

IFA Fundamentals

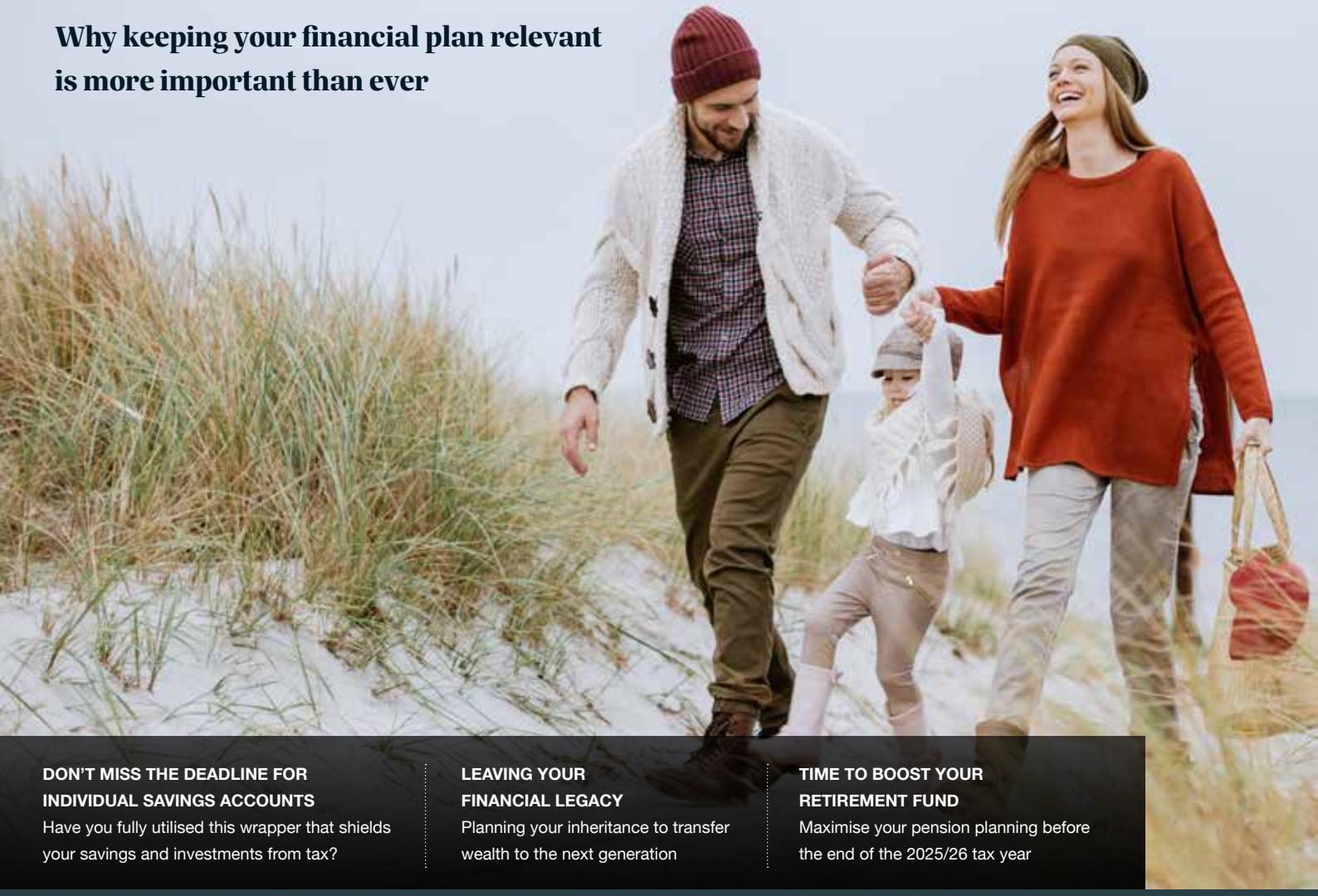
For the latest news, articles and
guidance on financial matters

Pensions | Investments | Protection | Mortgages

JANUARY / FEBRUARY 2026

What's on your financial to-do list for 2026?

Why keeping your financial plan relevant
is more important than ever



DON'T MISS THE DEADLINE FOR INDIVIDUAL SAVINGS ACCOUNTS

Have you fully utilised this wrapper that shields
your savings and investments from tax?

