# INSIGHT

**ISSUE 27**
A WEALTH OF ADVICE

Financial Vulnerability Charter

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## HOW DO I PLAN FOR RETIREMENT?

SUPPORT FINANCIAL WELLBEING WITH SALARY SACRIFICE

SHOULD I INVEST IN PROPERTY OR A PENSION?

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ArmstrongWatson®
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## INSIDE THIS ISSUE



ArmstrongWatson®
Accountants, Business & Financial Advisers

# WELCOME

Welcome to our latest issue of Insight – A Wealth of Advice

We do hope you and your families had a lovely Christmas and New Year.

The cost-of-living crisis continues to affect many people in different ways, which has not been helped by government instability. However, as we return to some stability this appears to have calmed investment markets and the subsequent impact on investment and pension portfolios.

As we start the year, priority turns to year-end tax planning, and getting your affairs in order sooner rather than later to maximise allowances and reliefs before time runs out on April 5th.

**Also included in this edition of Insight:**

**Win-Win to Support Financial Wellbeing** – Salary Sacrifice is just one of a number of small changes that can be made to support employees' financial wellbeing.

**Property vs Pension** - Pensions and the purchase of buy-to-let property continue to be popular investment vehicles for retirement planning. Here we explore the pros and cons of both.

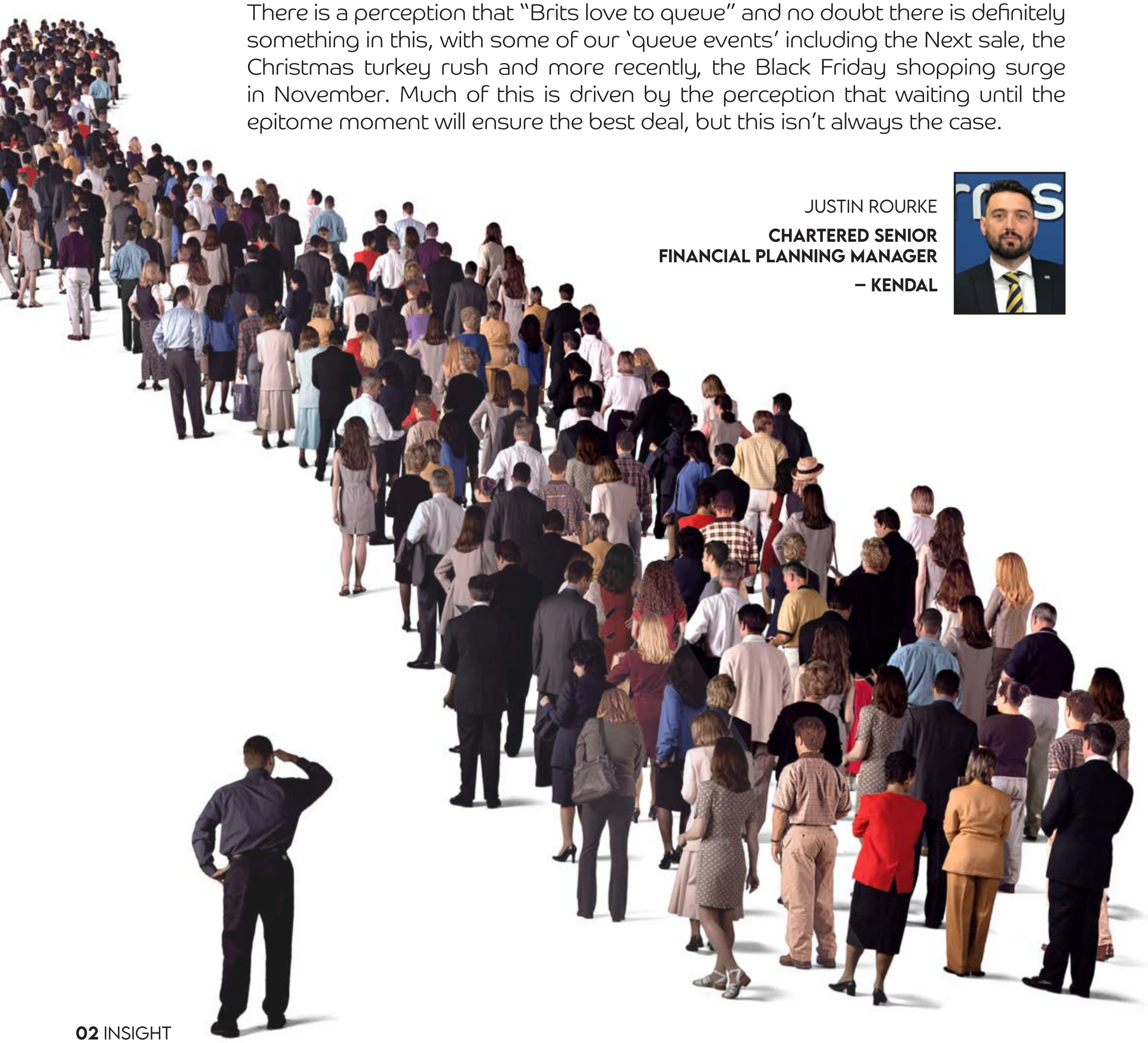
**What would you like to see in future editions of Insight?** As a valued client we produce our quarterly magazines as part of our service to you. We would love to hear from you on the topics you wish to read about in future editions.

