



LIGHTHOUSEPLATINUM
Wealth Management Ltd



Nick Hodgetts

A note from Nick...

I hope 2015 was a happy and healthy time for you and yours. In terms of financial planning, this year has seen the Government make good on some promises about pensions freedom and Inheritance Tax (see below). We still await the inevitable interest rate rise (I said the same 12 months ago!) so savers will still have to take some risk to yield more than 1 or 2% on their money. The good news is that even low risk investments can yield more realistic returns - just ask me how!

My big news for 2016 is that we will be re-entering the mortgage advice market when my son, Michael, comes on-board as a Mortgage and Protection Advisor. He will be fully qualified, trained and ready to help with mortgage enquiries.

If you or someone you know would like a financial planning review, please get in touch and I look forward to hearing from you. Please go to www.lighthouseplatinum.com for full details of our services. Or call me on 01473 730 999.

Wishing you a merry Christmas and a healthy and prosperous New Year!

Nick

New State Pension

Our current State Pension has been added to piecemeal over many decades with the result that it's all a bit of a mess and hard to understand. The new State Pension replaces the previous mixture of basic and additional pension with one single payment, building up from National Insurance Contributions or Credits.

The new State Pension will be around £155.65 a week, in today's terms, and will be paid to those who reach state pension age after 6th April 2016. This is the amount for those who have 30 years of qualifying contributions of credits. Those that haven't now have the opportunity to top-up by purchasing up to £25 per week extra state pension - but I recommend you take financial advice before committing to that.

Continued overleaf...

Did you know?

More than 2 million people already over the age of 50 can look forward to their telegram from the Queen – or perhaps it will be the King by then?

One hundred and six years ago the very first 'pensioners' went to the Post Office to collect their state pension. That first State Pension was 5 shillings for a single person (that's 25p) and 7 shillings & 6 pence for a couple. Adjusted for inflation, that would be around £19.30 or £29.00 for a couple.

Workplace Pensions

If you are employed, between 22 and state pension age and earning more than £10,000 you may have already been auto-enrolled in to a Workplace Pension. Firms with fewer than 30 employees will reach their staging date (deadline) by February 2018.

By October 2018, the minimum will be 8% of pay, of which the employer must pay at least 3%. These are the minimums – you can contribute more and you might want to think about doing just that if your vision of retirement is one of comfortable leisure interspersed with shopping, golf and holidays (or is that just me?)

OAP need not stand for Old And Poor but the State Pension alone will not be sufficient so please get in touch if you would like to apply some financial planning to your retirement or if you have any questions about workplace or personal pensions.

Tip: Splitting pension savings between couples may help them take advantage of both Personal Allowances in retirement - so more of your pension income is tax-free.

Inheritance Tax on your home?

The Conservatives seem to have made good on their promise to raise the Inheritance Tax (IHT) threshold to £1 million. As I write, the new rules are awaiting Royal Assent so may yet change but my current understanding is that each person's Nil Rate Band (NRB) of £325,000 will rise in increments from April 2017 so that, by April 2020, the total addition will be £175,000 each – a total of £1 million for a couple.

I believe the extra is limited to the value of the family home so a couple will only benefit from the full £1 million if their home is valued at £350,000 or more and it will apply even if the family home was sold after July 2015.

Call me if you would like to plan your estate.

Around the Office

I'm so pleased Michael has agreed join me: he is a Tree Surgeon so it just goes to prove that the pen is mightier than the chainsaw! This change of career follows the birth of his own son, Edison, in May.

Lynn has also become a grandparent – her daughter gave birth to Emily in October.

At this rate the office could get a little crowded!

I hope to see you in 2016 – whether at my office, your home or work-place.

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