**Capital** Gains Update

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Financial management

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# Over £31.1 billion of pension assets held in lost pots

Why bringing your pensions together could simplify your retirement

### Life events that trigger a financial review

Understanding your options to make informed decisions

### Protecting your income when life takes an unexpected turn

A solution that can play an important role in safeguarding your financial wellbeing

### When planning becomes an act of love

Preparing for tomorrow starts with a conversation today

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# Inside this issue

In today's working life, frequent job changes have left millions of UK workers with scattered workplace pensions, often forgotten or difficult to track. With an estimated 3.3 million lost pension pots worth over £31 billion, many people lack a clear view of their retirement savings. On page 08, we examine how consolidating pensions can improve visibility, simplify administration and help align investments with goals, while also reviewing charges and performance. However, valuable benefits may be lost, so careful review and professional advice are essential before transferring funds.

Life is constantly changing, and major milestones or unexpected events can have a significant impact on your financial wellbeing. A proactive financial review helps ensure your plans remain aligned with your goals, rather than reacting only when problems arise. Career changes, family milestones, property decisions and retirement all present key moments to reassess your finances. Regular reviews can help adjust savings, pensions and protection, keeping your strategy on track and supporting financial stability and confidence over the long term. Read the article on page 10.

Income is often a household's most valuable asset, yet many people overlook protecting it. This article on page 11 explains how income protection insurance can provide financial support if illness or injury prevent you from working. By replacing a portion of lost earnings, it can help cover essential expenses, maintain financial stability and reduce stress during recovery. Understanding how income protection works, its benefits and key considerations can help ensure you and your family are better prepared for life's unexpected challenges and financial uncertainties.

For many families, the most important conversations are often the ones left unsaid. Discussing issues such as loss of capacity, Powers of Attorney, end-of-life wishes and future responsibilities can feel uncomfortable, yet avoiding them can create uncertainty and stress when difficult decisions arise. This article on page 06 explains why planning ahead is an act of care, helping loved ones understand your values, preferences and priorities. Open conversations can provide clarity, reduce confusion and ensure that important decisions reflect what matters most to you.

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

### Guiding you through every stage of life

Life changes, and your financial plans should evolve with it. Our personalised advice helps you pursue your goals with confidence while safeguarding your family's future. Speak to us today to find out more.

# Contents

**03**
**Why more families are losing wealth to Inheritance Tax and how to avoid it**
Data shows families are paying unnecessary tax without planning ahead

**04**
**Building financial security across three generations**
Ensure your financial plans support not only your future but also the generations that follow

**05**
**Earning returns on your returns**
How compound growth can turn small savings into a significant amount

**06**
**When planning becomes an act of love**
Preparing for tomorrow starts with a conversation today

**08**
**Over £31.1 billion of pension assets held in lost pots**
Why bringing your pensions together could simplify your retirement

**10**
**Life events that trigger a financial review**
Understanding your options to make informed decisions

**11**
**Protecting your income when life takes an unexpected turn**
A solution that can play an important role in safeguarding your financial wellbeing

**12**
**A new era for Individual Savings Account planning**
Are you making the most of your options in a changing tax landscape?


**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.**

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# Why more families are losing wealth to Inheritance Tax and how to avoid it

Data shows families are paying unnecessary tax without planning ahead

**Planning for your death is unlikely to be a cheery task to tick off your to-do list,** but as the rules keep changing and tax thresholds remain frozen, tackling it is more important than ever. Families paid a record £8.5 billion in Inheritance Tax (IHT) in the 2025/26 tax year, 3.6% higher than the £8.2 billion paid the previous year, according to HM Revenue & Customs.

The Office for Budget Responsibility estimates that the government will raise £14.5 billion a year by the 2030s, suggesting that more estates are being brought into the tax net. Against this backdrop, even simple planning errors can prove costly. Many families unknowingly reduce the wealth passed on to loved ones by overlooking key exemptions, misunderstanding gifting rules or failing to plan early enough.