We hope you enjoy this issue of our magazine. If there are any topics you would like us to cover in a future edition of Insight please get in touch. If you would prefer to download a digital copy or subscribe to new issues electronically, please visit www.armstrongwatson.info/Insight


PAUL DICKSON

**CHIEF EXECUTIVE AND MANAGING PARTNER**
**ARMSTRONG WATSON LLP**


# DON'T JOIN THE QUEUE, GET AHEAD OF IT!



There is a perception that "Brits love to queue" and no doubt there is definitely something in this, with some of our 'queue events' including the Next sale, the Christmas turkey rush and more recently, the Black Friday shopping surge in November. Much of this is driven by the perception that waiting until the epitome moment will ensure the best deal, but this isn't always the case.

JUSTIN ROURKE

**CHARTERED SENIOR FINANCIAL PLANNING MANAGER – KENDAL**





In wealth management we still see adverts promoting 'ISA season' and 'tax year end' planning, which at times are a necessity. However, the greatest change to wealth management and financial planning in the last decade has been flexibility. For example, the ability to replenish your ISA during the tax year and the ability to access your pension flexibly.

The key message to spread is not to wait until the end of the tax year, not to join the queue where your planning is in fact a reactionary rush.

**Get ahead of the game!**

A number of key allowances and thresholds are currently frozen until at least 5th April 2026, but with the Government having to raise finances through cost cutting measures, they might turn their attention to the existing allowance thresholds or tax reliefs to help raise extra money. With all that backdrop in mind, your year-end financial planning checklist would be well advised to include the following:

**Pension allowances**

Tax relief is continually coming under increasing scrutiny. A flat rate of tax relief for all pension contributions has long been argued over, which, if adopted, would affect those in the higher tax band and above. Now might be a good time to review and make use of any unused allowances.

Carry forward allows you to make use of any annual allowance that you might not have used during the three previous tax years, provided that you were a member of a registered pension scheme during the relevant time period. You have until the end of the current tax year to mop up this past allowance or lose it completely.

Unsurprisingly, there are specific rules, and the calculations can quickly become complex, so getting advice is crucial if maximising "today's" pension tax relief is important to you.

**What are frozen personal allowances?**

Fiscal drag happens when tax thresholds do not increase in line with pay. For example, you receive a 3 per cent pay rise, but if the tax threshold has not then moved in line with this, you could be dragged into a higher tax bracket. This fiscal drag has the effect of raising government tax revenue without explicitly raising tax rates.