LEAVING YOUR FINANCIAL LEGACY

Planning your inheritance to transfer
wealth to the next generation

TIME TO BOOST YOUR RETIREMENT FUND

Maximise your pension planning before
the end of the 2025/26 tax year

Inside this issue

Welcome to our first issue of the new year. Have you set your New Year's financial resolutions? The key is to make them specific and measurable. To help you get started, we have suggested some financial resolutions for 2026 to consider, all of which are realistic, achievable and easy to track. Life is rarely static. In a climate of economic change, keeping your financial plan relevant is more important than ever. If you've experienced a significant life event, such as inheriting money, selling a business or separating from a partner, on page 06, we discuss why it's vital to consider how it can impact your finances. A plan that was suitable last year might no longer fit your current situation.

An Individual Savings Account (ISA) enables you to save or invest money in a tax-efficient manner. It serves as a protective wrapper for your savings and investments, shielding them from tax. The ISA allowance resets each year and must be used within that year; it cannot be carried over. Have you maximised your ISA contribution allowance in this tax year? Turn to page 03.

Passing wealth to the next generation remains a common goal for many individuals. However, navigating the complexities can be daunting, leaving some uncertain about how to transfer their wealth in the most tax-efficient way. With tax thresholds currently frozen and potential future changes on the horizon, on page 10, we explore why more people are understandably concerned about their financial future and are seeking professional advice to protect their legacy.

As the 2025/26 tax year ends on 5 April, now is an ideal time to review your pension arrangements and ensure you're maximising all available allowances. Taking proactive steps in pension planning now can help you secure valuable tax relief, enhance your retirement fund and prepare for the future. Acting before the deadline allows you to fully utilise the rules before the new tax year begins, helping you avoid missing out on potential benefits. Read the article on page 04.

A complete list of the articles featured in this issue appears on the opposite. ▲

Wealth planning tailored to your future

Our approach ensures that every aspect of your wealth aligns with your life goals, family priorities and ambitions for future generations. To learn more or arrange a meeting, please contact us.



Contents

05



03

DON'T MISS THE DEADLINE FOR INDIVIDUAL SAVINGS ACCOUNTS

Have you fully utilised this wrapper that shields your savings and investments from tax?

04

TIME TO BOOST YOUR RETIREMENT FUND

Maximise your pension planning before the end of the 2025/26 tax year

05

SAFEGUARDING YOUR FUTURE

Without a sufficient financial buffer, an unforeseen health issue could be catastrophic

06

WHAT'S ON YOUR FINANCIAL TO-DO LIST FOR 2026?

Why keeping your financial plan relevant is more important than ever

08

DON'T LET YOUR PENSION FUNDS DISAPPEAR

How financial awareness can protect your hard-earned retirement savings

10

LEAVING YOUR FINANCIAL LEGACY

Planning your inheritance to transfer wealth to the next generation

11

NAVIGATING THE AUTUMN BUDGET 2025

Frozen thresholds and new caps reshape the financial landscape for savers and investors

12

DECODING RECENT PENSION CHANGES

Staying informed and maximising available tax benefits for a comfortable retirement

Information is based on our current understanding of taxation legislation and regulations. Any levels and bases of, and reliefs from, taxation are subject to change.

The value of investments may go down as well as up, and you may get back less than you invested.

The content of the articles featured in this publication is for your general information and use only and is not intended to address your particular requirements. Articles should not be relied upon in their entirety and shall not be deemed to be, or constitute, advice. Although endeavours have been made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions taken in respect of any articles. Thresholds, percentage rates and tax legislation may change in subsequent Finance Acts. Levels and bases of, and reliefs from, taxation are subject to change, and their value depends on the individual circumstances of the investor. The value of your investments can go down as well as up, and you may get back less than you invested. Past performance is not a reliable indicator of future results. The Financial Conduct Authority does not regulate tax advice, Inheritance Tax planning, trusts, estate planning, Will writing, or Cash Flow Modelling.

Don't miss the deadline for Individual Savings Accounts

Have you fully utilised this wrapper that shields your savings and investments from tax?



An Individual Savings Account (ISA) is highly effective for anyone looking to save or invest money in a tax-efficient way. An ISA functions as a wrapper that shields your savings and investments from tax. Any interest, capital gains or dividends earned within an ISA are completely tax-free, enabling your money to grow more efficiently than it would in a standard savings account.

For the 2025/26 tax year, every eligible UK resident has an annual ISA allowance of £20,000. You can choose to save or invest the full amount in a single ISA or spread it across multiple ISAs, based on your financial goals. The flexibility of the ISA system means there is probably an option suited to your needs, whether you're saving for a short-term aim or investing for your long-term future.

UNDERSTANDING YOUR OPTIONS

There are different types of ISAs available. The most common is the Cash ISA, which functions similarly to a regular savings account but provides the key advantage of tax-free interest. For those willing to accept a higher level of risk in exchange for the potential for better returns, a Stocks & Shares ISA allows investment in a wide range of assets, including funds, bonds and individual company shares, without incurring Capital Gains Tax or Dividend Tax.