### Ignoring the nil-rate band allowance

One of the most common mistakes is failing to make full use of the current 2026/27 £325,000 nil-rate band, which allows an individual to pass on assets free of Inheritance Tax up to that threshold. Anything above it may be taxed at 40%.

Where property is involved, the residence nil-rate band can also apply, but only in specific circumstances. Failing to structure your estate correctly can result in unnecessary tax.

### Not using the residence allowance correctly

The residence nil-rate band can increase the tax-free allowance when a main home is passed to direct descendants. However, it is often misunderstood or overlooked.

If an estate is worth more than £2 million, this allowance may be tapered or lost entirely. Without careful planning, families may miss out on significant tax relief that could otherwise reduce their overall liability.

### Poorly planned lifetime gifting

Gifting assets during your lifetime can be an effective way to reduce the size of your estate, but timing and structure are crucial. Gifts made more than seven years before death are generally exempt from IHT, but those made within this period may still be taxed.

There is also the annual £3,000 gifting allowance, which many people overlook. Over time, unused allowances represent a missed opportunity to reduce future tax bills.

### Overlooking regular income exemptions

Some individuals do not realise that gifts from surplus income can be exempt from Inheritance Tax, provided they form part of a regular pattern and do not affect their standard of living.

This exemption is often underused, despite being one of the most effective ways to transfer wealth gradually over time without triggering tax liabilities.

### Keeping assets in inefficient structures

Another common mistake is holding wealth in the wrong type of account or structure. Assets held in taxable estates can increase the overall IHT liability, particularly when investments have grown significantly in value.

Without regular reviews, portfolios may become inefficient for estate planning, leaving beneficiaries with a reduced inheritance.

### Failing to plan early enough

Perhaps the most costly mistake is leaving planning until too late. Inheritance Tax is not just a concern for the very wealthy; rising property values and frozen thresholds mean that more families are affected each year.

Early planning allows more time to use exemptions, restructure assets and reduce potential tax exposure in a controlled and effective manner. ♦

### Taking action before it's too late

With Inheritance Tax receipts continuing to rise and more estates coming within scope each year, avoiding common planning mistakes has never been more important. Small adjustments made today could significantly affect the wealth passed on to future generations.

If you would like to understand how Inheritance Tax rules may affect your estate or to explore ways to reduce any potential liability, please contact us for further information or to arrange a tailored financial planning review.

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# Building financial security across three generations

Ensure your financial plans support not only your future but also the generations that follow

**In an era of rising living costs,** longer lifespans and increasing tax pressures, many UK families are beginning to think beyond their own financial future. Increasingly, the focus is shifting towards building long-term financial security that can benefit children, grandchildren and even future generations.

**Rather than treating wealth** as something built and spent within a single lifetime, families are now exploring ways to structure savings, investments and estate planning so that financial stability can be passed on more efficiently and effectively.

## Why generational planning is becoming essential

Traditionally, financial planning has focused on retirement and later-life income. However, changing economic conditions have made it harder for younger generations to get onto the property ladder, build up savings and achieve financial independence.

At the same time, older generations are living longer and often hold significant wealth in property, pensions and investments. This combination has created a growing opportunity and responsibility for families to consider how wealth is passed between generations.

## Helping children get a financial head start

For many families, the first step in generational planning is to support children and grandchildren early on. This may include contributions to Junior Individual Savings Accounts (JISAs), pensions for children or regular gifting to build long-term savings.

Even modest contributions, made consistently over time, can grow significantly through compounding. Starting early allows investments to benefit from decades of potential growth, creating a meaningful financial foundation for adulthood.

Importantly, this approach can also help instil positive financial habits in younger family members, encouraging saving, investing and long-term thinking from an early age.

## Supporting retirement while protecting wealth

For the middle generation, typically those in their peak earning years, the focus often shifts towards balancing retirement planning with family support.

