

Understanding Pension Taxation



JLT WEALTH MANAGEMENT



Keeping your Employees Informed

The changes to pension taxation that became effective on 6th April 2011 represent just another chapter in the long running saga of alterations made to the tax system since what was, rather inappropriately entitled 'Simplification', in April 2006.

Far from simplifying things, successive tax changes have left many pension scheme members totally confused. In particular, higher earners, who have been targeted by recent announcements, face a complex barrage of new rules that risk bringing traditional pension schemes into disrepute.

Every person that pays higher rate income tax should, we believe, have an understanding of the pension tax system if they are to properly appreciate the benefit that their employer's arrangement provides. For those earning at the highest level and paying income tax at the 50% rate, knowledge and understanding is essential and the recent announcement of a reduction in the Lifetime Allowance will affect those with substantial pension pots.

The JLT Approach

JLT believes that whilst providing written information about pension tax changes will be useful, the best way to educate and inform is still on a face to face basis. Offering to provide independent financial advice to all senior hires will be beyond the budget of most employers, that's where JLT's seminar 'Understanding Pension Taxation' can help.

'Understanding Pension Taxation' is a workshop based session tailored to your own benefit arrangement whether that be defined benefit, defined contribution or a combination of the two. Qualified and experienced independent financial advisors from our Wealth Management team deliver the sessions. Each workshop will include a group session which will be followed up by individual meetings with those employees who need to discuss individual issues. These 'one-to-one' meetings will not deliver independent financial advice as such; our experience is that this will only be required in a minority of cases and where such advice is required, our advisors will outline how this can be delivered and the costs involved.

HMRC is encouraging all pension schemes to make sure that members are advised of the changes. In a recent bulletin in connection with the new annual allowance it states - '***The Government believes that it is important for individuals to understand the potential impacts on pension benefits of meeting the annual allowance liability and would therefore expect schemes to ensure that members are well informed.***'

Costs

As we are already familiar with your Pension Scheme, we can deliver a seminar that is specifically tailored for your employees at a lower cost than would otherwise be possible. Typically, a session to cover up to 12/15 individuals, including 'one-to-one' meetings could be undertaken in a half day – if so the cost would amount to £1,250. If a full day is required, this would increase to £2,000.

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About Us

JLT Wealth Management is one of the UK's leading independent financial advisors.

As well as providing advice to individuals; JLT Wealth Management also works closely with employers who recognise that any benefit package will only be fully valued if it is fully understood.

With a nationwide team of experienced advisors, JLT Wealth Management is able to offer a comprehensive range of fee based services including:

- Retirement planning
- Tax planning
- Investment Management
- Personal Protection Cover
- Long Term Care Planning
- Offshore Investments
- Investment advice for Trusts and Charities

JLT Wealth Management also offers an in-house Discretionary Management Service (DMS) via JLT Investment Management (JIM).

JIM offers a bespoke investment management service that provides clients with the piece of mind needed in an uncertain investment climate. Each client's portfolio is structured based on that individual's situation and attitude to risk.

Our DMS is highly flexible and brings the full capabilities of our experience and expertise to your portfolio. You receive a personal service from a designated investment manager who is there to assist and manage your investments.

Next Steps

To arrange a seminar, all we generally need is 7 days notice to enable us to prepare the seminar and discuss with you any issues that might be specific to your organisation.

To find out more about 'Understanding Pension Taxation' or arrange a workshop please speak to your Scheme consultant or call Graham Cooke on 01344 381694 or e-mail enquiries@jltwm.com