



NEWSLETTER

SUMMER 2015



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Welcome



Demand for financial planning has grown significantly over the last year. Time will define the various factors that promoted this pleasing position, although a recovering economic climate, the newly released 'pension freedoms' and many more employers meeting their Workplace Pension responsibilities will certainly feature. With the General Election now complete, I have little doubt that demand for advice on personal and corporate

finances will continue to grow throughout 2015. As I reach my 30th year in UK retail financial services in 2015, the sustained increase in demand reminds me a little of my earlier years when financial services was at the heart of the UK's economy. Will we return to this? Time will tell, although many institutions are reporting positive positions at this time and it is good to see some healthy returns in many investment sectors over the last year.

I hope that the our Special Edition Newsletter helped with your end of tax year and new tax year planning and please do let the team know if there are points you would like to address over the coming summer months. It was an honour for the Chapters Financial team to be the main feature of Financial Planner magazine in 2015 and I have detailed this later in this newsletter. We are very proud of our commitment to high quality Financial Planning and I hope this is reflected in the service we offer you.

Our Woking Office celebrates its second anniversary in the autumn of 2015 and it is great to have added this extra resource to the Chapters Financial offering. We have attracted London and Woking clients to this new service and aim to grow our presence still further over the coming months.

We hope you have a great summer and look forward to working with you further into the future. Thank you for your continued support.

Keith Churchouse



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New Tax Year, New Marriage Allowance

There is much financial planning 'noise' going on at the moment with new pension and retirement benefit changes from the new tax year, in April 2015. With so much going on, and with much media attention on these changes, it is easy to miss some other valuable tax changes that also started at the same time.

The new Marriage Allowance from HMRC started in the new tax year and may be worth up to £212 to some who earn £10,600 pa gross or below in this tax year 2015/2016. This tax saving can be achieved by sharing your spouse's/civil partner's individual tax allowance in the year. Effectively, if you have unused personal allowance, you can apply to transfer your remaining allowance to your spouse/ civil partner if they earn over £10,601 up to £42,385 pa gross.

The full details of this new allowance can be found at:
<https://www.gov.uk/marriage-allowance>

You will see that you can also register your interest via the web address above.

This new allowance raises the financial planning issues of the efficient balancing of income, where possible, between spouses/civil partners, not only during their working life, but also in retirement.

As a first point, we usually recommend that individuals check that they have accrued sufficient years of National Insurance contributions to receive a full State Pension. With the State Pension being changed in the tax year 2016/2017, increasing the required number of years from 29 to 35 years, this check becomes ever more important. The State Pension check can now be achieved online at: <https://www.gov.uk/state-pension-statement>

We have also experienced some clients having pension assets accrued only in one name, normally the household's main earner. It is possible to pay up to £3,600 per annum gross into a pension for a non/low-earner. With the new pension flexibilities available from April, this allowance may be more attractive in balancing household income and the tax charged for the future.

The many changes planned for the new tax year are very interesting and we believe it has never been more important to take high quality financial advice.

If you would like help with your and your household's financial planning then please contact the team at Chapters Financial Limited at our Woking or Guildford offices.



Post-Election Commentary

The night of 07 May 2015 was a long one. Waiting for the results of a General Election can be a fascinating time, with a range of high profile MPs and candidates falling at the declarations across the UK. As the morning of 08 May broke, the clear outcome of the General Election was a surprise to many, especially the various opinion poll providers whose predictions were well wide of the final result.

With the press suggesting it was neck and neck to the wire, many, including the Chapters Financial team, were surprised by the initial exit poll which provided a clear outcome. As the investigations begin as to how the real result was not closely hinted at, many are questioning the motives behind the voting pattern, with thoughts of loyalty to a political party, desire for the economy to stay on track and, conversely, fear of an alternative route. Fear, along with other basic emotions, such as love and greed, is a powerful motive.

With the results and changes now settled and the new cabinet posts allocated, the real work for the new Government begins. We wish them every success, as it is clear the majority of the UK does, in moving the country forward.

