ASPIRE

PLAN • DREAM • ACHIEVE

SPRING 2015

Spring into Summer

Free as a bird – get ready to spread your wings with the new pension freedoms

Bloomin' great – will the Spring Budget proposals ever bear fruit?

Keep young and beautiful! Claim £25 off rejuvenating treatments

A home of their own – helping young ones fly the nest

Va, va, vrrrooom! Can you resist the urge to splurge?

The magazine of Willson Grange Limited

Darling buds of May

Beautiful, delicate British blossom... It seems like the perfect analogy to a bright Spring Budget from our previous (and, as it happens, reappointed) man in No. 11. His last measures before the polls gave us plenty of opportunities to grow our personal wealth and make the most of proposed tax savings and exemptions.

It all looked very pretty indeed... the blooming of a government that's been in power for a while, and has steered its way through a heavy winter, perhaps. But the thing about blossom is, as lovely as it is, it's fleeting and it's fragile, and, while it can brighten up your day today, it may well be gone tomorrow. And that's pretty much how it looks as the newly formed government cracks on with a brand new term in office.

At present, no-one, not even the politicians, can guarantee that their proposals will ever come to fruition. All we can do, while we wait, is to give you the facts as we know them now. We can help you to understand the current situation, take advantage of the good things. And we can REASSURE you that, whatever happens, we are here to explain, advise and set you on the path to your sunny future.

If you plan, you can. That's guaranteed!

Issue 3: SPRING INTO SUMMER

Aspire isn't just about money. It's about family. It's about life

HELLO again and welcome to *Aspire!* This is not your normal spring, that's for sure. As I write, the May elections are over and we can finally breathe again – at least until Chancellor Osborne's emergency budget emerges in June! So no sooner are we going to press with this latest issue, packed with current information following the Spring Budget, than it could indeed be all change on the financial front.

But not to worry. The financial advisers at Willson Grange are as switched on as ever to what's happening in the political and economic arenas. Our specialists are poised to advise and guide you through the maze. Whether it's the taxation system you're confused about, investment markets or today's big issue, the pension reforms, that's on your mind, we're here to take the burden of worry away so you can get on with your busy life.

Enjoy this edition, which comes to you just as we plan our Bumper Summer issue. It may be short lived, but you still have time to enjoy its glorious mix of spring colour, financial facts, work-life balance tips and exciting ways to gain more from the world we live in. If you would like to know about anything in more detail, just give us a call.

Stuart Willson, CEO, Willson Grange Limited
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What makes Willson Grange Limited (Chartered Financial Planners) different?

- Our Financial Planners are highly qualified, with more than 150 years of combined experience
- We provide Financial Planning that is uniquely personal and tailored to the individual
- We are supported by a friendly and efficient administrative team who provide a first-class service, while always putting you at your ease
- We are a family-run business. We believe in offering services and advice that are both transparent and fair
- We are able to refer our clients to solicitors and accountants, whose services are separate to and distinct from those offered by Willson Grange or St. James's Place
- Through face-to-face contact, we place great importance on building trusted and lasting relationships with every client

When you plan, you can…

…keep it in the family

…control your future

…get down to business

…live life (& love life)

FINANCE IN FOCUS: TIME TO GROW

Savers, faced with near-zero returns on cash have had to find other ways to generate returns, with many for the first time turning to stocks and shares.

A recent Barclays Capital study* highlighted that stocks and shares offer long-term returns that can beat inflation. Whether the Bank sets its first rise in the autumn or early in 2016, ultra-low rates look likely to be here for some time – and this underlines the need for investors to consider what the stock market has to offer.

The reality for savers is that near-zero rates have also meant that steady inflation, although relatively low, has eroded the real value of cash. The AXA Group estimated a 13% fall over the last six years. However, a BlackRock** survey identifies that Britain's savers continue to favour savings in cash, despite being aware that the money would offer better returns elsewhere.

FTSE All Share index[A], since its low in March 2009, for example, has generated a total return for investors of 139%!

Investor caution is understandable – the financial crisis still casts a heavy shadow – but central bank action and the global economic recovery, together with strong corporate earnings are reasons to be upbeat.

Although global equity growth may have slowed, the Barclays study confirmed that equities still beat cash, over the longer term.

*Barclays Capital Equity Gilt Study, March 2014. **BlackRock Investor Pulse Survey, February 2015

PENSION ANNUITIES

From April 2016, an individual who is already receiving income from a pension annuity will be able to sell that income to a third party, subject to agreement from their annuity provider. The proceeds of the sale can then be taken directly or drawn down over a number of years and will be taxed at the individual's marginal rate(s). (The facility won't be available for annuities bought by the trustees of occupational pension schemes.) For the purchaser, the income will be taxable as trading income or miscellaneous income.

Taking professional advice will be vital to help you make the right choice. See page 14.

[A] Source: FTSE International Limited ("FTSE") © FTSE [year]. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and / or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

RECORD BREAKERS

Investments expert Chris Morris gives his view of the current market trends, advising us not to keep all our assets in one basket

The first quarter of 2015 saw a number of financial markets hit new highs. In late March, the FTSE[A] 100 breached the 7,000 level for the first time in its 31-year history. In the US, the S&P 500 remains above 2,000 – a level it exceeded for the first time last summer. Also in March, the Nasdaq topped 5,000 for the first time since the dot-com bubble of 2000, and in Japan, the Nikkei 225 recently reached a new 15-year peak.

All of this has left many investors questioning what they should do next and whether any value remains. At times like this, I often refer to the comments of American investor Howard Marks in his book *Uncommon Sense for the Thoughtful Investor,* which read: "Values aren't fixed. They move in response to changes in the economic environment. Value depends on earnings and earnings are shaped by the economic cycle." (This is a book, incidentally, that Warren Buffett once referred to as "a rarity: a useful book".)

Adopting that theory to the Nasdaq for example, shows that, whilst at an index level it appears elevated, on a price earnings (p/e) basis it is less so. At roughly 16.8x 2015 earnings forecasts (from Bank of America Merrill Lynch), it is nowhere near the 2000 valuations of 60-70x[1]. Similarly, whilst the S&P 500 is trading above its long-running average, it isn't extensively so (19.69x compared an average of 15.53x[2]).