There are many areas that could be considered here, for example, if your income is above £50,000 and you have or live with someone with children, you could be subject to the High-Income Child Benefit Charge. Bringing your taxable income down – by making a pension contribution or charitable gift for example – could reduce or even eliminate that charge. There are similar opportunities above the £100,000 threshold when the phasing out of the personal allowance begins and also at the additional tax threshold for those earning £150,000 and over.

**Explore Inheritance Tax allowances**

With the basic Inheritance Tax (IHT) threshold frozen at £325,000 until 2026 it's expected that many more people will be caught out by IHT over the coming years, as estate values rise supported by increased property prices over many years and/or investment returns

Currently, you can make annual gifts and regular gifts out of disposable income, and you also have the ability to make any larger lifetime gifts to help reduce IHT liability. However,the rules though around IHT can be complex, and the amount of tax, and even the overall rate that will be paid, will depend on how your finances are structured during your lifetime, how you dispose of your assets and to whom you leave them. Seeking independent tax and financial advice can help you pass your assets to the people you want to benefit and potentially mitigate some or all of the IHT liability.

**Don't forget your ISA allowances**

Maximise your annual tax-free allowance - currently £20,000 per person per year. It is lost if you don't use it. Don't forget if you have taken any money out of your ISA, you can still replace it during the current tax year, and it won't affect your current year's allowance.

**Invest in good Financial Planning**

Planning ahead, whether in respect of savings and/or investment allowances, including more specialist areas for higher earners, pension contributions or lifetime allowance planning, or to ensure your estate is distributed to those you want it to go to, rather than leaving more than would otherwise be the case to the tax man, is essentially what good financial planning is all about. This will also help you to reduce, or even remove, the impacts of the "fiscal drag."

Armstrong Watson have both Financial Planning and Tax Consultancy expertise in place "all under one roof." This allows us to provide both a bespoke and joined up service for our clients when and where specific needs arise. We always ensure we have a full understanding of your circumstances and objectives before providing any advice. Both Financial and Tax planning is subject to individual circumstances and all the options and allowances mentioned are not suitable for everyone.

Please note, some of the areas such as making pension contributions are provided by our Financial Planning Consultants. Advice on IHT issues could be provided by a mixture of the two services.

# SUPPORT FINANCIAL WELLBEING WITH SALARY SACRIFICE

**It's well known that emotional and financial wellbeing are connected. Difficult financial situations can lead to feelings of stress, worry, and sleepless nights, and have a negative impact on performance at work. Ultimately, this can result in greater levels of workplace absenteeism, placing extra stress on other staff, and so the cycle goes on.**






The rising cost of living and increasing interest rates are putting pressure on household finances, which is a challenge many employers have supported through pay increases and, in some cases, one off payments to help with the bills.

However, increasing pay places extra burden on employers, who themselves face higher energy bills, interest rates, material costs and so on. The reduction to corporation tax announced in the "mini budget" looked like it might help, but that was subsequently reversed, so the option of providing extra support to employees through further pay increases is challenging, if not impossible, for many businesses.

### How salary sacrifice could help

Salary sacrifice might, on the face of it, be just that, but when used to fund workplace pension contributions, the overall impact is an increase in net pay for the employee and National Insurance Contributions (NIC) savings for the business, thus creating a "win-win" scenario.

### How does it work in practice?

An employee has a gross salary of £50,000, contributes 5% of that to a workplace pension scheme and the employer contributes 3% under auto enrolment rules. The table below shows an example of how a reduction in gross pay can result in increased take home pay.

| Example | Before Salary Sacrifice | After Salary Sacrifice |
|---|---|---|
| Salary | £50,000 | £47,500 |
| Employee pension contribution | £2,500 | £0 |
| Employer pension contribution | £1,500 | £4,000 |
| Employee national insurance contribution | £5,335.08 | £5,0037.33 |
| Employer national insurance contribution | £5,315.90 | £4,984.65 |
| Total PAYE tax | £7,486 | £6,986 |
| **Net pay** | £34,698.10 | £35,529.35 |

### How does the business save money?

In the example above, because gross pay is lower, so are the employer's NICs, saving the company £327.75 per year for that employee alone. Multiply that by the number of people on the payroll and the savings can be significant.

