# VISION

Issue 8 | Autumn 2018

**MAGAZINE**

Impartial, accountable and trusted

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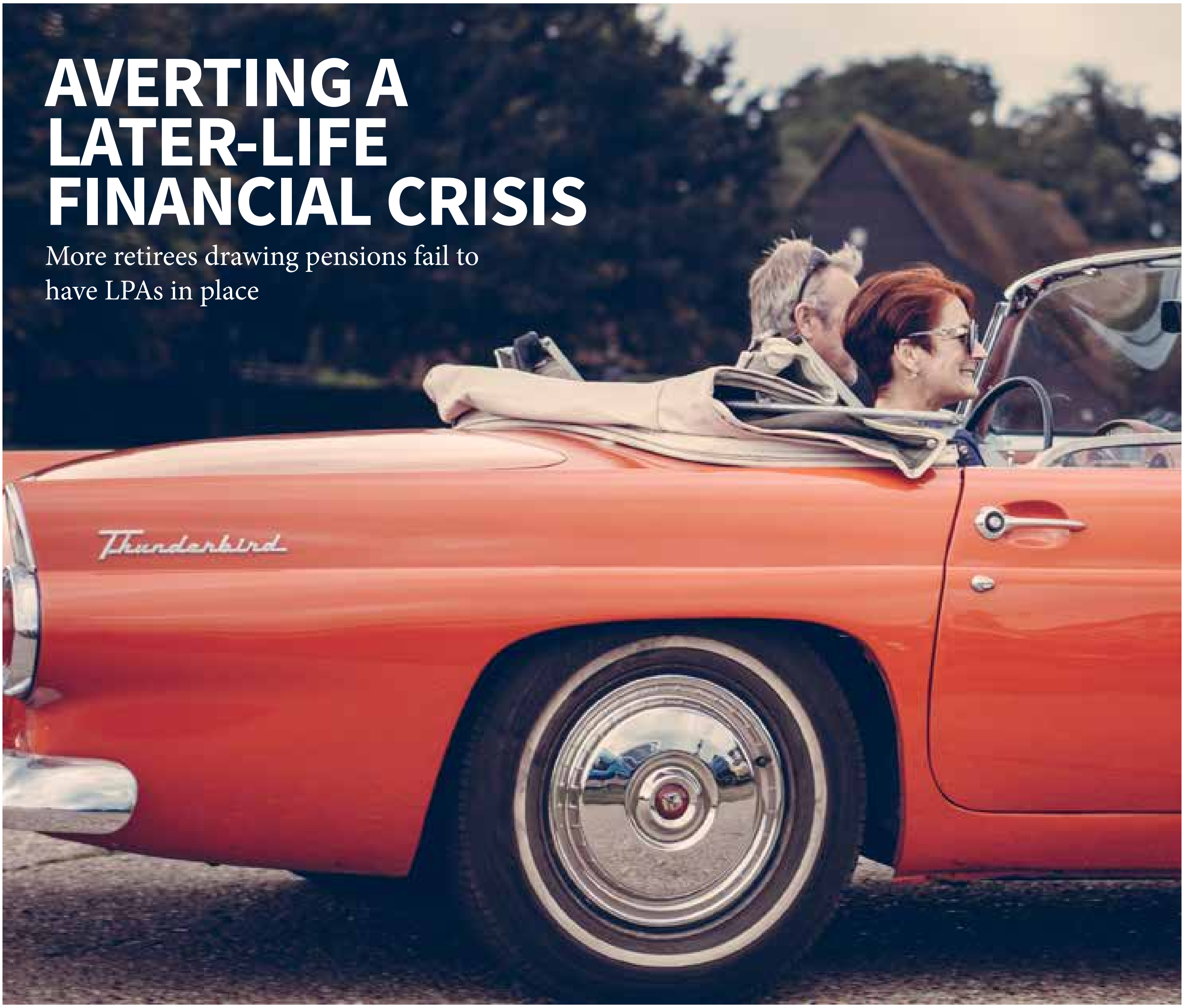


## AVERTING A LATER-LIFE FINANCIAL CRISIS

More retirees drawing pensions fail to have LPAs in place

SG WEALTH MANAGEMENT
Impartial, accountable and trusted.

SG CORPORATE SERVICES
Workplace Pensions and Employee Benefits

Hello and welcome to the Autumn 2018 edition of *Vision* magazine. What a long, hot summer it's been, and we trust you made the most of the sunshine!

As ever, we've had a busy few months, and in this edition there's an invitation to a free seminar (page 06), an update on what we've been doing around the region (page 09) and an introduction to our latest new recruit (page 13).

We focus a lot on longevity and planning ahead in this issue – with more people living well into their 80s, 90s and beyond, it's very important to consider all of your options carefully. Page 07 examines how you can avert a later-life financial crisis.

If you've already started to look at accessing your pension, our article on page 10 gives you some useful pointers on maximising your retirement income, and if you plan to work past retirement age, you'll find our article on 'Pretirement' (page 08) of interest.

The full list of articles featured in this issue appears opposite.

We hope you enjoy reading this magazine and find it informative. To discuss any of the articles featured, please contact us – and don't forget to follow and like us on LinkedIn, Twitter and Facebook.