Time considerations also have a substantial bearing on valuations. The FTSE 100 is an excellent example, where on a 7-year cyclically adjusted p/e basis, the index is trading above its average[3], whereas if we widen the timeframe to a 38-year period, it is below[4].

Throw into the mix the foolishness of 'experts' in trying to second-guess markets (nearly all predicted gilts would fall in 2014, yet index-linked gilts were the top-performing asset class and conventional gilts third[5]) and the difficulties for investors of knowing what to do becomes magnified.

So where does all this leave us? In our view, in an unpredictable world, the cheapest method of protection is diversification, not just across asset classes, but across proven global managers, investment house styles, industry sectors and individual stocks. We are confident that such an approach can deliver on investors' objectives.

[1] source: St. James's Place (SJP) Investment Management, 23 March 2015 [2] source: www.multpl.com [3] source: SJP Investment Management, 28 February 2015 [4] source: Datastream [5] source: Techlink, 6 January 2015

Blooming great

George Osborne's Spring Budget surely had polling day in his sights when he revealed even more new measures for British savers. Whether they all survive to become legislation, of course remains to be seen…

It all seems pretty bright right now. But who knows if the blossom will last, to bear fruit now the election is over.

March saw another booster Budget (more or less) for savers and investors. The proposal to allow existing pension annuity owners to sell their income in return for a lump sum will create flexibility for those excluded from April's radical reforms.

There was a flip side though. For those not yet retired, there was a further reduction in the lifetime allowance, cutting it from £1.25 million to the £1 million that the Shadow Chancellor had proposed the previous month.

He could perhaps afford to be generous, knowing that proposals won't necessarily become policy – particularly after an election when all is likely to change anyway, whether there's a change in Parliament or not.

So, what were the highlights, and when are they proposed to take effect?

- Savers were offered a new personal savings allowance (worth up to £200 a year) and more flexibility and investment options for their individual savings accounts (ISAs). All due after the election.
- A new Help to Buy ISA for first-time homebuyers will be introduced with the government providing a £50 bonus for every £200 of monthly savings up to a maximum of £3,000 on £12,000 of savings. Proposed to start from autumn 2015 (see *A Home of their own*, page 8).
- It is proposed that investors will be able to withdraw money from their Cash ISAs and replace it in the same tax year without it counting towards their annual subscription limit Intended to be introduced in the autumn.
- From April 2016, the lifetime allowance for pensions are reduced from £1.25 million to £1 million. Transitional protection for pension rights already over £1 million was introduced alongside this reduction to ensure the change was not retrospective. The lifetime allowance will then be indexed annually in line with CPI from 6 April 2018. There is no change to the annual allowance, which remains at £40,000.
- The personal allowance will increase to £10,800 in 2016/17 and £11,000 in the following year.
- The higher rate threshold will rise to £42,700 in 2016/17 and £43,300 in 2017/18, the first above-inflation increases in the threshold for seven years.
- The Inheritance Tax (IHT) threshold remains at £325,000 for 2015/16.
- The annual Capital Gains Tax (CGT) exempt amount for 2015/16 is £11,100.
- The government proposes to abolish self-employed Class 2 national insurance contributions some time in the next parliament.
- The planned abolition of the annual tax return will be welcome news for many, but it will take time to become a reality and it is unclear whether the reform will be accompanied by a change to the timing of tax payments.

Whatever the outcome for the electorate in May, personal taxation and its impact on our wealth will undoubtedly remain high on the agenda.

In the meantime, full advantage should be taken of all available allowances, reliefs and credits to ensure you are making the most of the tax saving opportunities currently on offer.

• If you require any further support or guidance, or would simply like to review your current circumstances, please get in touch with your Willson Grange Financial Adviser.

The levels and bases of taxation and reliefs from taxation can change at any time and are dependent upon individual circumstances.

SPREAD IT ALL ABOUT

The benefits of diversifying investment portfolios can easily be taken for granted, but long-term investors should never underestimate the advantages of spreading their assets about.

Different asset classes – for example UK Property, Emerging Markets Equities, UK or US Gilts, Cash and Commodities – are likely to fluctuate, possibly dramatically, over time, and the best performers in one year can become the worst in the following year, and vice versa. So it's always a good idea to review performance on a regular basis.

• Willson Grange has access to the St. James's Place investment management approach, which means that seasoned experts in the investments markets continuously review the performance of the funds and the fund managers' ability to consistently aim for superior results. These reviews can make all the difference… helping you absorb the effects of uncertainty and increasing the likelihood of achieving more consistent returns.

Even better, you don't need to keep on top of the financial markets yourself if it's not your thing (and we know that, for many of you, it's not!). Our specialists analyse and evaluate on a daily basis on your behalf… they see both the detail and the bigger picture, so if a change is needed, they will act, keeping you informed every step of the way. It's what makes them tick… but it's all so that you can sleep soundly at night.

The value of an investment with St. James's Place will be directly linked to the performance of the funds you select and the value can therefore go down as well as up. You may get back less than you invested.

Free as a bird

In case anyone missed it (where HAVE you been?), pensions are big news and talked about at every turn. Here's our take on the new freedoms, how they will be taxed, and where they leave you

So yes, spring has sprung, and the new pension freedoms are finally here…

For those of us 'of a certain age', we can think about spreading our wings, and, perhaps, consider our retirement. But whatever your age, there has never been a better time to think ahead, think how much you need, and start providing for a comfortable future

For months on end, we've been hearing and reading about the reforms to the pensions industry. They took effect on Easter Monday. The new rules mean that everyone over the age of 55 has the opportunity to choose how and when they take their pension benefits.

No one will be FORCED to buy an annuity any more. We can take some, or all, of our pensions savings in cash. And our families and dependants will not see the money we have worked so hard for disappear down the drain when we shuffle off this mortal coil.

Many of us will of course still opt for the certainty of a regular income by purchasing an annuity or through drawdown. Others will welcome the freedom to dip into the pot occasionally. Or, maybe, cash in the lot (see *The urge to splurge* right).

One thing's for sure, the decisions about how to use these freedoms won't be easy ones. There's nothing wrong with wanting to spread your wings. Who wouldn't? But the complexities of the system make it ESSENTIAL for everyone to take appropriate advice and make sure the solution you're thinking about is the right one for you…. and – most importantly – that your money lasts as long as you do.