This can include maximising pension contributions, using ISAs efficiently and reviewing tax allowances to ensure wealth is structured effectively. It may also involve helping children financially while avoiding any compromise to personal retirement security.

Striking this balance is key. Supporting family members should not come at the expense of long-term financial independence in later life.

## Passing wealth efficiently to the next generation

For older generations, estate planning becomes increasingly important. Without proper planning, a significant portion of wealth could be lost to Inheritance Tax, which is currently charged at up to 40% on estates above certain thresholds in the 2026/27 tax year.

Simple steps such as using gifting allowances, reviewing Wills and considering trust structures can help ensure more wealth is passed on to family members rather than lost to tax.

In many cases, early planning also provides greater flexibility, allowing individuals to transfer wealth gradually rather than making decisions at the last minute.

## Creating a lasting family financial legacy

Ultimately, building financial security across generations is not just about tax efficiency or investment performance. It is about creating long-term stability, opportunity and resilience for family members.

By combining savings discipline, thoughtful planning and professional advice where needed, families can ensure that financial wellbeing extends beyond one generation and becomes a lasting legacy. ♦

### Time to protect your family's financial security?

If you would like to understand how to build or protect your family's financial security, explore ways to pass on wealth more efficiently or review your current financial and estate planning strategy, please contact us for further information. A tailored approach can help ensure your financial plans support not only your future but also the generations that follow.

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# Earning returns on your returns

How compound growth can turn small savings into a significant amount

**Many people assume that building meaningful wealth requires large sums of money from the outset.** In reality, one of the most powerful forces in personal finance is something far simpler: time. When paired with consistent saving and investing, compound growth can turn modest contributions into substantial long-term wealth.

**This principle** is often referred to as 'earning returns on your returns'. Over time, it can significantly affect financial outcomes, particularly for those who start early and remain invested.

### Understanding how compound growth works

Compound growth occurs when the returns on your savings or investments begin to generate their own returns. Rather than growing linearly, growth accelerates over time as gains are reinvested and build on one another.

For example, if £100 grows by 5%, you would have £105. The following year, a further 5% is applied to £105, not to the original £100. While the difference may seem small at first, over longer periods the effect becomes increasingly significant.

### The power of time in investing

Time is the most important factor in compounding. The longer money remains invested, the greater the opportunity for compounding growth.

Even modest monthly contributions can grow significantly over decades. A small amount saved regularly in your 20s or 30s can, depending on investment performance, potentially exceed larger contributions made later in life but invested for a shorter period.

This is why we always emphasise the importance of starting early, even if initial contributions seem relatively small.

### Why consistency matters more than timing

One of the biggest misconceptions in investing is that timing the market is key. In reality, consistency matters far more than trying to predict short-term movements.

Regular contributions, often made through monthly investing, help smooth out market volatility and build discipline. This approach also benefits from 'pound cost averaging' in which investments are bought at different prices over time, reducing the impact of market fluctuations.

By staying invested and contributing regularly, savers give compounding the best possible environment in which to work.

### Small savings, long-term impact

To illustrate the effect, consider a regular saver contributing £200 per month over several decades. While the total contributions may amount to less than £100,000, the eventual value could be significantly higher, depending on investment returns and the length of the investment period.

The key point is not the exact figures but the principle: consistent saving, combined with time in the market, can transform modest contributions into meaningful financial outcomes.

This makes compound growth one of the most effective long-term wealth-building tools for ordinary savers.

### How to make compounding work for you

To maximise the benefits of compound growth, it is important to start as early as possible, invest regularly and remain disciplined through periods of market volatility.

Using tax-efficient wrappers such as Individual Savings Accounts (ISAs) or pensions can also improve outcomes by reducing or eliminating tax on growth, leaving more money invested to compound over time.

The less money is lost to tax, and the longer it remains invested, the more powerful compounding becomes.

### Building long-term financial confidence

Ultimately, compound growth rewards patience, consistency and long-term thinking. It is not about making quick gains but about allowing time and discipline to do the work.