**Helen Tavner, Editor**

SG WEALTH MANAGEMENT
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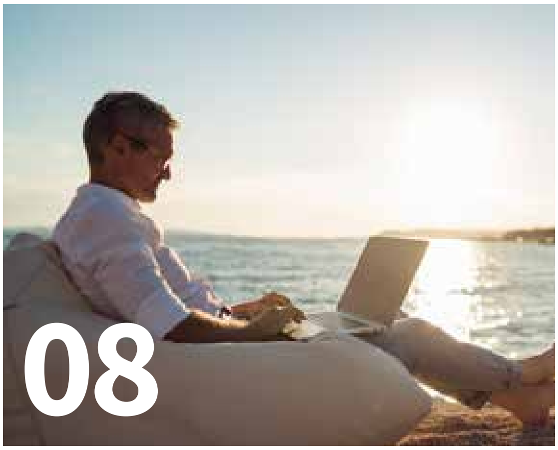







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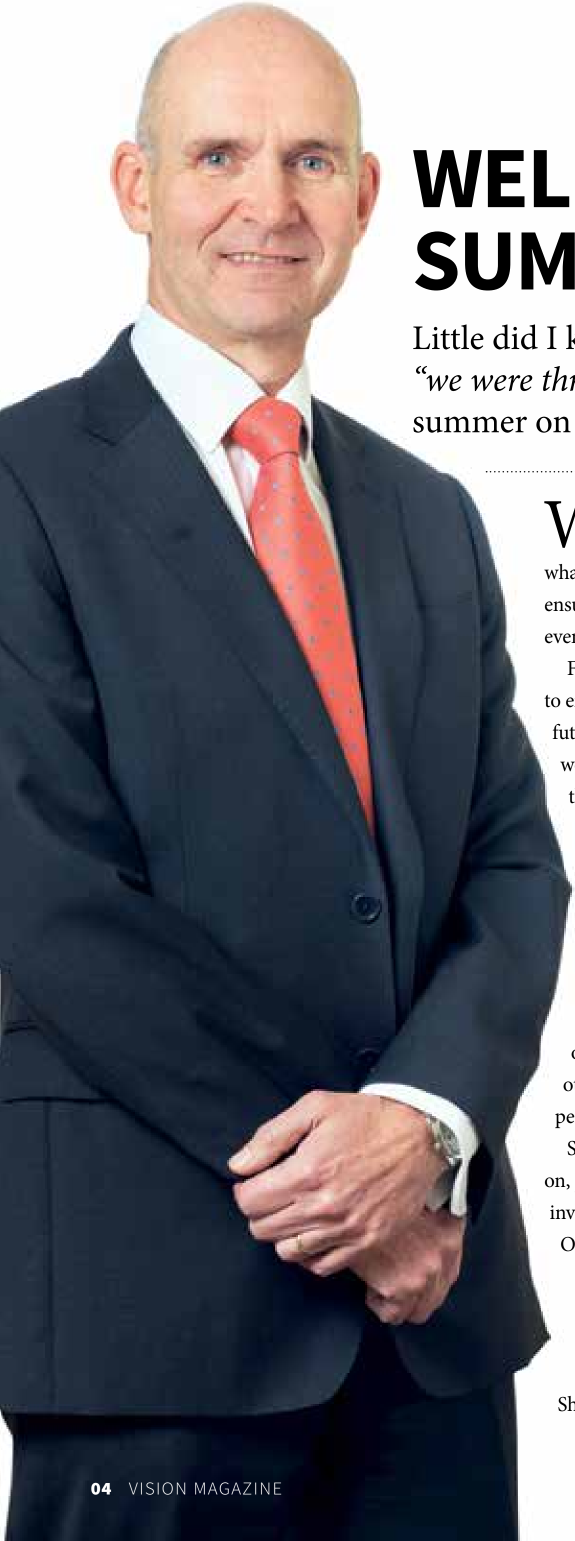

# WELL, WHAT A SUMMER THAT WAS...

Little did I know, when I commented in my Spring *Vision* article, *"we were through the worst winter in many years"*, that the hottest UK summer on record was just around the corner!

With that in mind, I have been reflecting on the fact that, whilst we never quite know what's ahead, careful and prudent planning can ensure you're as prepared as possible for most eventualities.

For example, if you've worked hard all your life to ensure that you've provided for your family's future well-being when you're gone, I'm sure you wouldn't want up to 40% of your estate going to the Inland Revenue, in the form of Inheritance Tax (IHT).

Careful 'estate planning', which is the process of anticipating and arranging for the disposal of your estate during your life, can help to eliminate uncertainties over the administration of probate and maximize the value of your estate by reducing taxes and other expenses. 'Legacy planning' also considers other assets not contained in your estate - such as pension funds or assets held in trust.

So, if this is something you need guidance on, please turn to page 06 where you will find an invitation to our free Estate Planning Seminar in October.

On the subject of planning ahead, you may be aware by now that I have recently completed a full management buyout of SG Wealth Management. Many of you will know Neil Shilito, who co-founded the business with me some 17 years ago. With Neil recently reaching retirement age, it was the perfect opportunity for him to step down and for me to acquire the remaining shareholding. Together we built the business into the success it is today and I wish him a long and very happy retirement. I will now be concentrating on my plans for growth and investment into the company and am looking forward to many more years with our loyal staff and clients.

In the meantime, I'll be looking ahead to see whatever changes Brexit may bring – albeit rather difficult to anticipate at present – and awaiting the outcome of the Autumn Budget.

I hope you enjoy this edition of *Vision*, and please do let us know if you have any feedback, comments or suggestions. ■

**Stephen Girling**
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# EYES WIDE SHUT

Do you know the value of your pension savings?

> While many of us might dream of what we are going to do when we retire, and when that might be, without a plan in place these dreams are unlikely to be fulfilled.

With people living longer than ever before, we all need to save more for retirement. There is always something more urgent to pay or save for though, therefore it is something that many of us rarely think about.

According to new research[1], almost three quarters of people aged 45 or over are looking forward to the day when their life is no longer confined by their working routine. Despite an eagerness to retire, the research shows that almost half of over-45s with a pension have no idea how much it is currently worth with more women than men not knowing the value of their pension savings. A fifth of those aged 45 or over do not have a pension in place yet.

## HOPING FOR A SHIFT IN LIFESTYLE

Two thirds of those aged 45 or over are hoping for a shift in lifestyle, keen to retire early before their State Pension is paid. But only one in ten of them has proactively increased their pension funding to meet their retirement objectives.

Once people reach the minimum retirement age of 55 (age 57 from 2028), they can benefit from pension freedoms which allow withdrawals of money from their pension savings when required. Professional advice should be taken at that time to ensure it is dealt with in the most tax-efficient way. This is a time when some key decisions can be made, and the importance of knowing the value of your pension provision is very important. Taking those people aged 55 to 64, nearly half still have their eyes shut and do not know what their pension savings are worth.