The changes apply to both occupational pensions, where you're saving through your employer's pension scheme, or individual plans such as personal pensions

OH HAPPY DAY

As from NOW, Spring 2015, we are all able to enjoy more pensions flexibility, from everything from the way we take our benefits to what happens to our 'pot' on our death.

Everyone who has a 'defined contribution' pension (also known as 'money purchase', where a set amount is paid into the fund and the benefits depend on the amount accumulated) will be able to use the new freedoms and benefit from them. Those with 'final salary' arrangements can now also act on the changes. However, it might not be beneficial for them to do so (see below right).

The changes apply to both occupational pensions, where you're saving through your employer's pension scheme, or individual plans such as personal pensions.

FREEDOM 1
The tax-free lump sum
From April, it will be possible to withdraw amounts directly from your fund without having to enter drawdown or buy an annuity, with a quarter of each such payment being tax-free. For example, someone with a £100,000 pension pot could choose to take £25,000 at once, with all subsequent withdrawals taxed as income; or they could take 10 payments of £10,000 each, with £2,500 of this paid free of tax. This could be an attractive option for those who don't need a large sum of cash. Not only does it allow for some tax planning, it also means that the funds remain invested in the pension for longer – potentially earning greater returns.

FREEDOM 2
Accessing your benefits
Restrictions on 'drawdown' (when you take a regular income from your pension while leaving the rest invested) have been scrapped. Before the reforms, there were limits on the maximum amount that could be drawn down. Now, you have total freedom over how you take benefits – from taking the whole fund at once (probably only sensible for those with smaller pension pots) to taking lump sums as required, or drawing a regular monthly income.

FREEDOM 3
Passing benefits on
The 55% tax formerly charged on lump sum death benefits from pension funds has been abolished. Now, pension funds left by anyone dying before the age of 75 will be free of tax if they are taken as a lump sum, or the beneficiaries draw an income from it. They will only be subject to tax if dependants choose to buy an annuity; otherwise, there will be no Income Tax to pay. If the death occurs after the age of 75, there are three options, all with different tax implications. The beneficiaries can take the whole fund as a lump sum (subject to a 45% tax charge). They can take a regular income through drawdown. Or, if they were dependants of the deceased, they can use it to buy an annuity (in these last two cases the income will be taxed at the beneficiaries' marginal rate). Lastly, they can take lump sum income payments through drawdown as required (again, subject to tax at marginal rates).

Assets in pension funds at death will usually remain outside the Inheritance Tax system.

THE URGE TO SPLURGE

It was dubbed 'The Lamborghini Option' last year, when pensions minister Steve Webb said that individuals were free to blow their retirement savings on a supercar if they so wished. Inevitably, the critics sprang up in their numbers, voicing concerns over whether the new freedoms could spark a reckless spending spree from the over-55s.

There are indeed already indications that pension savers plan to make full use of their freedoms. A survey by the National Association of Pension Funds* found that a quarter of people intended to take all of their pension in cash when the regulations are changed. Many of those had other income they could use to fund their retirement. However, one in five planned to do this regardless of whether they had funds elsewhere.

On the positive side, more than half of those questioned – 58% - would prefer to use their fund to generate regular income.

Another report, published by Fidelity Worldwide Investment, which surveyed the intentions of 500 people due to retire between April 2015 and 2016, revealed that only 11% intended to take more than their tax-free entitlement as a lump sum, with just 6% planning to cash in the entire fund.

All speculative, of course… based on intentions rather than actions. Although it does tend to support the view that most people understand that the purpose of a pension is to provide an income for life, and that greater freedoms will not necessarily lead to excessive spending.

"I suspect that people's enthusiasm for cashing in their entire pension may dampen once they discover that 40% of their hard-earned money will go to the Treasury!" says Ian Price, Divisional Director for St. James's Place.

*NAPF survey of Fund Members, November 2014

TAX WISE

- Tax implications will need to be considered in any instance. Any amounts withdrawn over the tax-free lump sum will be taxed at the marginal rate. So a basic taxpayer will pay 20% tax; but if the pension withdrawal pushes income to higher levels, it will be taxed at 40% or 45% as relevant.
- Personal pension contributions on which you can claim tax relief are restricted to 100% of earnings, up to a maximum of £40,000 a year, and this hasn't changed from how it was before April. However, a new lower maximum of £10,000 a year will apply once withdrawals above the tax-free lump sum are taken. The reduction in the annual allowance to £10,000 won't apply if you entered capped drawdown before 6 April 2015 (and stay within the income limits) – but it also won't apply if you buy a lifetime annuity.

FINAL SALARY SCHEMES

When the pension reforms were first announced, they were only supposed to apply to savers with a 'defined contribution' money purchase pension. People with more generous private sector 'defined benefit' schemes – such as final salary schemes – weren't meant to benefit.

However, the rules have changed, so if you are in a final salary pension, you are now allowed to switch into a defined contribution scheme. But let the buyer beware! A final salary pension is designed to pay you a pre-agreed income for life, which often rises each year with inflation. It is a valuable scheme, and essential that you take financial advice before considering switching, as you could lose considerable benefits if you transfer out.

If you work beyond State Pension Age, you could take home more money as you will have no National Insurance to pay!

NUMBER CRUNCHER

How much is enough?

Since we are, on average, living longer than ever, it's quite possible that the majority of us will spend at least 20 years of our lives in retirement. And yet, the average pension pot at retirement is just £36,800*.

The stark reality is that more and more of us are going to have to work longer because we haven't saved enough. Although the State Pension provides a limited income, it falls drastically short of what is really needed to fund a comfortable lifestyle. So how do we avoid poverty in retirement?

THE RULE OF x25

Decide how large a fund you will need. Now multiply your target retirement income by 25. For example, if you think you'll need £25,000 a year, aim for a fund of £625,000.

"The key is making sure that during our working lives we are putting away enough money so that when we do finally retire, we can make the right choices. The paydays we have until we retire are the opportunities we have to build the fund needed to create the lifestyle we're hoping for," says Ian Price, Divisional Director for St. James's Place.

As with all financial concerns, you need to tread carefully, particularly with so many new options on offer. Ask your adviser for up-to-date pension guidance and advice.
The levels and bases of taxation, and reliefs from taxation, can change at any time. The value of any tax relief depends on individual circumstances.