There are always exceptions to the rule, so it might not be beneficial for all employees in the company and each employee will need to decide if it is right for him/her.

Salary Sacrifice is just one of a number of small changes that can be made to support employees' financial wellbeing.

At Armstrong Watson we operate a salary sacrifice scheme for staff using our in-house Payroll Team who also administer many similar schemes for our clients.

### Are other types of salary sacrifice schemes available?

The most common use of the salary sacrifice scheme is to fund your pension, however, there are a number of other options where salary sacrifice can also be used, for example, childcare vouchers, cycle to work schemes and in more recent times, to lease cars.

### Choosing the right schemes for your employees

Not all salary sacrifice schemes suit all businesses or all employees, for example one important consideration if to ensure that employees do not fall below minimum wage as a result of being involved in any scheme.

Taking advice to implement the right scheme/s for your business needs is key, and

despite all the benefits, many employers have not taken advantage of these schemes, partly because it's difficult to explain how a pay cut can be the same as a pay rise.

If you'd like to explore the implementation of salary sacrifice further, our payroll team would be happy to advise and can administer this on your behalf. We can also provide an independent voice to explain how reducing salary can increase take home pay, and how it could be used as part of a financial wellbeing package providing employee benefits, that doesn't have to cost much, if anything at all.

JAMES MARLOW
**REGIONAL FINANCIAL PLANNING MANAGER – LEEDS**

MATT NICHOLLS
**BUSINESS DEVELOPMENT MANAGER – OUTSOURCING**

# HOW DO I PLAN FOR RETIREMENT?

**Benjamin Franklin said, "By failing to prepare, you are preparing to fail."**

**Considering the life-altering implications of retirement, it would be reasonable to expect that thorough planning would be the norm. My experience, however, is that the opposite is often true.**





**So, what can be done to prepare for retirement?**

The key is to try and get a picture of what your retirement might look like.

From the outset, it is important to understand what level of income you will require after tax in today's terms, or looking at it from another angle, what your outgoings will be. This can be established by adding together fixed and discretionary outgoings, with the latter including holidays, clothing, gym and golf memberships, food, etc.

At the same time, you need to understand what resources you have so as to provide you with an income. This could come in the form of pensions, which could be Defined Benefit and/or Defined Contribution, plus investments and/or savings.

**Inflation**

If you cast your mind back 10 or 15 years and think about how much something you spend money on now would have cost then – double, more? Taking that same item, how much will it cost during your retirement? Whilst we don't know what the rate of inflation will be in the future, we use sophisticated software to apply expertly sourced inflation assumptions to your outgoings and where appropriate, your income.

**Don't forget your State Pension**

The value of the state pension should not be overlooked as this forms a critical part of a retirement income for nearly all retired households and it would certainly be missed if it was not there. Did you know you can top up your State Pension to the full amount by buying extra years if you don't have enough qualifying years? At the moment you can buy missing years dating back to 2006 – but you've only got until April 2023 to do this.

**How you can see your retirement mapping out**

The trickier part is then visualising how your various money sources will support you. This is where a cash flow model is invaluable. Using your already established income streams, along with your anticipated future expenses, a cash flow modelling system can be used to map out your financial position going forward.

This isn't a guarantee of course, and the information used will be based on assumptions and past performance, but what it will do is allow you to more clearly visualise your future income stream, as well as work through various scenarios, such as retiring early, so as to see the impact that this will have on your finances. Furthermore, forecasts can also incorporate "stress tests" so as to understand the impact falls in markets can have on your holdings, and to see if these could be a threat to your longer-term financial security.

It's also important to establish your risk outlook and loss tolerance so that a long-term investment strategy can be established. Once the costs of advice and fund management are factored in, along with assumptions for inflation, this then provides a far more tangible outlook for your future financial plans and allows you to estimate how much you'll need, how long what you have will last and how to plan your spending going forward.