With this in mind, what does this change mean to you, if anything at all? Will it make a change to the way you work or manage your money and financial planning? Some issues are not affected by who governs the country, such as the population naturally living longer. More time to work, possibly, but also more time in retirement. Indeed, the new 'pensions freedoms' which were a legislative change, may help manage this issue. Longer working may give more time to save, but it might also mean that as a bread-winner, you may need to protect the family for longer.

Whatever your individual circumstances, and we are all individuals, now may well be a good time as we head towards the summer to take stock of your financial planning, to review this and to make changes to meet with your plans, whether they have been changed by the General Election results or not.

The team at Chapters Financial can help you with your financial planning and any review that may well now be due. Talk to us at our Guildford or Woking office.

Chapters Financial in Financial Planner



We are delighted to share with you the May issue of Financial Planner which features the full team on its front cover, alongside a double page spread, where Keith explains his thoughts on expanding Chapters Financial and what the future holds.

Everyone here at Chapters Financial would like to take the opportunity to thank you for your support throughout the years. Opportunities such as these do not happen without you.

Pension Lifetime Allowance (LTA)

From April 2016 the Lifetime Allowance will be reducing from £1.25 million to £1.0 million (and then indexed in line with CPI from 6 April 2018). This will mean that from April 2016 if your combined pension pots are worth more than £1.0 million when you start drawing a pension or reach the age of 75, you will be subject to a tax charge. We have made comment on the LTA before, but this is a new planned reduction in this pensions limit.

For most people, the LTA is calculated when your pension funds are crystallised – i.e. when you draw a tax-free lump sum and/or income. The charge on any benefits over the LTA limit is 55% if the excess is paid as a lump sum or 25% if paid as income (plus your marginal rate of income tax).



This reduction in the LTA will add more complexity to pension planning, particularly for those who had thought they were safe and well below the limit. There will be a new protection regime to navigate, although it is not yet clear whether this will take the same form as HMRC Individual Protection and HMRC Fixed Protection 2014, which were introduced when the LTA was cut in April 2014.

Workplace Pension / Auto-Enrolment – Are You Ready?

As we noted in the welcome, 2015 is going to be a big year for enrolment of employees into qualifying pension schemes. The Pensions Regulator (TPR) is likely to write to thousands of small to medium size employers throughout the year to advise them of their duty to provide a compliant pension scheme which is able to accept contributions from the company's Staging Date (the date from which the company is legally required to provide this benefit).

The Staging Date provided is usually matched to the company's circumstances, and in most cases is based on staff numbers within the company on 01 April 2012. There is no reason why an employer cannot bring their Staging Date forward to a date that suits them if they are ready to start earlier. Indeed, this is an added benefit to the staff and may encourage greater loyalty to the business.

The team at Chapters Financial would be pleased to help you through the process from creating an action plan, choosing a compliant pension scheme right through to writing to your staff and help completing your declaration of compliance with The Pensions Regulator.



Woking Staff Spotlight: Suzanne Carter



Suzanne Carter joined Chapters Financial in November 2013 as our Office & Marketing Coordinator. Based in our Woking office, Suzanne has continuously helped us establish the Woking facility as the branch continues to grow.

In addition, Suzanne recently attended the Digital High Street Skills three part training course hosted by Experience Guildford, designed to help small businesses develop their knowledge of the rapidly growing online market, from the internet to social media.



Guildford
IN
BLOOM
Greening the Borough



There is nothing like an array of flowers throughout Guildford to mark the summer, and this year is no different. Bringing together communities, companies and schools, Guildford in Bloom continues to promote Guildford's nature and Chapters Financial is delighted to be sponsor and a part of the Guildford in Bloom events.

Summary & Review

As always, the team at Chapters Financial are here to help you and work with you in providing independent financial advice. Reviewing your finances and existing arrangements regularly is recommended.

Please contact us on **01483 578800 (Guildford)** or **01483 330800 (Woking)** or by email at **info@chaptersfinancial.com** to discuss your requirements and to book a meeting or financial planning review.

This Newsletter provides general information and should not be used as individual advice.

If you would like to receive this information in email format please let us know.



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