hours Crime Emergency No 07973 259 382

Regulated by the Solicitors Regulation Authority SRA No: 173314



Retirement planning/ **Finance**

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.



How much of your estate will the tax man take?

Did you know British families paid a record £5.2bn in inheritance tax last year?

Inheritance Tax (IHT) becomes an issue when someone dies. It is a one-off tax paid on the value of the deceased's estate including all property, possessions and money above a set threshold – currently £325,000. The tax is set at 40% of any value over that threshold, reduced to 36% if more than 10% of the estate is given to charity.



"If you hate the idea of HMRC receiving a large chunk of your estate when you die, then IHT planning is critical, and there are lots of ways to reduce the amount your family will have to pay. It is a complex and somewhat controversial area, but if you plan ahead you can definitely legally reduce your inheritance tax bill."

Stephen Goldman, our expert in IHT Planning, offers over 20 years' experience in the financial services sector with specialist experience in pension and investment planning, particularly in complex cases.

"

I am a widow and worried how much money my children and grandchildren would be left. I had enough income to meet my needs but needed help arranging my affairs. Stephen encouraged me to look at several different ideas that I wasn't aware of; as a result, I have so far saved £160,000 in tax from my estate, with a lot more savings still to be made in the future. I couldn't have achieved this on my own and am so grateful to Stephen for helping me with this."

Mrs H, aged 84

AM&A is an established financial services and wealth management practice specialising in retirement and estate planning, and portfolio management. We offer a bespoke service with ongoing client engagement so you can feel confident that your affairs are being looked after at all times.

For a no obligation, friendly chat with an expert, call Stephen on 020 8387 1231 or email stephengoldman@amaipp.com

AM&A | Investment & Pension Planning Limited

www.amaipp.com

Follow us

AM&A Investment & Pension Planning Limited is authorised and regulated by the Financial Conduct Authority and registered in England & Wales under Company number 5275457.

Tax Efficient Portfolio Management



Raymond James UK

- 107 UK Locations
- All Golders Green advisers qualified to highest "Chartered" level

Raymond James Financial Inc (parent co)

- 3100 office locations worldwide
- \$790bn client assets
- S&P 500 company

(data as at 30.9.18)

"Simon created a low-risk portfolio which has done amazingly well in these troubled times"

FP,

"His professional expertise has produced excellent results"

SF,

"Particularly understands the needs of those making aliyah"

Anon,

"I have the highest regard for Simon Benarroch... an excellent team"

A H,

For more information on our wealth management services please contact Simon Benarroch 020 8202 1944 or email RJUKGoldersGreen@raymondjames.com

www.GoldersGreen.RaymondJames.uk.com

Risk Warnings – With investing, your capital is at risk.

Raymond James Investment Services Ltd is a member of the London StockExchange and is authorised and regulated by the Financial Conduct Authority.
Registered in England and Wales number 3669657
Registered office Broadwalk House, 5 Appold Street, London EC2A 2AG

RAYMOND JAMES®

Golders Green