## LIFE AFTER WORK IN THE FUTURE

Our lifestyles in retirement are changing, and life after work in the future will not look the same as it did for our parents or grandparents. While many of us might dream of what we are going to do when we retire, and when that might be, without a plan in place these dreams are unlikely to be fulfilled.

Once you retire, it is more important to have sufficient savings built up than it was when you were still working. I would urge everyone to take time to really understand how they are progressing towards their life goals and make plans for building up sufficient savings to be sustainable for life while they are best placed to make a real difference. Almost all employers now have workplace pensions which include an employer contribution, so this is a good place to start. ■

**Neil Dobson**
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**Source data:**

*[1] The research was carried out online for Standard Life by Opinuium. Sample size was 2001 adults. The figures have been weighted and are representative of all GB adults (aged 18+). Fieldwork was undertaken in November 2017.*

**How do you want to save and invest?**

*Creating a suitable savings and investment strategy can help you reach your financial goals. We can help you build for the future you have always imagined. To discuss the options that could be right for you, please contact us.*

# ISA RULES AND INHERITANCE TAX

Families set to pay millions in unnecessary tax

There's a fundamental lack of awareness and understanding around Inheritance Tax, especially when it comes to how Individual Savings Accounts (ISAs) are treated after death. Given that some people have been able to amass over a million pounds in their ISAs, it's an area where lack of knowledge could prove costly.

Over half (51%) of over-45s do not know that ISAs are liable for Inheritance Tax, leaving families across the UK set to pay millions in unnecessary taxes according to findings from an annual Inheritance Tax monitor survey[1].

## GIFTED TO A PARTNER

As ISAs can only be gifted to a partner and not children without incurring tax, the Government will ultimately be a major beneficiary of money currently residing in Cash ISAs and Stocks & Shares ISAs. In the last Budget, HM Treasury predicted it would raise £5.3 billion in the 2017/18 tax year in Inheritance Tax, which will eventually increase to £6.5 billion by 2022 to 2023.

The research also revealed over three quarters (77%) think the UK's Inheritance Tax rules are too complicated. Yet despite this, only a third (33%) have sought professional financial advice on Inheritance Tax planning. Of those who did seek advice, over two fifths (42%) spoke to a professional financial adviser.

## RULES REGARDING INHERITANCE

Some people could inherit less than they expected because they aren't aware or make assumptions about the rules regarding inheritance. In particular, the rules governing the gifting of ISAs and valuable estates mean that many may be faced with a higher than expected Inheritance Tax bill.

ISAs remain the 'go to' financial product for many people as they look to build up a nest egg in a tax-efficient way during their lifetime. But with such a large number of older people investing into them, there is a worrying lack of awareness that ISAs are subject to a 40% Inheritance Tax charge. ISAs are a great tax-efficient investment in your lifetime, but more people need to be thinking about how to pass on their hard earned money to their loved ones when they die. ■

**Stuart Sutton**
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**Source data:**
*[1] Survey of 1,001 UK consumers aged 45 or over with total assets exceeding the individual Inheritance Tax threshold (nil-rate band) of £325,000. Carried out in October 2017.*

**Securing and protecting your wealth**

*Early preparation is the key to success here. Taking advantage of methods to secure and protect your wealth will ensure that more wealth can be passed onto the next generation – to find out more, please contact us.*

# AVERTING A LATER-LIFE FINANCIAL CRISIS

## More retirees drawing pensions fail to have LPAs in place

People are generally living longer these days and UK advisers are frequently assisting clients in their 80s, 90s or even older. So it's vital to consider all your options carefully and think about what will matter to you in retirement as you may have a long timescale to budget for.

Wide-ranging government changes in April 2015 mean investors can now access their personal pensions in more ways than ever, giving you more options and control over the capital that's been built up.

### LATER-LIFE FINANCIAL CRISIS

A recently-published report[1] warns that nearly 80% of retirees making use of 'pension freedoms' to manage their retirement savings might face a potential 'later-life financial crisis' if they have not set up a Lasting Power of Attorney (LPA).

The two types LPA are 'Property and Financial Affairs Lasting Power of Attorney' and 'Health and Welfare Lasting Power of Attorney'.

The research found that 345,265 pensioners accessing their pension pots in this way have not yet given a family member, friend or professional adviser such as a Solicitor the legal authority to make decisions on their behalf if they were no longer able to do so.

### RESPONSIBILITY OF MANAGING INCOME

The analysis underscores the scale of an issue that has emerged since the UK Government abandoned the requirement to buy an annuity (providing an income for life) at retirement. Around twice as many people are now opting for drawdown from their personal pensions rather than taking out annuities – putting the responsibility of managing income in retirement on the individual investor.

Setting up and registering an LPA has become even more crucial, and thousands of people are now making complex decisions on their accumulated pensions investments into old age, when the risk of developing a sudden illness or cognitive impairment condition, such as dementia, may increase. Despite this, many are unprepared for a sudden health shock or decline in mental capacity, so professional advisers agree that the time to set up an LPA is well before you may need it.

### POTENTIAL DIFFICULTIES

With more people moving their personal pensions into drawdown, this potential creates problems that could leave thousands facing a possible financial crisis in later-life. It is vital to plan for a time when managing your personal pension might prove more challenging, or become impossible. Obtaining professional financial advice is one of the best ways to achieve this.

The Alzheimer's Society suggests that there are currently 850,000 people in the UK living with dementia, which, due to increased longevity and demographic figures, could increase to over 1 million by 2025. The report revealed, however, that only 21% of retirees who have accessed funds under the 'pension freedoms' have currently registered an LPA.

### DISCUSSIONS WITH YOUR FAMILY OR OTHERS

Perceived stigmas around the issues of incapacity or dementia is one reason why people may defer setting up an LPA. But an LPA can be an integral part of advance financial planning for a time when you may be unable to make certain decisions for yourself, allowing you to choose someone you trust to make decisions on your behalf.