It is important to understand that cash flow modelling is not a one off and is not used only at retirement. It can be used to help establish what level of savings you should be making and how realistic your retirement plans and targets are.

**As chartered financial planners, Armstrong Watson Financial Planning & Wealth Management, work with you to build your retirement plans and regularly review these so you know if you will remain on track. Our use of cashflow forecasting allows you to understand your plan more easily so you can make informed decisions.**

**"DID YOU KNOW YOU CAN TOP UP YOUR STATE PENSION TO THE FULL AMOUNT BY BUYING EXTRA YEARS IF YOU DON'T HAVE ENOUGH QUALIFYING YEARS?"**

STUART SMITH
**FINANCIAL PLANNING CONSULTANT - WEST CUMBRIA**

# A DAY IN THE LIFE OF A FUND MANAGER

**Fund Managers run investment portfolios, seeking to generate returns on behalf of clients, but what work goes in to this? We've sat down with Future Money Fund Manager, Richard Cole, and asked him to take us through a typical day.**

RICHARD COLE

**FUND MANAGER – FUTURE MONEY LTD**





**Most days begin with checking overnight market movements, financial news and economic developments.** Reading the financial press, catching up on newsletters released from investment firms and economic consultancies. Looking what happened to the US overnight, how was Asian trading and what have currency markets done? How have bond markets been, where are yield levels positioned? Have there been any big inflationary or interest rate stories? Any developments from China as it slowly moves away from its zero-covid policy? Often there will be multiple perspectives on the same story and while this can be time consuming to go through, I find it useful to build a well-rounded understanding of what's been going on overnight, so I am fully informed for the day ahead.

**Now it is time to review the portfolios.** On a daily basis I get full portfolio valuations, allowing me to see how positions have been affected by the market movements. I will check where the holdings are and consider how these have moved relative to the expectations I have from wider market developments. I maintain target levels for each holding in the portfolios and will look for deviations from these. Each of the portfolios have broad asset allocation targets, which are broken down by sub-asset class and then once again into specific allocations for each investment held. These targets are set to maintain diversification within the portfolios. While minor deviations are permitted, if there are significant differences, then it's time to send trade instructions through to our dealing team.

**Next would be a meeting with the manager of a fund I am considering.** Prior to the meeting I would review my previous research into the fund and plan the areas I wish to discuss. These will include the investment process they follow, the team and risk controls they work within, their positioning together with justification and their outlook. These meetings are an important part of the research process as while a lot of the information can be provided through questionnaires, to hear the manager's interpretations directly can be enlightening. Following this meeting I will write up my notes and set a plan for the further research needed, which would likely involve testing the claims of the manager against various data analysis tools.

**Afternoons will often be spent carrying out further investment research, but every Tuesday I join the rest of the team for our Investment Committee meeting. For these meetings** I join the other fund managers and investment analysts who contribute to our research This is our main opportunity to discuss what's gone on over the past week in economics, markets, politics - any areas that could be influencing investment performance.

The first half of the meeting focuses on these topics from a macroeconomic perspective, considering any impact on the overall positioning of the portfolios' asset allocations. For developments that we think will only have short term impacts then these will be quickly moved on from, unless there is an opportunity to be had, but the more important factors to explore are those which will impact our medium term view of how conditions will evolve. An example from recent meetings would be the latest US inflation figures and the implications these have on interest rates, currencies and ultimately investor sentiment.

We then set about deciding where to invest within the framework that our broader discussions decide, focusing on fund selection. New ideas, meetings held and completed research are all discussed. Potential new investments and observations of current holdings will be debated, with discussions over which portfolios an asset might be suitable for and in which conditions this could be right. The meeting then moves on to reviewing the portfolios as a team, with everyone encouraged to share opinions and to challenge reasoning. Performances will be queried and emerging trends identified and discussed. We then conclude with a discussion of the upcoming week including plans for any trades to be placed.