The Lifetime ISA (LISA) has also been in the spotlight following the Autumn Budget 2025. While the current LISA still allows you to save for your first home or retirement and offers a government bonus, the government has announced a consultation to replace it with a new, simpler product aimed solely at first-time buyers.

Other specialised ISAs include the Innovative Finance ISA (IFISA), which involves peer-to-peer lending. Each type has its own rules and benefits, so it is important to understand which one suits your personal circumstances and savings goals.

CHANGES TO CASH ISAS

The Autumn Budget 2025 has announced significant changes to Cash ISAs. From April 2027, the annual limit for new contributions to Cash ISAs will decrease to £12,000 for those under 65. If you are 65 or over, you can still contribute up to the current limit of £20,000 to your Cash ISA each tax year. Despite this change, the overall annual ISA allowance stays at £20,000, allowing you to allocate your remaining allowance to other types of ISAs, such as Stocks & Shares ISAs or Innovative Finance ISAs.

However, the new regulations will prevent transfers from Stocks & Shares ISAs or Innovative Finance ISAs into Cash ISAs. Additionally, interest earned on cash within

Stocks & Shares ISAs or Innovative Finance ISAs will now be taxed, discouraging the accumulation of large cash balances in investment-focused accounts. These changes aim to encourage younger savers to explore investment options for long-term growth, while safeguarding older savers who might prefer the security of cash savings.

DON'T MISS THE DEADLINE

The ISA allowance is available on a 'use it or lose it' basis each tax year. Your allowance for the 2025/26 tax year cannot be carried forward, so it is crucial to make your contributions before the 5 April 2026 deadline. Failing to utilise your allowance means missing out on a valuable opportunity to grow your savings tax-efficiently.

Whether you're an experienced investor or just starting your savings journey, making full use of your annual ISA allowance is a wise financial decision. Take control of your financial future by exploring the advantages of ISAs. Whether you're aiming to grow your wealth tax-efficiently or secure a reliable income stream, ISAs provide a flexible and effective way to reach your goals. ◀

Does your ISA strategy align with your financial goals?

With a variety of options available, from Cash ISAs to Stocks & Shares ISAs, selecting the right one can make a significant difference. Don't face these decisions alone; contact us to ensure your ISA strategy aligns with your financial goals and maximises your potential returns.

To help your money work harder for you, please get in touch.

This article is for information purposes only and does not constitute tax, legal or financial advice. Tax treatment depends on individual circumstances and may change in the future. For guidance, seek professional advice. The value of investments can go down as well as up, and you may get back less than you invest.



Time to boost your retirement fund

Maximise your pension planning before the end of the 2025/26 tax year

As the 2025/26 tax year ends on 5 April, now is the right time to review your pension arrangements and ensure you're maximising all available allowances. Taking proactive steps in pension planning now can help you secure valuable tax relief, boost your retirement fund and prepare for the future. Acting quickly allows you to fully utilise the rules before the new tax year begins, ensuring you don't miss out on potential benefits.

Recent economic and political events have emphasised the importance of practical pension contributions and understanding relevant limits. Although the broader tax landscape has seen minor changes, adjustments to thresholds and regulations affecting pensions can significantly influence your long-term retirement plans. With the deadline approaching, it is crucial to make any final top-ups to your pension while you still can.

REVIEWING PENSION ALLOWANCES AND TAX RELIEF

Pension contributions remain one of the most tax-efficient methods to save for retirement. Contributions receive tax relief at your marginal rate, making each pound you invest work harder for your future. As the tax year concludes, review your contributions against your annual allowance to ensure you do not miss out on this valuable relief.

An annual allowance limits how much someone can pay into pension schemes each year before incurring Income Tax. In 2025/26, individuals can contribute up to £60,000 into pension schemes without paying Income Tax. Typically, tax relief is not available for pension contributions above an individual's earnings. However, individuals can still contribute up to £3,600 annually, including tax relief, even if their earnings are below this amount.

MIMISE YOUR CONTRIBUTIONS FOR THIS YEAR

The annual allowance is tapered for higher earners. It decreases by £1 for every £2 earned above £260,000 (including pension contributions), and tapering ends when the allowance reaches £10,000. In defined contribution pension schemes, individuals accumulate a retirement savings pot.

In certain situations, if someone withdraws money from a defined contribution scheme, the amount they can contribute to these schemes in the future while still receiving tax relief is permanently reduced. The lower limit, known as the Money Purchase Annual Allowance, is set at £10,000 per year. For those with variable incomes, it is advisable to consider whether carry-forward rules on pension allowances can help you maximise contributions this year.