When a valid LPA is not in place, access to assets and equity may become difficult and involve lengthy, expensive dealings with the Office of the Public Guardian before a Court Deputy (often a Solicitor from a suitably qualified panel) may be appointed. Equally there is a concern where those in a vulnerable position may be forced to make decisions they are no longer fully able to make or completely understand. ■

**Do you need help? Please get in touch**

*Whatever your plans for the future, as your advisers we are here to help you take the next steps. To discuss your requirements, or find answers to any questions you may have on this area of financial planning, please contact us.*

**Source data:**

*[1] The study for Zurich UK is based on a YouGov survey of a UK sample of 742 people who have moved into drawdown since the pension freedoms were introduced in April 2015. The survey was carried out between 14 December 2017 and 24 January 2018.*

*FCA Data Bulletin (issue 12) shows 345,265 pots moved into income drawdown between October 2015 and October 2017. Assuming the number of people moving into drawdown continued at a similar rate from November 2017 to April 2018, this would equate to a further 86,316 people in drawdown. 345,265 + 86,316 = 431,581 people.*

*345,265 / 2 years of drawdown data = 172,632 x 10 years = 1,726,325 people.*

**John Griffin**
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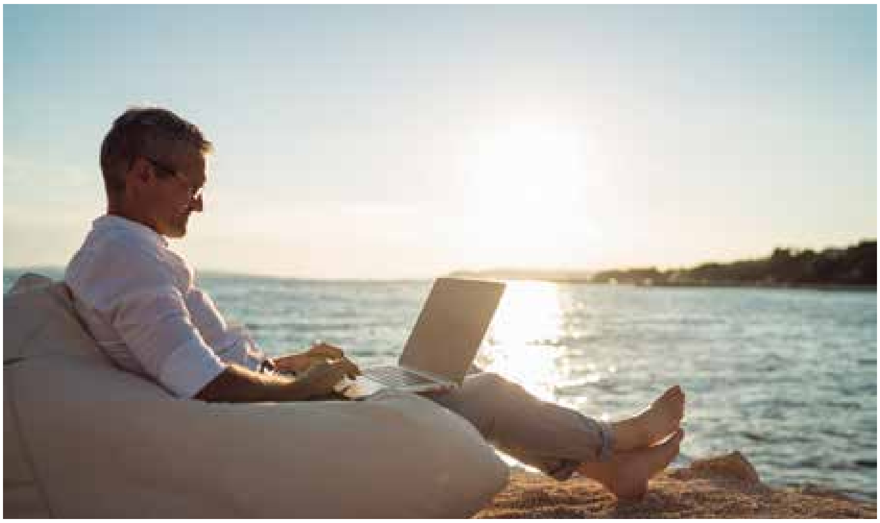
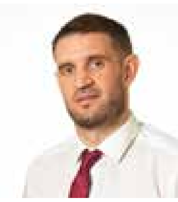
Associate Member of SOLLA (The Society of Later Life Advisers) and Dementia Friend.

# 'PRETIREMENT'

Half of pensioners plan to work past retirement age





The onwards march of 'pretirement' – where people scale back on work or slow their retirement plans down rather than giving up entirely – is continuing, according to new research[1].

A recent study found half (50%) of those retiring during 2018 are considering working past State Pension age. This is the sixth consecutive year where half of people retiring would be happy to keep working if it meant guaranteeing a higher retirement income.

## COST OF DAY-TO-DAY LIVING CONCERNS

More than a quarter (26%) of those planning to delay their retirement would like to reduce their hours and go part-time with their current employer, while one in seven (14%) would like to continue full-time in their current role. An entrepreneurial fifth (19%) would try to earn a living from a hobby or start their own business.

The research shows that many people expect their retirement to last an average of 20 years. Around one in 12 (8%) of those scheduled to retire this year have postponed their plans because they cannot afford to retire. Nearly half (47%) of those who cannot afford to retire put this down to the cost of day-to-day living which means their retirement income won't be sufficient.

## KEEPING MIND AND BODY ACTIVE AND HEALTHY

The research also found that the decision to put off retirement isn't always a financial one. Over half (54%) of those surveyed who are already or are considering working past their State Pension age say it is to keep their mind and body active and healthy. Over two fifths (43%) admit they simply enjoy working, while just over a quarter (26%) don't like the idea of being at home all the time.

The shift to pretirement in recent years shows that many people reaching State Pension age aren't ready to stop working. Reducing hours, earning money from a hobby or changing jobs are all ways to wind down from working life gradually and for many to avoid boredom and maintain an active mind and body.

## FINANCIALLY WELL PREPARED FOR RETIREMENT

However, not everyone has the luxury of choosing their retirement date due to their financial situation not allowing them to give up work, and others may be forced to stop working for health reasons. Saving as much as possible as early as possible in their career is the best way for people to ensure they are financially well prepared for a retirement that starts when they wish, or need, it to.

As people are increasingly treating retirement as a gradual process, obtaining professional financial advice can help to make sure that your retirement finances are sufficient to allow you as many options as possible. ■

**David Tooley**
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**Source data:**

*[1] Research Plus conducted an independent online survey for Prudential between 29 November and 11 December 2017 among 9,896 non-retired UK adults aged 45+, including 1,000 planning to retire in 2018.*

PENSIONS ARE A LONG-TERM INVESTMENT.

THE RETIREMENT BENEFITS YOU RECEIVE FROM YOUR PENSION PLAN WILL DEPEND ON A NUMBER OF FACTORS INCLUDING THE VALUE OF YOUR PLAN WHEN YOU DECIDE TO TAKE YOUR BENEFITS WHICH ISN'T GUARANTEED, AND CAN GO DOWN AS WELL AS UP.

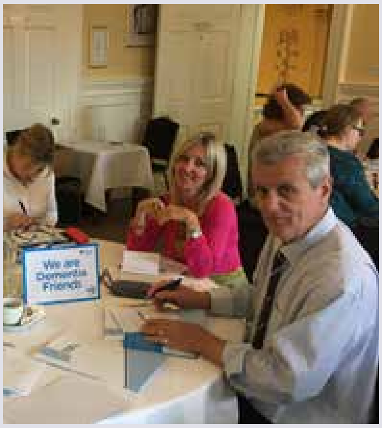
THE VALUE OF YOUR PLAN COULD FALL BELOW THE AMOUNT(S) PAID IN.