*Source: Association of British Insurers – September 2014

When you plan you can… keep it in the family

A HOME OF THEIR OWN

The difficulties faced by young adults wanting to leave the family home and set up on their own have become one of the thorniest issues of our time. So you'll hardly be surprised to learn that in 2014, almost four out of every five 18-30-year-olds in the UK received financial help from their parents and grandparents.

But what if we told you it was a staggering £35.2 billion's worth*? Now that's a scary thought…

According to the annual Halifax mortgage review in January, average deposits for first-time buyers were just shy of £30,000 last year. This left more than half of 25-29-year-olds unable to afford to buy a house without their family's help.

And so it was left to Britain's parents – who handed over a whopping £8.3 billion – and grandparents (£1.9 billion) for house deposits**. But the help from families didn't end there. Parents also supported every day expenses with one-off boosts (£5.1 billion). They bought them cars (£2.6 billion). Grandparents gave £1.3 billion in cash and £846 million towards rents, too. That's without even mentioning the expense of university, weddings and the patter of a new generation of tiny feet!

So as mind-boggling as it might seem, providing for our children is something we all happily do for our own – it's a natural instinct. And there are no age limits – we carry on 'being there' for them, for as long as they need it, and for as long as we are alive. Which is nice to know.

Also good to know is that there are ways to finance it and make it less of a sudden panic. By planning well ahead, and by looking at the range of tax exemptions on offer, you can at least make some headway in helping out when the time comes. Some savings, in isolation, can appear quite modest, but when invested well over a long term, they can reap significant returns.

1 One tax-efficient way to save for a child's future – particularly for older relatives – is to make gifts to reduce Inheritance Tax Liability. Each individual has an annual gift exemption of £3,000, and their consistent use as part of an Inheritance Tax plan can produce significant savings and benefits.

2 A tax-efficient Junior Isa, whether through a lump sum or regular savings, is also an ideal way to give children or grandchildren a head start and build up capital for their future. From 6 April, the maximum that can be invested for each child rose to £4,080 in the tax year. Apart from the tax benefits (no further tax to pay on income or capital gains), money invested in a Junior ISA is locked in until the child's 18th birthday, providing a disciplined savings vehicle that will then be rolled over into an adult ISA.

The favourable tax treatment given to a Junior ISA may not be maintained in the future as it is subject to changes in legislation.

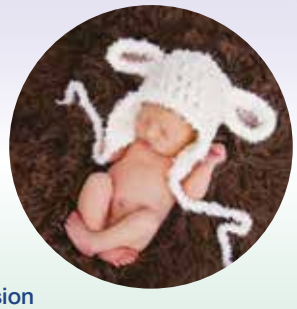
The value of an investment with St. James's Place will be directly linked to the performance of the funds you select and the value can therefore go down as well as up. You may get back less than you invested.

The levels and bases of taxation and reliefs from taxation can change at any time. The value of any tax relief is generally dependent on individual circumstances.

HELP TO BUY

Here's something that the youngsters can do for themselves. The new Help to Buy Cash ISA will offer first-time buyers a government bonus when investors (aged 16 or over) use their savings to purchase their first home. For every £200 that a first-time buyer saves, there will be a £50 bonus payment up to a maximum of £3,000 on £12,000 of savings. The bonus will be available for purchases of homes of up to £450,000 in London and up to £250,000 elsewhere.

- The bonus will only apply for home purchase. Savers will have access to their own money and will be able to withdraw funds from their account if they need them for any other purpose.
- The maximum initial deposit will be £1,000 and the maximum monthly saving thereafter will be £200. The new scheme should be available from autumn 2015.



A LITTLE ADDITION

Hearing the patter of tiny feet? Well, you can be cute, too, by opening up a pension fund as soon as a little one is born. The gift can be boosted by 20% through the tax relief available on contributions. And even a few years' worth of contributions can build a substantial pot – a £3,600 annual contribution for the first five years of a child's life would create a pot worth £121,000 by the time he or she turns 60!

(Assumes 3% net growth per year.)

Please note that the amount received will depend entirely on the performance of the funds selected and the taxation of the funds. The actual amount received could be more or less than the amount illustrated.

*Source: Centre for Economics and Business Research, February 2015 **Source: Lloyds Bank Family Savings report, Janaary 2015

When tables are turned

While it's still more common for parents to buy property for their children, self-made, wealthier adults are increasingly doing the same for their parents. But beware of the pitfalls…

Buying in your parents' name
TAKE CARE…

- The property may be subject to Inheritance Tax on your parents' death, and you may have no control over who receives the property.
- If your parents' means are assessed for the purposes of help with care fees, the property's value will be taken into account and may mean that they may have to pay the full cost of their own care. (If they are married and both living in the property, the local authority cannot include it in the means assessment. But it can, and will, if one of them dies or leaves the home – possibly to move into sheltered or residential care.)

Buying in your own name
TAKE CARE…

- Classed as your second home, the property won't qualify for Private Residence Relief. This tax relief means that Capital Gains Tax doesn't have to be paid on the gains from the sale of a main home if it has always been lived in by the owner. When your parents pass on, and you come to sell the property, it will be liable to Capital Gains Tax at 18% or 28% (depending on the size of the gain and whether you are a basic or higher rate taxpayer).

BUY SMART. Set up a trust

There is a way around it. By setting up a trust for the benefit of your parents for their lifetime, you can lend money to the trust. Trustees can use these funds to buy a property. If you and your parents are all trustees, you can be jointly involved in decisions regarding the property.

Because this is a loan and not a gift, no value has been passed from you to your parents, so the value of the property won't be subject to Inheritance Tax on their death. It shouldn't form part of their assets in a care fees assessment. And by calling in the loan on their death, you can make sure you get your money back regardless of the terms of your parents' Wills.

A trust could also be written to include your own children as beneficiaries further down the line.

If you and your parents are all trustees, you can be jointly involved in decisions regarding the property

Trusts are not regulated by the Financial Conduct Authority. The levels and bases of taxation and reliefs from taxation can change at any time.

"IT'LL NEVER HAPPEN TO ME"

UK households are risking significant hardship through loss of earnings due to serious illness

New research by the Centre for Economic and Social Inclusion has highlighted worrying figures about the number of UK households that do not have insurance in place to protect income against the risk of serious illness or injury.