LAST CHANCE FOR PENSION PLANNING OPPORTUNITIES

The end of the tax year is a crucial time to make extra pension contributions if you can afford them. Even small additional payments can receive immediate tax relief, providing a smart boost to your retirement savings. For higher and additional rate taxpayers, claiming the full amount of tax relief could make a significant difference.

Review salary sacrifice arrangements and confirm that contributions are processed before the end of the tax year. This is especially important given recent updates from the Autumn Budget 2025, which introduced a £2,000 cap on salary-sacrificed earnings sheltered from National Insurance contributions from April 2029. Planning ahead will help you maximise the current rules before they change.

As the 2025/26 tax year ends on 5 April, keeping your pension planning current remains one of the most effective ways to secure your retirement. Maximising contributions, using available allowances and understanding any rule changes can protect and grow your savings for the future. ◀

i Time to make well-informed decisions for your future retirement plans?

For personalised guidance on your pension plans, we'll assist you in making confident and well-informed decisions about your future. To learn more, please contact us.

This article is for information purposes only and does not constitute tax, legal or financial advice. Tax treatment depends on individual circumstances and may change in the future. A pension is a long-term investment not normally accessible until age 55 (57

from April 2028 unless the plan has a protected pension age). The value of your investments (and any income from them) can go down as well as up, which would have an impact on the level of pension benefits available. Investments can fall as well as rise in value, and you may get back less than you invest.



Safeguarding your future

Without a sufficient financial buffer, an unforeseen health issue could be catastrophic

In the current economic climate, financial stability seems more out of reach than ever for many households across the UK. Recent research reveals a significant gap between our desire for security and the actions we actually take to attain it. Half of the UK's workforce admits they would feel much more financially resilient if they had cover in place to protect their income should they be unable to work due to illness or injury^[1].

Despite recognising its importance, a significant gap remains. Only 27% of UK workers currently have an Income Protection policy. This gap shows that while we understand the concept of a safety net, far too few have actually established one. Income Protection is often regarded as a luxury or an afterthought, but the data demonstrates it should be an essential part of modern financial planning.

COMPLEX WEB OF FINANCIAL RELIANCE

The importance of this type of cover becomes evident when we consider who depends on our income. The data show a complex network of financial reliance. On average, each worker supports three dependents who rely directly on their earnings. This burden often goes beyond children and partners; three in ten workers (29%) also care for a pet that depends on them for food, shelter and wellbeing. Among parents with older children, nearly half support the same number of dependents, indicating that financial responsibility does not necessarily end when children reach adulthood.

This burden is rarely borne alone, but that shared load comes with its own risks. The report emphasises that financial vulnerability is common among couples. Nearly half (45%)

of working couples rely on both incomes just to meet monthly living costs. For younger workers aged 18 to 24, this reliance increases to 70%. The real concern is clear: if one partner could no longer work, many households would face immediate and serious financial hardship.

RISING TIDE OF HOUSEHOLD DEBT

Exacerbating this vulnerability are rising living costs and increasing debt levels. The report highlights that household debt has been escalating, with the average debt rising by £1,734 from 2023 to 2024 to reach £20,640. As debt grows, savings remain static or decrease. One-third of UK workers have less than £5,000 in savings, nearly a quarter have less than £1,000 and just under one in ten have no savings at all.

For those with a limited financial buffer, an unexpected health problem can be disastrous. This is when Income Protection becomes essential. It offers a regular, tax-free monthly income during periods of illness or injury, providing not just money but genuine financial peace of mind. This safety net helps cover key costs such as rent, mortgage payments, utilities and other living expenses when you are unable to work.

CLOSING THE PROTECTION GAP

The research also highlights a significant 'protection gap' affecting renters, women and single parents. These groups often stand to lose the most from income loss but are usually the least protected. Income Protection isn't only for the wealthy or the primary breadwinner; it's for anyone whose life could be affected by a loss of temporary or permanent income.

As the cost of living crisis continues to affect households across the UK, people are becoming increasingly aware of their financial vulnerability. With rising energy bills, rent and mortgage payments, the stakes have never been higher. Having an Income Protection policy offers crucial financial security, turning a potential financial crisis into a manageable situation. ◀



Are you worried about your financial resilience?

If you are concerned about your financial resilience or wish to discuss how Income Protection could safeguard your future, please contact us to explore your options.

This article is for information purposes only and does not constitute tax, legal or financial advice.