**Helping you plan for a longer life**

*To keep yourself and your finances in good shape, start planning today. We can help create a clear picture of what you need, so that the best is yet to come. Contact us today to arrange an appointment.*

# SGWM 'OUT AND ABOUT'

As well as fulfilling our 'day jobs', various members of our team have been out and about to events around the county during the last few months.




*Marketing Manager, Helen Tavner and Wealth Manager, John Griffin at the Dementia Workshop*

## DEMENTIA WORKSHOP

Earlier this summer, Wealth Manager, John Griffin, and myself attended a Dementia Workshop hosted by Rogers & Norton Solicitors. Solicitor Laura Rumsey, a Dementia Friends Champion, presented an interesting and thought-provoking insight into understanding and helping those living with dementia.

John says, 'I sometimes encounter clients living with dementia and see the impact it has on them, so this deeper knowledge will help me better understand some of the challenges they and their families face.'

As a result of attending the workshop, both John and I are now proud to be Dementia Friends. Anyone of any age can be a Dementia Friend – find out more at **dementiafriends.org.**

Dementia Friends
An Alzheimer's Society initiative

## ROYAL NORFOLK SHOW

In June, Ryan Oates, our Corporate Services Manager, and I were invited to join the Norfolk Chamber of Commerce for breakfast at their Royal Norfolk Show stand. The informal breakfast was very well attended, with various businesses popping into the NCC stand for breakfast and also throughout the course of the day.

Afterwards, Ryan and I met with various other contacts and exhibitors around the show – although Ryan had to make an earlier departure than myself, due to lack of suncream and/or a hat! He has vowed to invest in some Factor 50 and a Panama in time for next year.


*Helen Tavner, Marketing Manager with Ryan Oates, Corporate Services Manager, at the NCC stand*

## TREASURE HUNT

Later in the summer, we put a team of six together for a Treasure Hunt organised by the Insurance Institute of Norwich. Starting out from Norwich pub, The Murderers, on a sunny Thursday evening, the Treasure Hunt saw a total of eight teams from local professional firms frantically searching for answers to various cryptic clues around the city.

Our team spent a challenging few hours successfully working out the clues, before returning in record time to The Murderers for well-earned refreshments and victory! Coming first, we were awarded the top prize – proving once again that SG Wealth Management boast a winning team. ■

*'The SGWM Treasure Hunters'*

Watch out for Wealth Manager Andrew Morley whizzing round the county while sporting his SGWM cycle jersey! Andrew does a lot of charity cycle rides and has previously helped us raise money for our chosen charity, East Anglian Children's Hospices (EACH).

**Helen Tavner**
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# MAXIMISING RETIREMENT INCOME

Time to start looking at accessing your pension?

Income drawdown is a way of using your pension pot to provide you with a regular retirement income by reinvesting it in a range of funds specifically designed and managed for this purpose. The income you receive may vary depending on the fund's performance and values.

However, worryingly a third of people using income drawdown (32%) to fund their retirement have no investment experience, yet two in five (41%) of these have not received either financial advice or guidance, according to new research[1].

## TAKING ADVANTAGE OF NEW PENSION FREEDOMS

Almost half a million (431,581)[2] people are taking advantage of new pension freedoms to draw down their retirement savings, yet the highest proportion have never actively invested in the stock market. Despite being first-time investors, tens of thousands have not sought regulated financial advice or guidance, even though they have an average drawdown pot of £153,000.

You can normally choose to withdraw up to 25% of your pension pot as a tax-free lump sum. The rest is moved into a diversified range of funds that allow you to take an income at times to suit you, with tax being paid at your marginal rate. Some people use it to take a regular income, or as ad-hoc income withdrawal. The income you receive might be adjusted periodically depending on the performance of your investments.

- **Flexi-access drawdown** – introduced from April 2015, where there is no limit on how much income you can choose to take from your drawdown funds.
- **Capped drawdown** – only available before 6 April 2015 and has limits on the income you can take out.

## LACK OF PROFESSIONAL FINANCIAL ADVICE

The study warns that a lack of professional financial advice and guidance could leave retirees at risk of running out of money in retirement. Poor decisions in drawdown can lead to consumers taking on too much risk, missing investment growth or making unsustainably high withdrawals. Women in particular were more likely to be first-time investors, potentially putting them at greater financial risk (41% vs 29%).

Findings highlight a 'first-time investor gap' is being driven by a lack of consumer understanding of drawdown, with almost half of novice investors who had not received advice saying they thought drawdown would be simple (47%). A further third (29%) claimed they were confident in their investment decisions, despite having no previous experience of actively investing.

> Income drawdown is a way of using your pension pot to provide you with a regular retirement income by investing it in a range of funds.

## NAVIGATING THE COMPLEXITIES OF DRAWDOWN

The research also reveals that one in ten (10%) UK adults not getting advice rely on search engines to help them navigate the complexities of drawdown, while one in five (20%) look at newspapers and magazines. Pension firms were the leading source of guidance for a third (35%) of consumers. Worryingly, though, 44% of all those in drawdown confessed there is nothing that would prompt them to get professional financial advice or guidance.

Some drawdown providers might offer retirement income products that combine income drawdown with other features that might offer guarantees about income and/or growth.

Income drawdown products are complex.