For many people, understanding this concept can be the difference between financial uncertainty and long-term financial stability. ♦

### Want to unlock the potential of compound growth?

If you would like to understand how to make the most of compound growth, build a long-term savings strategy or review your current investments and pension planning, please contact us for more information. A tailored financial plan can help ensure your savings work as effectively as possible towards your future goals.

This article is for informational purposes only and does not constitute tax, legal or financial advice. The value of your investments (and any income from them) can go up or down, which will affect the level of pension benefits available. Investments can rise or fall in value, and you may receive back less than you invest.

# When planning becomes an act of love

## Preparing for tomorrow starts with a conversation today

**Most of us understand the importance of planning for the future.** Yet some of the conversations that matter most, about ageing, loss of capacity, responsibility and ultimately death, are often the very discussions we avoid.

> Quality of life means different things to different people. For some, it may be independence and staying at home. For others, it may be comfort, familiarity or maintaining close relationships.

**It is rarely because we do not care.** More often, we fear saying the wrong thing, upsetting someone close to us or starting a conversation that feels difficult to navigate. As a result, important decisions are postponed until circumstances force them on us, often during periods of stress and uncertainty.

### Readiness beyond good intentions

Many people are willing to step forward when loved ones need help. Agreeing to act as an attorney under a Power of Attorney (POA) or to take on responsibilities as an executor can feel like a natural extension of a close relationship.

However, willingness is not the same as preparedness. Knowing someone well does not automatically mean understanding how they would want decisions made if they could no longer make them themselves. Questions about risk, priorities, quality of life and professional support can be surprisingly difficult to answer when they have never been discussed.

### Understanding the legal reality

A common misconception is that a spouse, partner or adult child can automatically take control of financial or legal matters if someone loses mental capacity. In reality, without a valid Power of Attorney, families may face delays, restrictions and additional costs during the deputyship process.

The legal responsibilities of an attorney are also often misunderstood. Acting on someone's behalf is not simply about doing what feels right. It is a formal role governed by legal duties and centred on the donor's best interests, even when those duties conflict with personal instincts or family expectations.

### Conversations that provide direction

Perhaps the most valuable discussions are not about money at all. Instead, they centre on values, priorities and personal preferences.

Would someone prefer caution or pragmatism when faced with difficult decisions? Is preserving wealth more important than maintaining comfort and independence? Would they want professional advice sought at the earliest opportunity or only when absolutely necessary? These conversations provide guidance that no legal document alone can fully capture.

### Removing uncertainty for loved ones

The same principle applies when planning funerals and end-of-life wishes. Families are often left to make significant decisions while dealing with grief, uncertainty and emotional strain.

Many people assume there is only one traditional approach, yet in reality there are numerous options. Discussing preferences in advance removes guesswork and gives loved ones confidence that they are making choices that reflect an individual's wishes. Far from being morbid, these conversations can offer reassurance and reduce anxiety for everyone involved.

### Focusing on values rather than decisions

Planning ahead is not simply about specific outcomes. It is about understanding what matters most.

Quality of life means different things to different people. For some, it may be independence and staying at home. For others, it may be comfort, familiarity or maintaining close relationships. Equally important are personal boundaries and emotional red lines that trusted individuals should understand if they are ever required to make decisions on someone else's behalf.

### Planning as an act of care

One of the most powerful lessons from these discussions is that planning ahead is not about pessimism or trying to control the future. It is about reducing uncertainty in life's most challenging moments.

Clarity is one of the greatest gifts we can leave to those we love. By having open conversations early, before circumstances become urgent, we give family and friends the confidence to act when difficult decisions arise. The goal is not perfection but preparation. ♦

### Time to put practical plans in place and give reassurance to you and your loved ones?

The best time to plan is before you need to. For further information about Power of Attorney, estate planning, later-life planning or end-of-life arrangements, contact us. We can help you put practical plans in place and provide reassurance for you and your loved ones.