**Once the day is drawing to its close and all my portfolio management priorities are seen to, it is then time to address any queries that have come in during the day and any reporting that is due.** Looking after the portfolios is the core aspect of my role, but a further responsibility is in ensuring that investors are kept well informed of their holdings. Writing portfolio and market updates, delivering presentations and answering client queries are all part of my duties. A lot of queries at the moment are about the prospects for the economy, and about what high inflation means for markets. Writing a couple of paragraphs on what's going on and providing my outlook often adds a lot of value to clients.

**Finally, I reflect on the developments of the day and make plans for future work that is required. Beyond this, it's time to shut down for the night, rest and prepare to go again.**

# SHOULD I INVEST IN PROPERTY OR A PENSION?

**Pensions and the purchase of buy-to-let property continue to be popular investment vehicles for retirement planning.**

**Indeed, pension flexibilities have also resulted in many people considering withdrawing their pension to fund alternative investments, such as the purchase of buy-to-let property, however, there are a number of factors that should be taken into consideration when looking at these options.**





### Pensions or property?

Pensions are a tax wrapper for a variety of asset classes that can be easily purchased, held, switched and sold (usually without delay) as your need/situation changes or in response to economic movement.

A buy-to-let property is a directly held single asset class which would need to be sold if any reshaping of the investment is required, meaning you would need to find a purchaser (or enlist an agent to find a purchaser) who is prepared to pay the desired price at the required time.

### Tax relief on pension contributions vs investment property

Individual contributions to a pension receive tax relief at the marginal rate of the investor, albeit within contribution limits, and annual & lifetime allowances. Your company also pays into your pension scheme but won't if you opt out.

Pension contributions can be an effective way to manage potential Child Benefit and Personal Allowance 'tax traps.' Management of these traps can result in pension contributions benefiting from an even higher effective rate of tax relief than the rate of tax payable, whereas buy-to-let investment cannot.

The purchase of buy-to-let property does not receive tax relief on the initial investment. Deposits to buy property are paid from taxed income and the tax paid is not reclaimable.

### What tax is payable on rental income?

The rent received from a buy-to-let is taxable at the investor's marginal rate. On the sale of a buy-to-let property the profit is usually liable to capital gains tax (CGT) on death. Buy-to-let properties are also liable for Inheritance Tax (IHT) as part of the deceased's (and any subsequent owner's) estate, and income from inherited buy-to-let properties is liable to income tax irrespective of the date of death.

It is also worth noting that there is no guarantee that your property will always have tenants, which would impact rental income, and consequently could cause deficit issues if relied upon in retirement.

### Pensions and income tax

Income earned from investments within a pension fund are free of income tax, and capital gains are also exempt from CGT.

Pension funds (defined contribution schemes) can more often than not, be passed down through generations free of inheritance tax.

**Pension funds are usually accessible income tax-free by the beneficiary on the death of the pension holder prior to age 75 or at the marginal rate of the beneficiary on death after age 75.**

### Costs of a buy-to-let property

Investing in property will incur initial and ongoing costs, including legal fees, potential stamp duty on purchase, potential landlord's licence, letting agent fees, landlord insurance, energy certificates, potential court costs if needing tenant eviction and refurbishment costs, not to mention the costs of selling a property.

On the other hand, apart from the standard plan charges, which are clearly declared in the policy terms and conditions, pension investments do not usually incur any further costs other than for advice if received from a financial adviser.

**While most of these may be deductible from any profit made, if a pension had high annual product fees of 10-15% (which is a typical letting agent fee) it would be frowned upon by customers and the regulator alike.**

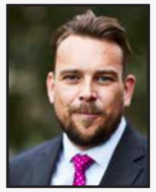
### What's the best way to invest?

The question of how best to invest your money in order to secure a comfortable retirement is complex, and certainly one on which you should seek independent advice. Neither property nor pensions offer a guaranteed level of income, and both options carry risks as well as potential rewards.