Source data:

[1] LV= Reaching Resilience report: the data used come from a survey of 2,720 nationally representative UK workers, conducted for LV= by Opinium between 15–25 October 2024.

What's on your financial to-do list for 2026?

Why keeping your financial plan relevant is more important than ever

Have you set your New Year's financial resolutions? The key is to make them specific and measurable. To help you get started, we have suggested some financial resolutions for 2026 to consider, all of which are realistic, achievable and easy to track.

Life is rarely static. In a climate of economic change, keeping your financial plan relevant is more important than ever. If you've experienced a significant life event, such as inheriting money, selling a business or separating from a partner, it is vital to consider how it impacts your finances. A plan that was suitable last year might no longer fit your current situation.

BEGIN WITH A MEANINGFUL REVIEW

Financial plans should be reviewed at least annually to ensure they remain aligned with your life and goals. Over time, circumstances can change significantly. You might receive a salary increase, experience a change in your family situation or develop new long-term ambitions. The economy also fluctuates, affecting investments, interest rates and the cost of living. Without regular updates, your plan could become outdated and less effective in guiding you towards your financial objectives.

This provides a structured chance to make necessary adjustments, keeping your financial plan aligned with your current circumstances and future goals. The start of a new year is the perfect time for this important review. It acts as a natural milestone, encouraging reflection on the

past 12 months and planning for the year ahead. This period allows you to assess your progress against earlier goals and set new ones. With the festive season over, many people find they have the mental space to focus on practical matters like finances. So, what should you consider?

HIGHLY EFFECTIVE TAX-EFFICIENT WRAPPERS

A good starting point is Individual Savings Accounts (ISAs), a highly effective, tax-efficient wrapper for both investments and cash savings that protects against tax on income and capital gains. You have an annual ISA allowance of £20,000. With the tax year ending on 5 April, now is the time to ensure you've fully maximised this benefit for the tax year 2025/26.

There are different types of ISAs to consider when planning your finances. Cash ISAs offer a simple, low-risk way to earn tax-free interest on your savings. For those seeking higher growth potential, Stocks & Shares ISAs allow you to invest in a wide range of assets, including shares, bonds and funds, with any returns, dividends or capital gains remaining tax-efficient.

HELPING YOUR MONEY WORK HARDER

Stocks & Shares ISAs can help your money grow more effectively over the long term, especially if you're willing to accept more risk.



Some people opt for both a Cash ISA and a Stocks & Shares ISA to balance the safety of cash with the potential for higher investment returns, aligning their choices with their personal goals and risk tolerance.

Utilising your ISA allowance is essential for developing a broader financial strategy. Cash ISAs remain free from Income Tax on interest earned, and their higher contribution limits make them a valuable tool for enhancing overall tax efficiency.

MAXIMISING YOUR PENSION OPPORTUNITIES

Next, let's review pensions. Your annual pension contribution allowance is £60,000, subject to the earnings limit, the Annual Allowance and MPAA (Money Purchase Annual Allowance). If you typically utilise your full pension allowance each year, ensure you do so before the end of the tax year.

Pensions legislation is complex, and your personal circumstances and tax situation largely determine its impact on you. Understanding how these rules apply is essential for maximising your long-term savings and retirement plans. With our professional advice, we can help clarify your position and ensure you take full advantage of the opportunities available to you.

TAX-EFFICIENT GIFTING AND WEALTH TRANSFER

If you're planning to pass on your wealth, the annual Inheritance Tax (IHT) exempt gifting allowance of £3,000 is a valuable option. This allowance can be carried forward for one year if unused, meaning you could potentially gift up to £6,000 tax-free before the end of the 2025/26 tax year if you didn't utilise the previous year's allowance.

Gifting in this manner should always be part of a broader, well-considered financial plan. It can work effectively alongside other wealth transfer methods, such as paying for grandchildren's school fees or contributing to Junior ISAs. Before transferring any assets, ensure they align with your overall objectives and that you have sufficient funds for your future.

CONVERSATIONS THAT BUILD CONFIDENCE

IHT planning is just one part of effective intergenerational wealth planning. Many families often avoid discussing inheritance. If you haven't already, it's worth considering introducing your children or other heirs to us and involving them in conversations about your wealth.

Open communication ensures your loved ones are prepared to receive their legacy and

handle it wisely. By adopting these resolutions, you take tangible steps towards a secure financial future for yourself and your family. ◀

i Is it time to discuss your plans for the year ahead and beyond?

If you have any questions about your financial situation or wish to discuss your plans for the year ahead and beyond, please do not hesitate to get in touch for further information.