Income protection insurance, which pays a percentage of your lost earnings as a tax-free monthly income for a set period of time, or for as long as you cannot work, is the most underused insurance relative to need. It can be an unnerving consideration and evidently many people prefer to believe that it won't happen to them.

The findings, shared in a new report by the Association of British Insurers*, reveal how many working households do not have an "income safety net" in place to cope with a sudden loss of income when an earner becomes unable to work for more than a few weeks due to a serious illness or injury.

- Around 250,000 people, or 1% of the workforce, leave employment each year due to ill health; 60% of these are the main household earner.
- More than 60% of working families – 10.8 million households – would see their income fall by more than one third if the main earner had to stop work due to ill health.
- Of these, 6.6 million households – about 40% of working families – would see their income fall by more than half.

Not only do these households not have the necessary insurance in place, but the problem is worsened by the fact that they get very little support from the State.

It's clear that more people need to consider the comparison between the costs of having income protection insurance and not needing it, and needing it but not having it. Good health is our most precious asset; we should use it today while we can to put a complete protection programme in place.

The levels and bases of taxation and reliefs from taxation can change at any time. The value of any tax relief depends on individual circumstances.

* 'Welfare Reform for the 21st Century', September 2014

When you plan you can… live life (& love life)

Looking good

Just one of the many secrets to fulfilling a happy life is to have confidence – whether it's in our skills and abilities, our family life and relationships or our financial future. For some, that confidence means feeling fit and healthy on the inside, while looking great on the outside.

What could be more fitting for Spring *Aspire* than to feature Willson Grange clients, SDS Rejuvenate?

Shining inside and out... it's all part of the happiness profile, as the North West's two leading Aesthetic Doctors will readily testify.

Willson Grange clients Dr Sally-Ann Dolan and her husband Dr Ian Jones, run a thriving trio of aesthetic treatment clinics, SDS Rejuvenate, in Liverpool, the Wirral and the Channel Islands. Along with their qualified therapist, Marie, they specialise in safe, ultra- effective non-surgical treatment for everything from anti-ageing to acne therapy, face lifts to fat reduction and 3D body contouring.

Since setting up their first clinic in Rodney Street – Liverpool's answer to Harley Street – back in 2006, this pair of highly trained medics have seen the business appointment book brim over with bookings as their reputation for the highest quality clinical and ethical care in aesthetics has increased.

Sally-Ann and Ian, nevertheless, are the first to acknowledge the importance of financial planning during those early years of growth. Turning to Stuart Willson, CEO of Willson Grange, for personal pension provision, they felt able to take the business bull by the horns and move forward with their plans with complete confidence.

"At such a critical time, we just needed to know that we could rely on a trusted professional like Stuart." says Ian. "The excellent advice he gave us meant we could feel reassured and much more positive about our future."

Working with Willson Grange certainly gave the couple fewer things to worry about… and not just on a financial level. As SDS Rejuvenate looked for a home for their second Merseyside clinic, Willson Grange, once again, came up with an ideal solution. Expanding themselves, and about to move to bigger premises in Hoylake, Willson Grange offered up their light and airy former office, conveniently situated on a pleasant Wirral high street, as a potential venue. The doctors jumped at the chance, and in no time at all, they were up and running in beautiful Banks Road, West Kirby, just a stone's throw from the sea.

"You name it, we can treat it… without the surgery, without the pain and without the expensive price tags"
- Dr Sally-Ann Dolan MB ChB

"The technology we have today means we can offer real aesthetic solutions to help with cellulite, dry skin, over-active sweating, wrinkles, sagging or scars"

REAL SOLUTIONS

As well as building up their unique non-surgical aesthetics business, this super-smart couple keep their medical skills honed in their home community of Wirral. Sally-Ann continues as a GP in a medical practice in Wallasey, while Ian works as a Consultant Endocrinologist with the Wirral University Teaching Hospital (NHS Trust). However, the remarkable success of SDS Rejuvenate means that the pair have been able to reduce their hours in the 'day job' and expand their exciting business. These days, they split their week between their two Merseyside clinics and, as of last year, another in the Channel Islands.

Using the latest new-generation technology such as radio frequency (skin tightening), cavitation (ultrasound fat removal) and cryolipolysis (fat freezing), Sally-Ann, Ian and therapist Marie offer a raft of aesthetic services that offer real, pain-free alternatives to often expensive surgery. Facials, dermal fillers, anti-wrinkle injections, deep hydration, light fillers (which restore the skin's ability to reflect light) and chemical peels are all foundations of SDS Rejuvenate's skin programme.

"Looking great really isn't about vanity, or striving for perfection, at all," says Sally-Ann.

"For most people, it's about having a boost, gaining confidence and feeling fabulous. Very often, clients will come in wanting something to help them look their best for a big

"We believe aesthetic treatments such as anti-wrinkle injections using Botulinum Toxin A and facial dermal fillers should only be performed by a fully trained, experienced professional, and in an appropriate clinical setting."
- Dr Ian R Jones MB BCh MD

event like a wedding, honeymoon or holiday. Others just want to preserve their youthful looks.

"And why not? When we're living longer (on average), why on earth wouldn't we want to keep our skin looking as plump and young for as long as we can?"

"Our eight-point face lift has also been hugely popular," adds Ian. "This is one of the more complex procedures, which involves treating eight distinct areas of the face. It lifts, revitalises and actually restores the contours of the face that the patient would have had in their youth. It also gives a totally natural result – with, importantly, no loss of facial expressions.

"We're achieving fabulous results - people just love it."

With more people becoming aware of their non-surgical procedures, business is booming. Yet for Sally-Ann and Ian, there is also a serious, medical side to much of the work they do. Treatment for some means effective solutions to a chronic problem such as acne or rosacea, uneven pigmentation, over-active sweat glands or perhaps the removal of an unsightly skin tag.

"What's so often missing for teenagers and young people with problem skin is proper cleansing advice," says Sally-Ann. "Over-the-counter products can actually make things worse, while a GP might give a prescription, but nothing more.

"So it's very satisfying knowing that we can really help them with good, relatively inexpensive products and lasting treatment and advice."