No matter how much you're able to set aside, the current uncertain economic outlook and fluctuating markets mean that the old adage 'don't put all your eggs in one basket' has never been more appropriate.

> A BUY-TO-LET PROPERTY IS A DIRECTLY HELD SINGLE ASSET CLASS WHICH WOULD NEED TO BE SOLD IF ANY RESHAPING OF THE INVESTMENT IS REQUIRED

STEVE SHOVLIN
**CHARTERED FINANCIAL PLANNER – CARLISLE**



# DON'T MISS OUT ON THIS TAX YEAR'S RELIEFS

## DEADLINE 5TH APRIL 2023

Contact your local financial planning consultant

Tel: 0808 144 5575

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...we're with you

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# HELP US SHAPE FUTURE EDITIONS OF INSIGHT FOR YOUR CHANCE TO WIN A £250 AMAZON VOUCHER

**We're keen to look at ways in which we can improve reader experience and would really appreciate your views.**

Insight magazine is designed to offer information, ideas, and knowledge to support you through your financial planning journey, as well as provide an entertaining and educational read. To ensure we continue to do this, we want to learn more about the topics you'd like us to cover in future editions and/or any features you'd find of interest.

If you can spare just a couple of minutes of your time to complete the following survey, we would be incredibly grateful. Simply go online and type in the following web address: **www.armstrongwatson.info/insurvey** or use the camera on your phone to **scan the QR below.**

All responses will remain anonymous, however, there is the opportunity to win a £250 Amazon if you would like to include your email address at the end.

**We look forward to reading your views.**

**Thank you!**

# WHAT HAPPENS TO MY PENSION WHEN I DIE?

**Thinking about death isn't easy, but it's important to understand what will happen to your pension when you die, and what the tax implications will be of passing on your pension. How your workplace pension or one you've set up yourself might be paid to your beneficiaries when you die depends on what type of pension you have.**





In today's society many people come from a blended family through divorce, remarrying and having second families. And, as a result, might want to consider passing benefits to a wider group of people who can benefit.

One element still not widely discussed is the impact that Pension Freedoms, brought in 2015, had on the death benefits associated with defined contribution, also known as money purchase, pension schemes. Prior to the Freedoms, pension holdings could only typically be passed on to;

- the surviving spouse/civil partner,
- a child under 23,
- a person who was financially dependent

**What changed?**

A key change removed the requirement for the beneficiary to be a dependent allowing for benefits to be passed on to whomever the pension holder wished. Crucially, such funds fall outside of the deceased's estate for Inheritance Tax purposes.

Therefore it is vital that individuals regularly review their pension fund nomination of beneficiary forms. It is not uncommon for such forms never to have been completed, or indeed to have been completed prior to a significant change in the individual's circumstances, for instance the beneficiary being an ex-spouse/ partner through divorce.

The tax treatment of pension death benefits also differs dependent on whether the individual passes away before their 75th birthday or after .

**What happens after your 75th birthday?**

Consider for example Mrs Jones, who passes away at age 74 leaving her pension savings to her surviving spouse, also aged 74. Mr Jones lives to age 76 before also passing away, at which point the inherited pension savings are divided equally between their children. Mr Jones never withdrew a penny from the inherited funds, as he had sufficient income to maintain his lifestyle without these funds.

As Mr Jones had passed the milestone age of 75 before dying, the funds, when paid out to the children, will be taxed as income at their tax rate. If the pension funds are of a reasonable size this could push the recipient into the higher or indeed additional rate tax band and mean that a significant percentage of the inherited funds are therefore lost to taxation.