This article is for information purposes only and does not constitute tax, legal or financial advice. Tax treatment depends on individual circumstances and may change in the future. A pension is a long-term investment not normally accessible until age 55 (57 from April 2028 unless the plan has a protected pension age). The value of your investments (and any income from them) can go down as well as up, which would have an impact on the level of pension benefits available. Investments can fall as well as rise in value, and you may get back less than you invest.



Don't let your pension funds disappear

How financial awareness can protect your hard-earned retirement savings

In an era when job changes are common, millions of people in the UK risk losing touch with their hard-earned retirement savings. New research highlights a concerning gap in financial awareness, with many individuals potentially missing out on a significant part of their future income because pension pots from previous jobs have been forgotten.



The findings are eye-opening: one in four UK adults (26%) admit they do not know who their current pension provider is^[1]. This lack of engagement is made worse by the fact that two-thirds (66%) have never attempted to locate a lost pension, even though the average lost pension pot is worth around £9,470^[2]. This reveals a widespread misunderstanding of how pensions work when people change jobs, with a quarter (24%) unaware that switching employers can result in multiple, separate pension pots.

GROWING PROBLEM OF SCATTERED SAVINGS

Fewer than one in three people (30%) have carefully kept records of all their pension funds from previous jobs. Although merging these scattered savings into a single plan is often recommended as a practical solution, most have not taken this step. A significant 60% of adults have never combined their workplace pensions, a trend surprisingly common among older, more experienced generations.

This reluctance is clear across all age groups. Nearly three-quarters of the Silent Generation (73%) and two-thirds of both Baby Boomers (65%) and Gen X (66%) have never combined their pensions. Younger workers show a similar pattern, with over half of Millennials (50%) and Gen Z (55%) still to consolidate. Despite the potential advantages of these unclaimed savings, many who haven't combined their pensions have no plans to do so, often because they don't know where to start (31%) or feel it would be too much trouble (10%).

SIMPLE STEPS TO LOCATE YOUR LOST FUNDS

Even if a pension pot seems small, it can grow substantially over time, making the effort to find it worthwhile. Tracking down your savings might seem intimidating, but there are simple ways to help you re-establish control. A good starting point is to look for any old paperwork, as pension providers are required to send you an annual statement with important details about your plan.

If you cannot locate any documents, you can contact your previous employers directly. They will have records of the pension scheme they offered and can give you the administrator's contact details. For those still having difficulty, the government's free Pension Tracing Service is an invaluable resource. With your National Insurance number and employment dates at hand, you can use the service to find up-to-date contact details for past employers and providers.

HOW TO KEEP YOUR PENSIONS IN ORDER

Once you have found all your savings, it is important to keep them secure and prevent them from being misplaced again. Ensure your personal details, such as your address and personal email, are up to date with all your pension providers. This allows them to contact you with important information, even long after you have left a job. Keeping a clear record of each plan will give you a complete overview of your retirement savings.

This comprehensive overview helps you make informed decisions, such as whether consolidation is right for you. Combining your pots can simplify your finances and, in some cases, reduce fees. However, it is crucial to check carefully beforehand, as some older

pension schemes may include valuable guarantees or benefits that could be lost if you transfer them. Taking the time to understand what you have is the first step towards a more secure financial future. ◀

Would you like to discuss ways to enhance your retirement plan?

For advice on finding your pension pots or improving your retirement plan, speak to us about taking control of your future. Don't let your hard-earned savings disappear. To discuss your concerns or review your current plans, please contact us.

This article is for information purposes only and does not constitute tax, legal or financial advice. Tax treatment depends on individual circumstances and may change in the future. A pension is a long-term investment not normally accessible until age 55 (57

from April 2028 unless the plan has a protected pension age). The value of your investments (and any income from them) can go down as well as up, which would have an impact on the level of pension benefits available. Investments can fall as well as rise in value, and you may get back less than you invest.

Source data:

[1] Research conducted amongst 2,000 UK adults on behalf of Standard Life by Opinium from 12–15 August 2025.

[2] The average size of a lost pension pot, according to the Pensions Policy Institute.

Leaving your financial legacy

Planning your inheritance to transfer wealth to the next generation

Passing wealth to the next generation is a goal for many. Recent research shows that nearly half of us (47%) intend to leave a financial legacy, with a significant number planning to transfer assets directly to their children^[1]. However, navigating the complexities of Inheritance Tax (IHT) can be daunting, leaving many uncertain about how to pass on their wealth in the most tax-efficient manner.

This desire for effective intergenerational wealth transfer occurs amid significant changes in the UK tax landscape. Recent Budget adjustments, such as making certain pensions liable for IHT and capping some types of tax relief, have prompted individuals to review their estate planning. With tax thresholds currently frozen and potential future changes, more people are understandably concerned about their financial future and are seeking professional advice to safeguard their legacy.