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# Over £31.1 billion of pension assets held in lost pots

Why bringing your pensions together could simplify your retirement

**In today's working world,** it is increasingly common for people to change jobs multiple times throughout their careers. While each new role can bring fresh opportunities, it can also leave behind a collection of workplace pensions with different providers. Research shows that there are nearly 3.3 million lost pension pots in the UK, worth over £31.1 billion in assets[1].

**Over the years**, these pension pots can become difficult to track, making it harder to know exactly how much you have saved for retirement. Many people are surprised to discover they have several pensions accumulated from previous employers. Some may have paperwork filed away and forgotten, while others may have lost contact with providers altogether. As retirement approaches, having multiple pension arrangements can create unnecessary complexity and make financial planning more challenging.

### Building a clearer financial picture

One of the main reasons for reviewing your pensions is to gain a complete overview of your retirement savings. When pension pots are spread across different providers, it can be difficult to assess how much income your savings may generate in later life.

Bringing pensions together into one plan can provide greater visibility and make it easier to monitor performance, review contributions and assess whether you are on track to achieve your retirement goals. A clearer picture can also help identify any gaps in your planning while there is still time to address them.

### Simplifying retirement planning

Managing multiple pensions often involves dealing with different providers, investment strategies, annual statements and online portals. This can make tracking your retirement savings time-consuming and confusing.

Consolidating pensions can simplify administration by reducing the number of accounts you need to monitor. Rather than juggling several pension arrangements, you can focus on a single plan that is easier to manage and review. For many investors, this simplicity can provide greater confidence and engagement in their retirement planning.

### Understanding charges and investment performance

Another reason some people consider pension consolidation is the chance to review charges and investment performance. Pension schemes can have different fee structures, which may affect long-term returns.

> Millions of pounds are held in pension pots that individuals have lost track of over the years. Forgotten pensions are especially common among those who have changed jobs frequently or moved home several times.

While lower charges should not be the sole reason to transfer a pension, understanding what you are paying and how your investments are performing can help ensure your retirement savings work as efficiently as possible.
A consolidated pension may also make it easier to align your investments with your personal objectives and risk tolerance.

### Reviewing valuable pension benefits

Although pension consolidation can offer many advantages, it is important to remember that transferring pensions is not always the best option. Some older schemes include valuable guarantees, protected tax-free cash entitlements or other benefits that could be lost if the pension is transferred.

Before making any transfer decisions, it is essential to understand exactly what each pension offers. Seeking professional advice can help ensure that potentially valuable features are not overlooked and that any transfer is suitable for your individual circumstances.

### Aligning your investments with your goals

As people move through different stages of life, their financial priorities often change. Investments that were appropriate in your 30s may not be suitable as retirement draws nearer.

Consolidating pensions can create an opportunity to reassess your investment strategy and ensure it aligns with your current objectives. Whether your focus is long-term growth, protecting accumulated wealth or generating retirement income, a single pension plan can make ongoing reviews more straightforward.

### Tracking down lost pension pots

Millions of pounds are held in pension pots that individuals have lost track of over the years. Forgotten pensions are especially common among those who have changed jobs frequently or moved home several times.

Before considering consolidation, it is worth taking time to locate any missing pensions. Even relatively small pots can contribute significantly to your retirement savings over the long term. Pension tracing services and provider records can often help reconnect savers with forgotten funds.

### Making retirement planning easier

Bringing pensions together into one plan can simplify retirement planning, improve visibility and make it easier to manage your long-term financial future. For many people, consolidation provides greater control, less administration and a clearer understanding of their retirement position.

However, every pension is different, and consolidation is not suitable in all circumstances. Careful consideration of charges, benefits, investment options and retirement objectives is essential before proceeding. ♦

### Want to discover how your pensions could add up?

If you would like further information on pension consolidation, retirement planning or reviewing your existing pension arrangements, contact us today. We can help you assess your options, understand the potential benefits and risks and build a retirement strategy to support your long-term financial wellbeing.