> **"HOW YOUR WORKPLACE PENSION OR ONE YOU'VE SET UP YOURSELF MIGHT BE PAID TO YOUR BENEFICIARIES WHEN YOU DIE DEPENDS ON WHAT TYPE OF PENSION YOU HAVE."**

**What can you do to avoid unnecessary income tax on your pension after death?**

Let's go back to when the couple were both still alive, and both aged 74. Through working with a financial adviser it may have been possible, depending on their circumstances, to determine that upon the death of the Mrs Jones, her surviving spouse would not have required the funds. In this case, the nomination of beneficiary forms could have been amended to ensure the funds passed directly to their children. As this occurred, whilst Mrs Jones was under the age of 75, the children could access the funds how they want, when they want and without losing unnecessary money to tax on her pension.

The completion and regular review of pension death benefit nomination forms has never been more important. It is also equally important to ensure that, wherever possible, you are having conversations with the potential eventual inheritors of these pension benefits.

At Armstrong Watson our quest is to help our clients achieve prosperity, a secure future and peace of mind. We can provide a full review of your pension arrangements, including the death benefits, and discuss options and opportunities available to you.

STEVEN CONCHIE
**FINANCIAL PLANNING CONSULTANT**
**- DUMFRIES**


# CASH IS BACK! HOW CAN YOU GET THE MOST FROM YOUR SAVINGS AS INTEREST RATES CONTINUE TO RISE?

Interest rates have rapidly increased since the start of 2022, with the most notable indicator being the base rate* which has increased from 0.10% to 3% since December 2021. These rate increases have fed into the rates available to all types of savers and yet billions of pounds remain in low interest-rate current accounts.





### Don't rely on just comparison websites alone

With so many different banks and building societies offering products – each with its own unique terms and conditions - it can be quite challenging to know the best home for your hard-earned cash.

There are 321 banks authorised to accept deposits in the UK and 43 building societies, however these won't all appear on a comparison website. These numbers continue to grow as new specialist lenders enter the market with the most recent entrant being Middlesbrough-based GB Bank, which is focussed on property development finance. Such banks may be unknown names to you, but typically they offer the best rates in the market. It's also worth noting the Financial Services Compensation Scheme which protects eligible deposits up to £85,000 per person or entity per banking licence. This can help you to manage your risk by keeping within the protection limits but earning much higher returns too.

### Cash can be used for much more than emergencies

Often savers have rainy-day savings. These savings pots tend to have an unknown timeframe attached to them. It can help you balance your return with layered terms to ensure you can access your money as and when you foresee you'll need to. For other savers, there may be pre-defined reasons that you are keeping a cash buffer, including for example:

- paying a tax bill,
- holding cash in a pension
- purchasing a property
- making an investment
- trustees and charities needing readily accessible money

The rates are starting to settle at their new norm. For individuals, *rates are at 3% on Instant Access, 4.36% on 1-year fixed terms and are just shy of 5% on 5-year fixed terms. Businesses and charities can earn up to 2.36% on Instant Access, 4.31% on a 1-year fixed term and 4.9% on a 5-year fixed term. The returns from shopping around have never been greater.

### Reviewing all options for your savings

At Armstrong Watson we work in close partnership with the UK's leading cash management provider and in doing so, we can provide access to the widest range of savings products on offer from Instant Access through to 5 years, providing solutions for all types of savers including individuals, directors, trustees and pension holders too. This means we can help generate the highest returns possible, as well as the greatest level of diversification for peace of mind.

Our Financial Planning Consultants will work closely with you to identify your cash needs and we'll assist in opening your new savings accounts. This will involve us submitting applications to your chosen providers and providing you with the instructions you need to transfer your money into your new accounts. Your money will remain under your sole instruction at all times, and you'll have direct legal relationships with each provider, meaning there are no hidden charges or middle-men involved.

If you would like to know more about how you can access these cash management solutions, please get in touch.

CHELSEA WHITTOCK
**FINANCIAL PLANNING CONSULTANT - CARLISLE**

At Armstrong Watson, our quest is to help our clients achieve prosperity, a secure future and peace of mind. We provide personalised retirement planning to suit your individual circumstances. We will explain, in a jargon-free way, the pros and cons of different courses of action available to you and then, where appropriate, provide regular reviews to help keep you on track

*rates correct December 2022.

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