■ *The services of SDS Rejuvenate are not related to, approved or endorsed by Willson Grange Limited or St. James's Place Wealth Management.*

GET SET FOR SUMMER

Whether you want to show off a great beach bod, or simply want to feel comfortable and confident to shed the layers as the sun comes out, there is a solution. And it's completely non-invasive and pain-free.

Body contouring with 3D-LipoMed for example, is one of the most advanced treatments of its type in the fight against fat, cellulite and loose skin, and consists of a combination of:

CAVITATION – (ultrasound fat removal) – reduces body fat by disrupting the cell membrane of the fat cell, allowing the contents, such as triglycerides and free fatty acids to be removed naturally by the body. Unlike lipo-suction, there's no need for post-procedural exercise to burn off released fat cells.

RADIO FREQUENCY – (skin tightening) – heats deep skin layers by delivering High Frequency electrical current via poles/electrodes to the body. It tightens the skin on body or face, and offers a smoothing appearance on areas of cellulite.

3D-DERMOLOGY – a vacuum massage that mechanically breaks down cellulite while increasing lymphatic draining to help eliminate waste products and excess fluid.

CRYOLIPOLYSIS – (fat freezing) – chills, crystallises, separates and destroys fat cells in a localised area, ideal for sculpting the body shape. The process also stimulates a natural fat removal process that continues for several months after the procedure.

■ Another popular non-surgical procedure is Collagen Induction therapy (CIT). This uses 'Innopen' – a medical-grade, state-of-the-art micro-needling pen – to reverse skin wrinkling, sun damage, acne scarring and lax or ageing skin and can be combined with anti-ageing peptide serums for a lasting look.

Or a simple facial could be just the job for a quick boost (or perhaps to try out a new product to see how it suits your skin).

Take your pick from:

- Facials
- Dermal fillers
- Chemical skin peels
- Anti-wrinkle injections
- Collagen Induction Therapy (CIT)
- Skin-boosting/hydration
- Body contouring
- Specialist skin-care products
- Back, neck and shoulder massage (relaxing, uplifting or deep tissue)

● *All treatment programmes at SDS Rejuvenate are designed and supervised by a qualified and trained doctor, who assesses progress during the course of treatment, and is always available to speak to before, during and after.*

Health wealth

NHS Choices* tells us that many adults spend more than seven hours a day sitting down, at work, on transport or in their leisure time. People aged over 65 spend 10 hours or more each day sitting or lying down, making them the most sedentary age group. However, movement is actually our normal biological state. So perhaps we all need to readjust and re-educate our bodies into a natural exercise regime…

A SPRING IN YOUR STEP

Regular exercise, whether moderate or vigorous, can help reduce the risk of chronic illnesses such as heart disease, type 2 diabetes and stroke. It can boost your mood and keep your weight under control. And it can strengthen your bones and keep your mind active, too.

To benefit your health, you need to be moving quickly enough to raise your heart rate, breathe faster and feel warmer – a level of effort known as 'moderate intensity activity'. One way to tell if you're working at this level is if you can still talk but you can't sing the words to a song.

However, there is substantial evidence that 'vigorous intensity activity' (where you're breathing hard and fast and your heart rate increases quite a bit) can bring health benefits over and above that of moderate activity. If you're working at this level, you won't be able to say more than a few words without pausing for a breath.

TAKE A hike

• Researchers at the University of East Anglia recently revealed that walking outdoors in groups can help stave off stroke, coronary heart disease, depression and even cancer recurrence, and they want doctors to recommend group walking as a regular health tonic. One study found that walking just five miles a week protected Alzheimer's patients from brain volume loss, and slowed memory loss down*.

• According to the charity Walking for Health (set up by the British Heart Foundation with the Countryside Agency), regular walking can reduce the risk of type 2 diabetes by as much as 60%, and active women have a 20% lower risk of developing colon, breast and womb cancer. To find a group to stroll with in your area, visit walkingforhealth.org.uk.

* Source: British Journal of Sports Medicine, January 2015

Run with it

The NHS recently introduced an initiative called **Couch to 5K**. Developed by novice runner Josh Clark, who wanted to help his 50-something mum to start running, too, the programme aims to get people of all ages into shape by gradually working their way up to running 5K (or for half an hour) in just nine weeks.

It involves three runs per week, with a day of rest in between, and a different schedule for each of the nine weeks.

"Probably the biggest challenge a novice runner faces is not knowing how or where to start. Often when trying to get into exercise, we can overdo it, feel defeated and give up when we're just getting started," says Josh.

"Couch to 5K works because it starts with a mix of running and walking, to gradually build up your fitness and stamina. Week one involves running for just a minute at a time, creating realistic expectations and making the challenge feel achievable right from the start."

To find out more about the Couch to 5K challenge, log on to www.nhs.uk/LiveWell/c25k

*www.nhs.uk/Livewell/Fitness - reviewed October 2014

TREAD CAREFULLY

Always make sure you don't overdo it. Working out intensively every day may not be good for your energy levels, especially if you're a beginner or trying to get back in shape. So make sure you take a day off between strenuous bouts. (But beware of leaving more than two or three days between sessions, or you might fall out of the habit!) If you have any health concerns about beginning an exercise regime, make an appointment to see your GP and discuss it with them first.

DO try this at home…

4 REASONS TO ENJOY A MASSAGE

1 As well as feeling blissful, a gentle massage can help to fight illnesses such as colds and flu. According to a study published by Alternative and Complementary Medicine, massage boosts white cell blood count, and this plays a huge role in your body's defence against disease.

2 If you work at a desk, sitting down in one position all day causes stress in the muscles around your shoulders and neck. Regular massage will help to prevent stress building up, prevent further pain and weakness in your back, and improve your posture, too.

3 Massage improves blood flow. It can be particularly beneficial for people who don't, or can't, exercise much, by stimulating vascular function.

4 A massage makes you happy! By relieving stress, and making you feel warm, relaxed and comforted, your feel-good endorphins will start to flow, and your mood will be lifted. It's a wonderful way to unwind, and should help you sleep more soundly at night.

Sounds perfect. Now… lie down and indulge yourself!

