

Horlock Holdcroft

FINANCIAL CONSULTANTS Ltd

News...

- It's been a couple of months now since we said goodbye to Maurice and we can confirm that he is thoroughly enjoying the start of his retirement, and as expected is keeping busy with plenty of golf! Maurice started his career in financial services when he was just 15 years old and following such an extensive career he will be sorely missed at Horlock Holdcroft. Maurice's clients have been handed over to Nick Holdcroft so can rest assured they will still be in safe hands and receiving the best possible advice.
- In contrast to Maurice's departure, we have welcomed some new staff members to our team. Louise Fitzgerald joins our admin team, specifically looking after Nick's clients. She is also studying to become a financial adviser herself so watch this space. Meanwhile, Jodie has rejoined us after her two year exploration of Australia and is now looking after Jeremy's clients.

Changes to Pensions...

Death Benefit Nomination Changes:

Since April 2015, when a person under the age of 75 dies they will be able to pass their defined contribution pension pot to any nominated beneficiary tax-free, even if the pension is already in drawdown. No tax will have to be paid when the pension is passed on as a lump sum and the beneficiary will not have to pay income tax on the money they withdraw as a beneficiary's pension.

Those aged 75 and over who haven't yet started their pension, or are taking a drawdown pension will be able to pass on their remaining fund to any nominated beneficiary who will then be able to take it as a drawdown pension at their marginal rate of income tax, or as a lump sum taxed at 45% (this will be taxed at marginal rate from 2016-17).

It is important to set out clearly who is to benefit from your pension upon your death and this is a good discussion to have with your financial adviser.

Welcome

Welcome to the June edition of the Horlock Holdcroft newsletter, our update on developments in the world of financial services.

If you have any questions about the contents of this issue, please do not hesitate to contact us.

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Pension Freedom:

As I am sure you have seen from the recent media coverage, new rules have been introduced which mean that you now have more choice and flexibility over how you can take the money from your pension pot.

New regulations mean, as well as the existing options, your pension can now be used to provide a flexible retirement income, called flexi-access drawdown. FAD allows you to take 25% of your pension pot (or 25% of the amount you allocate for drawdown) tax free then you can use the rest to provide a regular taxable income which is not subject to any limits. You can now also take your whole pot as cash. The first 25% will be tax free and the rest is taxable. If you prefer, you can take small cash sums from your pensions pot, where again the first 25% is tax free. FAD means you can choose any combination of the above to allow you to have greater freedom over your pension.

However, with greater freedom comes greater responsibility. It is important to understand the implications when taking FAD as your pension savings should be there to provide you with an income throughout your retirement and with the population living longer than ever before, it has never been so important to properly consider your retirement options to ensure you do not run out of money.

If you are concerned about any of the changes or would like to know more, please contact your financial adviser.

Processing Times:

Since the pension changes came into force on 6th April, policy providers have reported an increasing number of queries and therefore longer waiting times when calling them. They have also increased their turnaround time for withdrawals, transfers and even plan alterations in general, due to the strain put on their work forces.

Whilst speaking with providers it has been brought to our attention that more and more people are putting in requests for withdrawals, transfers and plan alterations expecting a turnaround time of as little as a week. However, realistically the process can take as long as 28 working days and in some cases even longer depending on the provider.

Please be aware that transacting any form of business is taking longer than usual at the moment, and please bear this in mind when talking to your adviser.

Introducing our new subsidiary company - Automatic Enrolment Solutions Ltd

Between now and 2018, every employer in the UK will need to have a workplace pension scheme in place and start enrolling their workers. Many workers will be automatically enrolled and others will need to be enrolled if they request it.

Although Automatic Enrolment Staging began in 2012, the vast majority of companies will be staging between 2016 & 2018. Most of these companies will be small businesses with fewer than 30 employees and new startup companies formed post April 2012.

By October 2018, over 1.2 million employers are going to enroll 11 million eligible workers into a workplace pension scheme.

Employers are going to need a great deal of help and support to understand the impact and changes that will need to be made within their businesses in order to comply with their new Employer Duties.

Horlock Holdcroft's team of G60 Qualified Pensions Specialists have designed and developed a low cost Automatic Enrolment Service that will help Employers tackle their AE duties from start to finish.

Automatic Enrolment Solutions Ltd (AES) is an Appointed Representative of Horlock Holdcroft Financial Consultants Ltd, who are directly authorised and regulated by the Financial Conduct Authority. AES has been formed to accommodate the rapidly expanding Automatic Enrolment and Workplace Pension element of our business.

We believe we offer an extremely good value for money service, with a one off Implementation and Set-Up Fee of £710 and Ongoing Scheme Servicing Fee from as little as £35 per month for a company with up to 5 employees.

Contact us today and we will provide you with further information about our services and send you our comprehensive Automatic Enrolment Information Pack, including our 'Step by Step Guide to Automatic Enrolment' and 'Our Guide to our Automatic Enrolment Services', explaining how we can help you tackle your new Automatic Enrolment duties and, most importantly, the costs for our Services.

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For further information, queries or to discuss how this may affect you personally please do not hesitate to contact your adviser directly. Alternatively you can contact our offices on 01825 766130 enquiries@horlockholdcroft.co.uk.