**Source data:**
*[1] Pensions Policy Institute published in Briefing Note 138: Lost Pensions 2024 on Thursday 24 October 2024*

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# Life events that trigger a financial review

## Understanding your options to make informed decisions

**Life rarely stands still.** Major milestones, unexpected changes and new opportunities can significantly affect your financial wellbeing. While many people review their finances only when a problem arises, a proactive approach can help ensure your plans remain aligned with your circumstances and long-term goals.

A **financial review** is not simply about checking investment performance or monitoring savings. It is an opportunity to assess whether your financial strategy still aligns with your current needs and future aspirations. Certain life events can prompt you to revisit your plans and make any necessary adjustments.

### Career changes and income shifts

A new job, a promotion, redundancy or a decision to become self-employed can all affect your financial position. Changes in income may create opportunities to increase savings and investments, but they may also require adjustments to spending habits and financial priorities.

Reviewing your finances after a career change can help ensure that pension contributions, tax planning and protection arrangements remain appropriate. It can also provide greater clarity on how your new circumstances support your long-term objectives.

### Family milestones and responsibilities

Significant family events often bring new financial considerations. Getting married, entering a registered civil partnership, having children or becoming a grandparent can all affect your financial priorities and future plans.

Similarly, divorce, separation or taking on caring responsibilities may require reassessing household finances, estate planning and protection arrangements. Reviewing your finances during these periods can help you adapt to changing responsibilities and maintain financial stability.

### Property decisions and major purchases

Buying a first home, moving property, downsizing or paying off a mortgage are major milestones that can have a lasting impact on your finances. These decisions often affect cash flow, borrowing requirements and long-term financial goals.

Large purchases, such as funding home improvements or providing financial support to family members, can also affect your financial position. A review can help ensure these commitments fit comfortably within your overall plan and do not compromise future objectives.

### Retirement and later-life planning

Approaching retirement is one of the most important times to undertake a financial review. As retirement draws nearer, it becomes increasingly important to understand how pensions, investments and other assets will support your desired lifestyle.

Changes in legislation, pension rules and personal circumstances can all influence retirement planning decisions. Regular reviews can help ensure you remain on track and make the most of available opportunities.

### Keeping your plans on track

Life events can significantly affect your finances, whether planned or unexpected. Reviewing your financial arrangements at key stages can help you stay organised, identify opportunities and address potential challenges before they become problems.

By regularly reassessing your goals and adapting your plans to changing circumstances, you can strengthen your financial resilience and stay focused on achieving the future you want. ♦

### Ready to discover how we can help you move forward with confidence?

If you have recently experienced a major life event and would like to review your financial plans, professional guidance can help you understand your options and make informed decisions. Contact us today to arrange a financial review and to learn how we can help you move forward with confidence.

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# Protecting your income when life takes an unexpected turn

A solution that can play an important role in safeguarding your financial wellbeing

**Imagine waking up tomorrow unable to work because of an illness or injury.** While many people focus on protecting their home, car or possessions, few consider what would happen if their income suddenly stopped. Yet for most households, regular earnings underpin everyday living costs, mortgage repayments, bills and future financial plans.

A **prolonged absence** from work can place significant pressure on personal finances. Although statutory benefits and employer sick pay may provide some support, they are often limited in both value and duration. This is where income protection insurance can play an important role in safeguarding financial wellbeing.

## Maintaining financial stability

Income protection insurance is designed to provide a regular monthly income if you are unable to work due to illness or injury. Rather than paying a one-off lump sum, it provides ongoing financial support while you recover and are unable to earn your usual salary.

The cover can help with essential household expenses, including mortgage payments, rent, utility bills, food costs and other everyday commitments. This financial safety net can allow individuals and families to focus on recovery without the added worry of meeting monthly financial obligations.