**Could income drawdown be the right choice for me?**

*Income drawdown is a flexible way to take money from your pension pot. Normally, you need to be at least 55. But before committing to any pension drawdown option, you should always obtain professional financial advice. We take the time to understand your personal circumstances, goals and levels of risk you are willing to take – please contact us.*

Remember that you don't have to take income drawdown from your current pension provider. It is advisable to shop around. ■

**Andrew Morley**
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**Source data:**

*[1] Study carried out for Zurich UK based on a YouGov survey of a UK sample of 742 people who have moved into drawdown since the pension freedoms were introduced in April 2015. The survey was carried out between 14 December 2017 and 24 January 2018.*

*[2] FCA Data Bulletin (issue 12) shows 345,265 pots moved into income drawdown between October 2015 and October 2017. Assuming the number of people moving into drawdown continued at a similar rate from November 2017 to April 2018, this would equate to a further 86,316 people in drawdown. 345,265 + 86,316 = 431,581*

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THE VALUE OF YOUR PLAN COULD FALL BELOW THE AMOUNT(S) PAID IN.

# DO YOU HAVE PROTECTION IF THE WORST SHOULD HAPPEN?

Nine in ten Britons are in danger of financial hardship – so what cover do you need?

Britons are woefully under-protected should serious illness strike, according to new research[1]. Despite more than a fifth (21%) of people admitting their household wouldn't survive financially if they lost their income due to long-term illness, fewer than one in ten (9%) have a critical illness policy. People are, in fact, more likely to insure their mobile phones (12%) than to protect their own health.

Taking out life insurance also appears to be falling down the population's priority list, with just 27% having a life policy, equivalent to 14 million people. Worryingly, this has dropped by 7 percentage points compared with 2017, a year-on-year decrease of 3.6 million individuals[2].

## PRECARIOUS POSITION

This is an especially precarious position for the two fifths (42%) of UK households that are reliant on just one income, and it's clear that many are in lack of a 'Plan B'. Despite 43% of people saying they'd rely on their savings if they or their partner were ill and unable to work, a third (35%) admit their savings would last no more than three months if unable to work, and more than half (54%) say they'd last no longer than a year. Three in ten (30%) – or 15.5 million people[3] – say they aren't saving anything at all.

One in five (19%) say they'd rely on state benefits if they or their partner were unable to work for six months, but at a time when welfare reform is resulting in significant changes to benefits such as child and working tax credits, income-based job seeker's allowance, income support, housing benefits, and bereavement benefits. For many, relying on state support would represent a significant fall in their standard of living.

## FAMILIES UNPREPARED

On top of this, some people are leaving themselves and their families unprepared for other aspects of illness or bereavement. One in five (20%) people aren't sure who would take care of them if they fell ill, and nearly half (48%) don't have the protection of a Will, power of attorney, guardianship or trust arrangement in place for their families.

When asked why they haven't taken out life or critical illness insurance, almost a third (30%) of the UK's primary breadwinners say they don't see the need for cover, raising concerns over their financial resilience should the unexpected happen.

## UK'S PROTECTION GAP

The research also reveals that a lack of trust and understanding could be contributing to the UK's protection gap. On average, people think that just a third (34%) of individual protection claims are paid out by insurance providers each year, based on the misconception that insurers will do anything not to pay. In reality, however, virtually all protection insurance claims (97.8%) were paid in 2017[4]. In addition, almost four fifths (78%) of people are unaware that cover often comes with practical advice and emotional care, as well as financial support, without having to make a claim.

It's a worrying truth that people are more likely to insure their mobile phones than their own health. On a societal level, we increasingly think in the short term, caring more about tangible things in our day-to-day lives. On a more fundamental level, we're programmed not to think about the worst happening.

**Improving your families' financial security**

*Insurance can play an important role in improving your families' financial security, to help them if you were to die prematurely or were unable to support them due to being unable to work. We consider this as a matter of course as part of our broader planning of your overall financial position. To discuss your situation or to arrange a meeting please contact us.*

Together, these are dangerous inclinations, as people aren't thinking about insuring their health or life until it's too late. ■

**Katie Jones**
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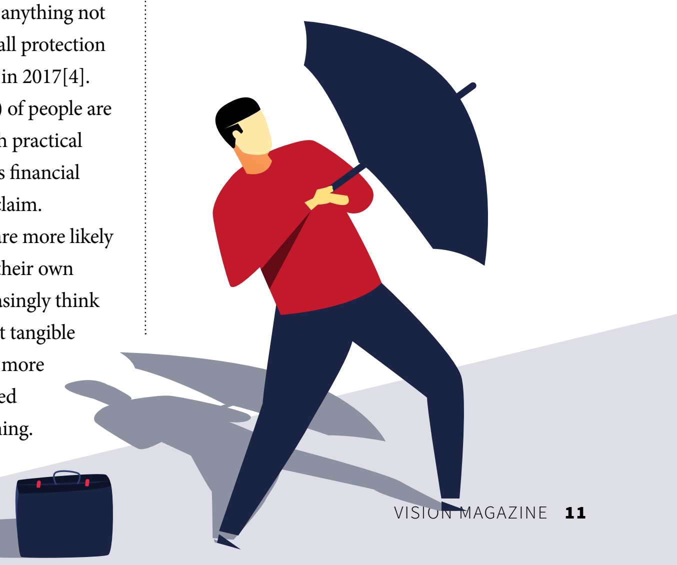
**Source data:**

*[1] 2017 ONS data shows there are 51,767,000 adults in the UK. 27% of people have a life insurance policy in 2018, amounting to 13,977,090 people. 34% of people had life insurance in 2017, totalling 17,600,780 people.*
*[2] This amounts for a difference of 3,623,690.*
*[3] 2017 ONS data shows there are 51,767,000 adults in the UK. 30% of people say they aren't saving at all – amounting to 15,530,100 people.*
*[4] Association of British Insurers (ABI) and Group Risk Development (GRiD), April 2018*

*All figures, unless otherwise stated, are from Opinium Research. The survey was conducted online between 5 and 12 April, 2018, with a sample of 5,022 nationally representative UK adults.*



# WHEN I'M GONE

## How a simple list can help your loved ones after your death

Although it may not feel like it, your family finances are probably more precarious than you think. It's all well and good when the breadwinners are healthy and working, but if something unfortunate were to happen, the outlook for those around you could change instantly.

Research from Macmillan[1] highlights the worrying fact that two in three people living in Britain don't have a Will – including 42% of over-55s. Without an up-to-date Will, the law could supersede a person's final wishes and leave treasured possessions, money, property and even dependent children with someone they may not have chosen.