GRAINS OF TRUTH

CHIA FOR EXTRA OOMPH

High in protein, antioxidants, vitamins and minerals, chia seeds help to balance blood sugar and have a positive effect on mood. They are one of the richest plant sources of omega-3, contain soluble fibre and can help to increase energy or speed up recovery. So if you're wanting to step up your exercise regime and improve your athletic prowess, a daily sprinkling of these easily digestible super-seeds could just be the boost you need.

A HOE-DOWN FOR HEALTH

Gardening is one of the most enjoyable ways to have a workout, without even realising it. Mowing the lawn (with a push mower, of course), hoeing, pulling weeds, planting and digging could see you burning 300 or more calories in an hour*. So never forget, your garden may need you, but you also need it.

*Source: Natural Health Magazine, March 2015

GIVE THEM A BOOST

Group income protection policies can help lift morale, productivity and reduce ill health in the workplace

Absent employees can be a drain on a business. Not just in terms of cost, but also on levels of employee productivity and morale.

The introduction of a group income protection policy can help address this. It's an employee benefit that provides a replacement income if an employee is absent from work through long-term illness or injury.

As well as improving productivity and morale, this type of policy also provides business owners with access to initiatives that could help reduce ill health in the workplace – and cut both costs and administration.

Income protection offers employees a financial back-up plan, as well as invaluable peace of mind, in the event of an extended period off work due to ill health. For employers, it can mitigate the financial risks of long-term absence that costs businesses more than £3.1 billion a year*.

Group income protection can usually be obtained for around 1% of payroll, depending on the level of benefits chosen, and the premiums are classed as a business expense to reduce Corporation Tax.

One in 10 people in the UK will be unable to work for more than six months as a result of illness or injury at some point during their working lives.*

An ageing workforce will bring new challenges for employers. Welfare initiatives, such as combating stress, healthy eating, quitting smoking and rehabilitation support to facilitate a speedy return to work after illness, will help meet these increased demands.

The cost of replacing an employee with a salary of more than £25,000 is £30,614** – so offering a benefit that is known to improve staff retention makes sound business sense.

*Unum, February 2015. **Ibid

Death knell for annuities?

Commentators have been predicting that sales of most types of annuity will take a dive following the abolition of the so-called 'death tax', as the reforms appear to incentivise drawdown over annuities. But to suggest that they are nearing extinction may seriously underestimate their value.

Alive and well… Annuities remain the only way to guarantee a pension income for life. For most retirees, it's that very idea of an income (rather than the tax treatment when passing the fund on) that's their primary concern.

Consider this… The recent reforms will benefit beneficiaries of those who die in drawdown before the age of 75. After 75, tax will be charged at 45% if the drawdown fund is taken as a lump sum by the beneficiary (or at their marginal rate if they choose to receive it as income). Most people reaching retirement age, of course, will comfortably surpass 75. In 2011-2013, a man in the UK aged 65 had an average of 18.3 years of life remaining, and a woman 20.8 years*. So it's likely that the majority of beneficiaries will have to pay tax (albeit at a reduced rate compared to the previous level of 55%).

Annuities AND drawdown

With drawdown sure to appeal to more people from the standpoint of Inheritance Tax planning, without the right advice, individuals could end up exposing themselves to risks they can't afford to take. With an annuity, there may be no option to inherit, but at least you never run the risk of running out of money while you're alive. It's why they've stood the test of time for so long.

A combination of drawdown and annuity can provide the best of both worlds for people looking for income flexibility and security in retirement.

The levels and bases of taxation and reliefs from taxation can change at any time. The value of any tax relief depends on individual circumstances.

The importance of being professional

The financial world is becoming ever more complex… and the need for professional financial advice has never been greater

Mis-selling scandals, the increasing complexity of financial products and the growing imperative for us all to save more for our retirement means that even the most informed of investors will be in need of expert guidance.

A wave of internet services has also been spawned – from fund supermarkets to companies claiming to be able to build investment portfolios based on little more than a lifestyle questionnaire. While these services, whether from the government or private companies, may be able to guide investors on the options available, they cannot, and do not claim to, offer tailored advice based on an individual's circumstances, goals and financial position.

It's true that, in real life, people rarely have just one financial need, and some decisions, such as opening a bank account or sorting out home insurance, can easily be done independently. There are bigger issues, however, that require some forward planning – and good financial advice for these is crucial. Without it, it can be difficult to see the big picture; to appreciate how all the products and investments interact and combine; to assess where the gaps and imbalances are; and to define what needs to be done so you can achieve your goals.

Tangible benefits of professional advice

Research by insurance company Standard Life in 2014 found that consumers who have taken professional pensions advice during their working lives have a more realistic view of how much they need to save to produce sufficient retirement income.

As a result, they end up with pension funds TWICE the size of those who didn't seek advice – at an average of £74,554 compared to £37,277 for those going it alone.

GETTING TO KNOW YOU

Willson Grange clients will be familiar with the concept of having their attitude to risk assessed – it's one of the first activities a professional financial adviser will do. But it's easy to forget about it after the initial assessment, and to concentrate on performance.

"A good financial adviser will want to review attitudes to risk at regular intervals to ensure your financial plan and investment portfolio are still true reflections of your attitude aspirations.

"Even when you believe you have done everything you possibly could to anticipate changes in your own circumstances, the government could introduce legislation, change rules or develop new products that make a review of your finances essential."

- SIMON TREADWELL - WILLSON GRANGE FINANCIAL ADVISER

*Source: www.ons.gov.uk National Life Tables, UK, 2011-2013

Guidance vs Advice?

With the pension reforms now very much upon us, the government acknowledged that people will need help in finding out about the wider range of options available, and has planned for free and impartial guidance in the run-up to retirement. The independent Citizens Advice has been selected to offer face-to-face guidance through its national network of bureaux from April, while The Pensions Advisory Service will provide guidance over the phone.

But it's important not to confuse 'Guidance' with 'Advice'.

GUIDANCE can provide information and explanations of the options available, helping you to know what you could do in the run-up to, and on the point of, your retirement.

ADVICE from a qualified financial adviser will help you to make the decisions you need to provide enough money for your retirement. This advice can continue for years to come.

"Free and impartial guidance will provide a useful first step for many people. But it's likely that many more will want to build on it by taking advice that's tailored to their circumstances, and that helps them to make important financial decisions that determine how they live out their retirement."

- ANDY CUNNINGHAM - WILLSON GRANGE FINANCIAL ADVISER

When you plan you can… get down to business

GET RELEVANT!