## Understanding how the cover works

Income protection insurance typically pays a proportion of your pre-tax earnings, often up to 60%, depending on the policy and provider. Payments usually begin after a selected waiting period, known as the 'deferred period', which can range from a few weeks to several months.

Once a valid claim is accepted, the benefit is paid regularly until you are able to return to work, the policy term ends or you reach retirement age, depending on the cover selected. Policies can be tailored to individual circumstances, making them a flexible solution for many working people.

## Why income protection matters

Illness and injury can affect anyone, regardless of age, occupation or lifestyle. While no one expects a long-term absence from work, the financial consequences can be significant if the unexpected happens.

Income protection insurance can provide reassurance that a portion of your income will continue to be paid if you are unable to work. This support can help preserve savings, reduce financial stress and maintain your standard of living during an already challenging period.

## Choosing the right protection

Every individual's circumstances are different, which is why it is important to consider factors such as income requirements, existing sick pay arrangements, waiting periods and the level of cover needed. A carefully selected policy can form a valuable part of a broader financial protection strategy.

It's essential to ensure that any cover chosen aligns with your personal needs, employment circumstances and long-term financial goals. ♦

### Looking for greater financial peace of mind?

For further information about income protection insurance, or to discuss how cover could help protect your income and financial future, please get in touch. We'll help you understand your options and identify a solution tailored to your circumstances and goals.

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# A new era for Individual Savings Account planning

Are you making the most of your options in a changing tax landscape?

**For many years, pensions** have been regarded as one of the most tax-efficient ways to save for retirement and to pass wealth to future generations. However, significant changes on the horizon could prompt many savers to rethink how they balance pensions with Individual Savings Accounts (ISAs).

**Although the new rules** will not take effect until April 2027, now may be an appropriate time to review your savings strategy. Understanding how pensions and ISAs work together could help ensure your long-term financial plans remain aligned with your objectives.

### Changing priorities for savers

From April 2027, pensions will no longer automatically fall outside an individual's estate for Inheritance Tax (IHT) purposes. As a result, some pension funds may become subject to IHT at 40%, potentially reducing the amount passed to beneficiaries.

This change may affect how some people draw on their retirement savings. Historically, some savers chose to spend ISA assets first, preserving pension wealth for future generations. Alternative approaches may become more attractive, with some individuals considering using pension funds earlier and retaining ISA savings for longer, depending on their objectives and circumstances.

### Reviewing your retirement savings

The forthcoming changes could make it worthwhile to review whether you are directing too much of your savings into your pension. While pensions remain highly valuable retirement planning tools, maintaining a balance across different tax-efficient wrappers may provide greater flexibility.

For those approaching retirement, there may also be merit in considering how to use tax-free pension lump sums. In some circumstances, transferring available funds into an ISA over time could create additional flexibility while maintaining tax-efficient growth.

### Aligning investments with your goals

As ISAs potentially become a more important vehicle for passing wealth to loved ones, some investors may wish to reassess how these funds are invested. Money intended for long-term legacy planning can often be invested differently from assets that may be needed in the near future.

At the same time, retirement income needs should not be overlooked. Ensuring that pension investments remain aligned with planned withdrawals and future spending needs is equally important.

### Supporting future generations

The rule changes may also encourage some individuals to consider gifting strategies. Making regular gifts from surplus income could help family members use their own ISA allowances while potentially reducing future IHT concerns.

More broadly, the changes serve as a reminder of the importance of diversification. Relying too heavily on any single tax wrapper can leave savers exposed to future legislative changes. Spreading wealth across different types of accounts may help improve long-term flexibility and resilience.

### Is it time to review your strategy?

Tax rules and financial planning opportunities evolve over time. Regularly reviewing your pension and ISA arrangements can help ensure your savings remain structured to support both your retirement lifestyle and your legacy objectives.

If you would like further information on ISAs, pensions, Inheritance Tax planning or your wider investment strategy, please contact us. Professional guidance will help you understand your options and develop a financial plan tailored to your circumstances and long-term goals.

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