This news comes despite official guidance recommending that people review their Will every five years and after any major life changes[2], yet a quarter of Wills have not been updated for at least five years[3].

**Top five things to do to help your loved ones after you have gone:**

### 1. WRITE A WILL

A Will ensures that the right people inherit from you, and while most of us know how important it is to have a Will and keep it up to date, many of us don't do it. The research[4] shows that three in five adults (60%) don't have a Will, and a quarter (26%) of those are aged 55 and above. It's especially important for cohabitating couples to have a Will, as the surviving partner does not automatically inherit any estate or possessions left behind.

### 2. THINK ABOUT CARE OF CHILDREN

If you have children, it's important to decide on guardians, but three in five (58%) parents with children under 18 haven't chosen guardians should they die[4]. Think about who you would want to step into this role, and ask them if they'd be happy to do so. Then make sure you appoint them as guardians in your Will.

### 3. WRITE A 'WHEN I'M GONE' LIST

More than one in ten (12%) adults admitted that it would be very difficult for anyone to handle their financial affairs after they died[5]. Pulling together all your personal and financial information into one simple document can really help your loved ones when you're gone.

### 4. MAKE A PLAN TO PAY FOR YOUR FUNERAL

Research[6] shows that the average cost of a funeral is around £3,800, with one in six people (16%) saying they struggled with the cost. Having a plan in place to pay for your funeral will mean your family won't have to find several thousand pounds at a difficult time.

### 5. HAVE A CONVERSATION WITH YOUR FAMILY

Having a conversation with your family about your wishes can remove a great deal of uncertainty for them in the event of your death. The research shows that for those who have had to arrange a funeral, two in five (41%) were not left any instructions from the deceased. Starting a conversation might include talking about your funeral wishes with your loved ones or showing them where your important documents are kept. ■

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**Source data:**

*[1] Macmillan/Opinion Matters online survey of 2,000 UK adults. Fieldwork conducted 1–4 December 2017. Figures based on total population.*
*[2] Office for National Statistics. UK population mid-year estimate for adults aged 18 or over. Available from: https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/*populationestimatesforukenglandandwalesscotlandandnorthernireland
*[3] https:/www.gov.uk/make-will/updating-your-will*
*[4] YouGov findings carried out on behalf of Royal London. 2,089 adults were surveyed between 10 and 11 October 2017. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).*
*[5] Figures taken from an Opinium survey carried out on behalf of Royal London. 2,020 adults were surveyed between 19 and 21 September 2017. The survey was carried out online. The sample has been weighted to reflect a nationally representative audience.*
*[6] The Royal London National Funeral Cost Index 2017 found that the average cost of a funeral in the UK is £3,784, an increase of 3% from 2016.*

**Protecting your family**

*It's an old saying that you should look at protecting before investing, and they are wise words because it's more important to make sure that your family are covered against the financial impact of your premature death than it is to invest for an uncertain future. Please contact us for a review of your situation – we look forward to hearing from you.*

*Soloist Rachel Podger*

# SPOTLIGHT ON SPONSORSHIPS

## NORWICH BAROQUE

As we go to print, we are putting the finishing touches to our annual SGWM and Norwich Baroque Gala evening at Norwich Cathedral, which will feature highly accomplished solo violinist, Rachel Podger. Watch this space in the Christmas edition of *Vision* for coverage of the event, as it looks set to be another highly enjoyable evening.

As principal sponsors of the wonderful Norwich Baroque, we are lucky to be able to offer our new clients a year's complimentary membership of the Friends of Norwich Baroque, which includes various benefits as part of supporting the group. Recent concerts we have enjoyed from this period instrument ensemble have included Handel with the Cathedral Chamber Choir, a Baroque Cello performance by Kate Bennet-Wadsworth, and Baroque Oboe Duos. You can find more details about Norwich Baroque at **www.norwichbaroque.co.uk.**

## IPSWICH RFC

Following a successful year for Ipswich Rugby Club, we have recently renewed our sponsorship for the 2018/19 season. You can find out more about the club at Ipswich Rugby Club at **www.ipswichrugby.com.**

## EATON GOLF CLUB

As one of the sponsors of Eaton Golf Club, and as part of our partnership with this premier club, we have a (limited) number of four-ball games that we can offer to you. Please do let your Wealth Manager know if you would enjoy a round of golf on us. Find out more at **www.eatongc.co.uk.**

# A WARM WELCOME TO PENNY ELLIS

Penny joined us in July as HR Adviser, bringing with her many years of experience from working in various HR roles in the Private, Public and Voluntary sectors. She is particularly proficient at ensuring employment law and best practices are adhered to when supporting both our business and our staff in HR matters.

Penny says, 'I am making great progress so far at SG Wealth Management. My skills are well suited to the role, and I am enjoying getting to know the team.'

In her spare time, she likes to socialise with family and friends, says she 'has been known to make wedding cakes' for her pals, and is also an animal lover. She recently adopted a Maine Coon cat called Teddy!

“ I am making great progress so far at SG Wealth Management. My skills are well suited to the role, and I am enjoying getting to know the team.

# WHAT IS RE-ENROLMENT?

A guide for employers

Every three years, an employer is required to use re-enrolment to put eligible jobholders back into its automatic enrolment scheme.

Since setting up a workplace pension, a company may have had employees who opted out, left the scheme, stopped contributions or chose to pay less than the auto-enrolment minimum contribution amounts.

Under legislation, they have a duty to re-enrol eligible employees back into the workplace pension every three years.

## WHAT DO I NEED TO DO AS AN EMPLOYER?

**1. Choose a re-enrolment date**

You can choose any date within a six-month window as your re-enrolment date. This window starts three months before and ends three months after the third anniversary of your staging date. For example, if your staging date was 1 June 2014, your six-month window will run from 1 March 2017 to 31 August 2017.