MODERN APPROACH TO ESTATE PLANNING
When planning how to organise your estate, various tools are available. One often overlooked but effective option is onshore investment bonds. These financial products provide a simple way to grow your savings within a tax-efficient wrapper. When incorporated into a broader financial plan, these bonds can play a crucial role in reducing potential IHT liabilities and enabling a smoother, more organised transfer of wealth to your loved ones.

A key advantage of onshore bonds is their flexibility. They can be transferred to family members, such as children or grandchildren, through a Bare Trust without incurring an immediate tax charge. Once transferred, the

new owner is considered to have owned the bond from the beginning. This allows them to utilise valuable features like full top-slicing relief and any unused 5% tax-deferred allowances on future withdrawals, which can lead to significant tax savings.

A PRACTICAL WAY TO MANAGE TRUST ASSETS

Onshore bonds are also highly effective as trustee investments. For a trust, the bond is a non-income-producing asset, which simplifies administration and lowers the trust's ongoing tax exposure. Trustees can still access funds when necessary by using the 5% tax-deferred withdrawal allowance. This structure offers a practical way to manage trust assets while waiting for beneficiaries to reach maturity.

Later, the trustees can assign all or part of the bond to a beneficiary. This is especially useful if the bond is organised as a series of individual policies or 'clusters', allowing for partial assignments. Such a transfer is generally tax-efficient, often resulting in lower tax for the beneficiary compared to a direct cash distribution from the trust. Despite these clear benefits, a surprising 67% of people report knowing very little about how bonds can be used for inheritance planning.



BRIDGING THE KNOWLEDGE GAP

This lack of awareness highlights the importance of exploring all available financial planning options. As more people focus on securing their family's financial future, understanding the tools that can help you achieve your goals becomes essential. Onshore bonds offer a compelling combination of tax efficiency, investment growth potential and flexibility. They can be a valuable element of your strategy as you prepare for later life and aim to leave a lasting financial legacy.

As rules on inheritance and taxation evolve, staying informed is crucial. Knowing how various financial products operate can greatly influence the amount of your hard-earned wealth that is transferred to your family. ◀

i Is it the right moment to revisit your estate planning approach?

If you want to learn more about how investment bonds and other estate planning strategies could benefit you and your family, please contact us to discuss your options.

Source data:

[1] Data used from a survey of 4,000 nationally representative UK adults conducted for LV= by Opinium in March 2025.

This article is for information purposes only and does not constitute tax, legal or financial advice. Tax treatment depends on individual circumstances and may change in the future. The value of your investments (and any income from them) can go down as well as up, and you may get back less than you invest.

Navigating the Autumn Budget 2025

Frozen thresholds and new caps reshape the financial landscape for savers and investors

Last year's Autumn Budget outlined several fiscal changes that will significantly influence personal and family wealth planning in the coming years. Understanding these reforms is the first step towards protecting your financial future and keeping your strategy effective in a changing economic environment.

A key announcement is the decision to keep Income Tax thresholds frozen until 2031. This extension of the freeze means that as wages increase with inflation, more people will be pushed into higher tax brackets, a phenomenon known as 'fiscal drag'. Consequently, a larger portion of your earnings could be subject to higher rates of tax in the coming years.

ADJUSTMENTS TO TAX AND SAVINGS

The freeze also applies to Inheritance Tax (IHT) nil rate bands, which will remain at their current levels until 2031. As property and other asset values are likely to increase during this period, more estates could surpass the IHT threshold. This emphasises the importance of strategic estate planning now more than ever to ensure your assets are transferred to your loved ones in a tax-efficient way.

Changes are also coming for pension contributions. From April 2029, the tax NII (National Insurance) relief available through salary sacrifice schemes will be limited to £2,000. This change will reduce the tax and National Insurance advantages for employees who use this method to boost their

pension funds, prompting many to reassess their retirement savings strategies.

NEW PROPERTY AND INVESTMENT RULES

The government has also introduced measures affecting property owners and savers. A new council tax surcharge will be applied to properties valued at over £2 million, increasing costs for those owning high-value homes. It is crucial to include this additional expense in household budgets and long-term financial planning.

Although the annual ISA allowance remains unchanged, the rules for saving will alter from April 2027. For those aged under 65, cash savings within an ISA will be limited to £12,000 per year. This change aims to encourage directing the remaining £8,000 of the allowance into stocks and shares investments, promoting investment over cash savings.