Small businesses often pay more for life insurance, but there are ways to reduce the cost

Around 95% of Britain's 4.9 million private businesses are 'microbusinesses' – employing fewer than 10 people*, and this small sector is viewed by many as the engine for recent growth.

Microbusinesses alone employ 15% of our 29-million-strong private-sector workforce, which amounts to around one million firms responsible for four million people**.

People running these businesses – from consultants who have set up as a one-man limited company to directors with a couple of employees – will often take out their own personal life insurance, and they'll be paying this out of their income after tax or facing taxes on the premiums as a benefit in kind (even if they pay for it through the business).

The end result is that people working for microbusinesses have to pay for this most basic of provisions that employees in larger companies get for free.

Your business might be entitled to a valuable Research and Development (R&D) tax credit – even if it doesn't make a taxable profit. Check out the position; you might be surprised what can qualify and how much it could be worth to you.

Smart solution… RELEVANT LIFE INSURANCE

Relevant Life Insurance is a type of policy that can be paid for by a business as part of an employee's remuneration. Unlike a personal policy, HMRC views it as an allowable business expense, and so it can cost up to 49% less than a personal policy***.

It can also include additional benefits, such as medical support services.

*Office for National Statistics, February 2014 ** The Department for Business Innovation and Skills, business population estimates (December 2013) *** Based on a higher rate tax payer, as calculated by Ageas Protect

WE'RE TALKING ABOUT…

ISAS for couples

One of the most popular initiatives at the end of last year was the Chancellor's decision to 'right' what was widely regarded as a 'wrong' in the tax system and allow widows and widowers to retain the tax benefits of money held in ISAs when inherited from their deceased spouse.

From April this year, if an ISA investor or saver dies, their married or civil partner can inherit the tax advantage. This will be by way of a one-off additional ISA allowance for the surviving spouse that will be equivalent to the value of the deceased's ISA savings. The spouse will still be able to invest their own annual allowance, which will increase from £15,000 to £15,240 come the spring.

How it works…

After probate has been granted, the funds will be transferred into a new ISA in the name of the surviving spouse. The change has no impact on the Inheritance Tax that could be payable, as ISAs will still form part of the deceased's estate.

Early signs are that the move has been well received by investors. In a survey of 2,000 over-50s conducted by Saga in December, more than a quarter said they were more likely to invest in an ISA following the announcement.

"The saving could be valuable for couples with sizeable ISA funds.

"Everyone should review their Wills to make the most of this new concession, because if investments in an ISA are left to someone other than a spouse, they will lose the tax exemption."

- WAYNE COLEMAN - WILLSON GRANGE FINANCIAL ADVISER

The favourable tax treatment of ISAs may be subject to changes in legislation in the future. An investment with St. James's Place will be directly linked to the funds you select and the value can therefore go down as well as up. You may get back less than you invested. An investment in a Stocks & Shares ISA will not provide the same security of capital associated with a Cash ISA.

The writing of a Will involves the referral to a service that is separate and distinct from those offered by Willson Grange Limited. Wills are not regulated by the Finance Conduct Authority.

BUSY, BUSY, BUSY

Career on the up? It's all good. But don't file 'financial planning' away in the non-urgent drawer… Keep your long-term future in your sights

Priorities change at various stages of our lives, and no less so throughout our careers.

If you're a professional, business person or any kind of career-builder, financial plans aren't likely to be at the top of your daily agenda. But the truth remains that starting to think about and plan for a financial future at an early stage can provide long-term benefits.

Of course, it's easy to put it all off until a later date. You have so much on your mind – a burgeoning career, a growing family, a thriving social life and, of course, a need for a holiday or two to balance it all out. But putting a few plans in place with a professional Financial Planner is much easier, and more beneficial, than you might think.

So what kind of financial planning should you be thinking about?

PROTECTION

Dealing with the unknown isn't always at the top of an ambitious professional's 'to do' list. Yet it's crucial to make sure that adequate life cover is in place to manage the risk of anything happening to you – particularly if you're the family's main breadwinner. Protection products come in many forms, from policies that cover the whole of your life to fixed periods (known as 'term assurance'). Protection policies can be designed to pay out a lump sum or a regular income to your surviving spouse. Either way, it should be a top priority to see that your family will still be able to pursue and realise their (and, most probably, your) aspirations and dreams.

ESTATE PLANNING

Again, estate planning is far removed from our day-to-day concerns and so often is overlooked. As a bare minimum, whether you're single or married, drawing up a Will is absolutely essential. If you die intestate, your property, money and other assets will be distributed without your particular wishes being considered, and this could mean the people who mean the most to you will lose out.

In the case of unmarried couples living together, surviving partners can find themselves in a difficult position. Under the rules of intestacy, surviving children receive the value of the estate: if there are no children, this passes to one or both parents if they are alive. The surviving partner receives nothing. A Will avoids all this.

TAX MITIGATION

Tax mitigation has become a popular term for deferring tax liability, which is allowable by HMRC (very different to tax avoidance!), and can be very useful for financial planning.

ISAs, for example, are particularly tax-efficient because, apart from tax credits on dividends, you don't pay any additional Income Tax or Capital Gains Tax when the investments are realised. Pensions are useful too, enjoying tax relief (currently up to £40,000 a year), with Income Tax only becoming payable when the benefits (ie pension payments) are taken in the future.

It's important to understand, and capitalise, on the allowances that HMRC permits, as these can be especially valuable over the longer term

RETIREMENT

Regular saving for retirement from early on in your career mean you can take advantage of the accumulative benefits of long-term investment. It's important to identify early on a strategy that fits your circumstances, needs and expectations (see *How Much Is Enough*, page 7). Is the investment for capital growth or income? You also need an understanding of the balance between risk and reward, and the impact that wider global economic forces can have.

Crucially, look at who will manage your investments. Monitoring them to ensure that they are managing funds as desired is equally as important. An investment approach that's managed by professionals, who know what they are doing and understand investment processes and markets, is vital when considering a long-term strategy.

The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and may fall as well as rise. You may get back less than the amount invested. Wills are not regulated by the Financial Conduct Authority.

The favourable tax treatment given to an ISA may not be maintained in the future as it is subject to changes in legislation.

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