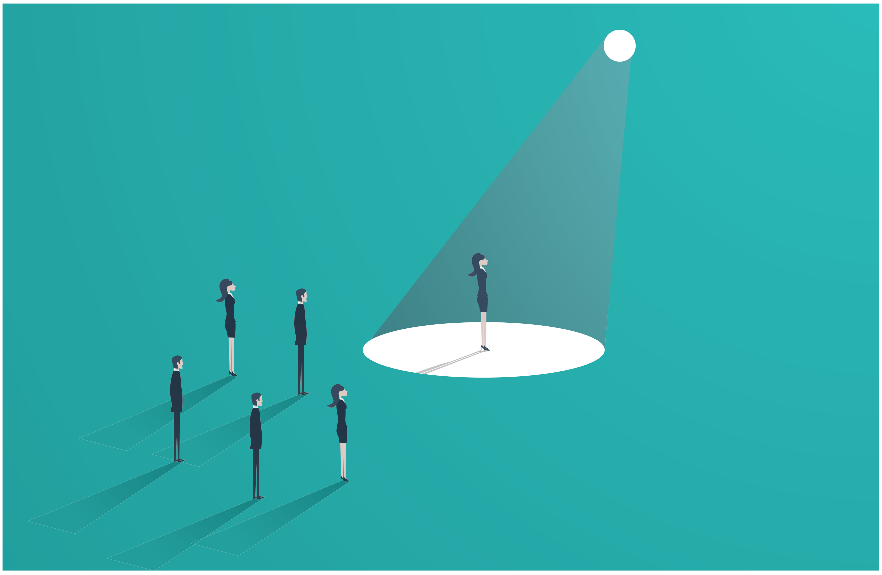
**2. Reassess your workforce**

You only need to reassess employees who were previously auto-enrolled, but have since:

- Opted out
- Left the pension scheme
- Stopped contributions
- Chosen to pay less than the auto-enrolment minimum contribution amounts

**TOP TIP**

It's a good idea to have a look at the data you hold for your employees and complete any housekeeping exercises in advance. This will help make sure you're re-enrolling the correct employees, and not missing anyone who should be included.



**3. You should then consider**

The employer's duty to re-enrol is optional where an eligible jobholder:

- Opted out or ceased active membership of a qualifying scheme within 12 months of the re-enrolment date
- Has given or received notice to end their employment
- Has existing pension savings with tax protected status – primary, enhanced individual or fixed protection
- Is a company director holding a contract of employment
- Is a member of a Limited Liability Partnership (LLP) and is taxed on a self-employed basis

**4. Re-enrol**

Once completed, you will need to re-enrol the remaining eligible jobholders into the pension scheme and complete a re-declaration of compliance with The Pensions Regulator.

## COMMUNICATION

We strongly recommend that the employer communicates the upcoming re-enrolment to those employees impacted. This is because once re-enrolled, they will be treated as if they are being enrolled into the pension scheme for the first time and therefore will receive the very similar statutory communication.

It may also be a good opportunity to communicate to the existing members about any upcoming changes to contributions.

It is also an opportunity to review the scheme as a whole and to complete a:

- Governance Review of the Workplace Pension Scheme
- Review of the objectives for the employer and employees
- Review of the administration processes
- Update of communications
- Review of the default investment

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# WHAT IS GROUP LIFE COVER (DEATH IN SERVICE)?

Examining the benefits

Group Life insurance is a type of life protection in which a single contract covers an entire group of people.
Often referred to as 'Death in Service', it covers staff if they were to die, anytime, whilst employed by your business – not just when they are at work.

Life insurance is one of the simplest but most highly valued employee benefits that a company can offer to its staff because, quite often, no medical underwriting is required.

If an employee were to die, the life cover you put in place for them would help ensure their family could cope financially – relieving money worries at a very difficult time by providing a tax-free lump sum. Under certain circumstances, an insurer may also consider paying out the benefit while the employee is still alive.

Life cover has always been an expected and valued employee benefit, as well as inexpensive to provide. It can assist in attracting and retaining talent within your business, while at the same time demonstrating that you are a responsible and considerate employer.

Benefits are normally based on the employee's earnings (up to 12 x annual salary but typically around 4x) or can provide a fixed amount for everyone i.e. £100,000.

The Insurer will often provide a 'Free Cover Limit', and providing the sum assured for the individuals is under this limit, there will be no medical underwriting for your employees.

You will need to declare information about any employees who, to the best of your knowledge, have any life threatening conditions though.

The employer will pay the cost of the premiums and the policy renews on an annual basis.

The cost of providing £50,000 worth of life cover for six employees, with no medical underwriting and aged between 16-64 would be £75 per month*.

**Eligibility Conditions Apply*

"Life insurance is one of the simplest but most highly valued employee benefits that a company can offer to its staff because, quite often, no medical underwriting is required.

### BENEFITS FOR EMPLOYERS

- A more competitive and attractive benefits package helps recruit and keep the right staff
- Premiums will normally qualify for tax relief depending on scheme choices
- Usually costs less than 1% of payroll depending on the level of cover

### BENEFITS FOR EMPLOYEES

- Peace of mind for them and their loved ones
- Lump sum benefits can be paid without waiting for probate and free of Inheritance Tax
- This valuable cover is not classed as a benefit in kind, meaning no Income Tax is payable by the employee
- Employees are able to nominate their preferred beneficiary
- Quite often, no medical underwriting is required

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SG Corporate Services
Workplace Pensions and Employee Benefits

# SG CORPORATE SERVICES

Workplace Pensions and Employee Benefits

## WE SPECIALISE IN ADVISING ON WORKPLACE PENSIONS, EMPLOYEE BENEFITS AND BUSINESS PROTECTION

**WE HELP BUSINESSES**

- Reward, support and retain key employees
- Remove the burden of compliance

by providing them with engaging employee benefits, clear advice and meaningful communications.

***To find out more, contact our Corporate Services Team.***

WE'RE EXHIBITING AT

THE B2B 2018 EXHIBITION

THUR 11 OCT, 10AM - 4PM

NORWICH CITY FOOTBALL CLUB

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Norfolk Chamber of Commerce


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