IMPORTANCE OF PROFESSIONAL FINANCIAL ADVICE

These developments highlight the increasing complexity of the UK's tax system. Navigating these changes without expert advice can lead to missed opportunities or costly errors, whether

it involves decisions about selling assets, restructuring property ownership or adjusting pension contributions. Proactive financial planning is now essential, not optional.

We can assist you in understanding how this changing tax landscape impacts your specific circumstances. We can help identify alternative, tax-efficient strategies and ensure you are well-positioned to protect and grow your wealth, while avoiding unnecessary tax liabilities. ◀

Time to discuss frozen thresholds and new caps?

Strategic planning has become essential as frozen thresholds and new caps alter the financial landscape for savers and investors. To discuss how these changes could affect your financial plans and explore your options, please get in touch.

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested. The Financial Conduct Authority does not regulate estate planning, tax advice or trusts.



Decoding recent pension changes

Staying informed and maximising available tax benefits for a comfortable retirement

Last November's Autumn Budget 2025 Statement outlined a series of updates for pensioners and those saving for retirement. While a welcome increase to the State Pension was confirmed for April, the Chancellor also announced a future cap on salary-sacrifice pension contributions, which will impact many workplace pension savers.

Understanding these developments is essential for planning your financial future. Although the above-inflation increase in the State Pension provides some immediate relief, the new restrictions on salary sacrifice may impact those contributing to certain workplace schemes. Here, we look at what's changing, what remains the same, and why these announcements should not deter you from prioritising your retirement savings.

GOOD NEWS ON TAX-FREE CASH AND RELIEF

After months of speculation that the Chancellor might target pension tax benefits, both tax-free cash allowances and pension tax relief remained untouched. This provides significant relief for savers. Currently, you can typically take up to 25% of your pension pot as a tax-free lump sum once you reach the age of 55 (which will increase to 57 in 2028), subject to a maximum of £268,275, subject to protections.

Additionally, there were no modifications to the valuable Income Tax relief available on pension contributions. This relief remains applied at an individual's marginal rate of Income Tax, meaning higher rate taxpayers receive more tax back on their contributions. These consistencies provide a stable foundation for long-term retirement planning, allowing you to continue building your pension with confidence in the current tax benefits.

STATE PENSION BOOSTED BY TRIPLE LOCK

The Chancellor confirmed that the State Pension will increase by 4.8% in the 2026/27 tax year,

thanks to the government's triple lock guarantee. This policy ensures that the State Pension rises each year based on whichever of the following three measures is highest: average earnings growth, September's Consumer Prices Index (CPI) inflation rate or a baseline of 2.5%.

The new full State Pension will rise from £230.25 a week to £241.30 in April, adding an extra £575 annually. For those claiming the basic State Pension (who reached State Pension age before April 2016), weekly payments will increase from £176.45 to £184.90. However, the amount you get depends on your personal National Insurance record.

CAP ON SALARY SACRIFICE CONTRIBUTIONS

A major change announced in the Budget is the cap on salary sacrifice pension contributions. From April 2029, any contributions made through this method exceeding £2,000 annually will be liable for National Insurance. Salary sacrifice remains a popular feature of many workplace schemes, enabling you to exchange part of your gross salary for an employer pension contribution. This reduces your taxable income and your National Insurance liability.

Under current auto-enrolment minimums, individuals earning less than £40,000 annually are unlikely to be affected by this cap. For higher earners, the impact will depend on how employers customise their pension schemes. It could lead to many individuals seeing their monthly National Insurance contributions rise and their take-home pay fall. Despite this change, the overall tax

advantages of pension saving remain substantial and should not be overlooked.

STAYING INFORMED IS YOUR BEST STRATEGY

The Autumn Budget has undoubtedly brought a mixture of positive and challenging news for those planning for retirement. While the increase in the State Pension offers a welcome boost, upcoming changes to salary sacrifice make it more important than ever to reassess your existing pension strategy and understand how you could be affected.

Staying informed and maximising available tax benefits will help ensure your retirement savings continue to work as hard as possible for you. Proactive planning is the best defence against policy changes, enabling you to adapt and maintain a strong financial footing for the future. ◀

Need more information on how to save for a comfortable retirement?

If you have any questions about your pension and how these changes may affect you, please do not hesitate to get in touch for further information.

This article is for information purposes only and does not constitute tax, legal or financial advice. Tax treatment depends on individual circumstances and may change in the future. A pension is a long-term investment not normally accessible until age 55 (57

from April 2028 unless the plan has a protected pension age). The value of your investments (and any income from them) can go down as well as up, which would have an impact on the level of pension benefits available. Investments can fall as well as rise in value, and you may get back less than you invest.