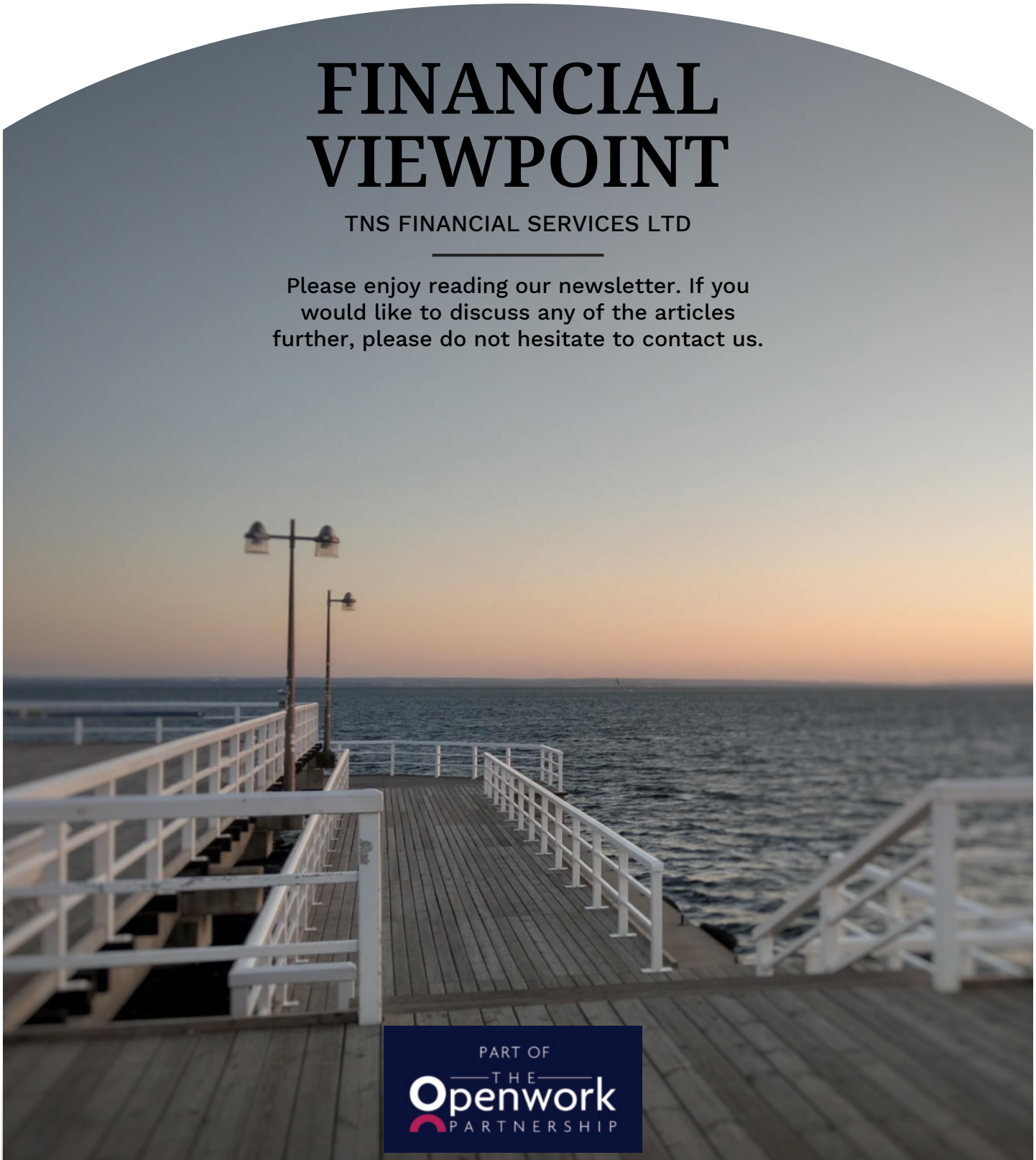
TNS Financial Services

FINANCIAL VIEWPOINT

TNS FINANCIAL SERVICES LTD

Please enjoy reading our newsletter. If you would like to discuss any of the articles further, please do not hesitate to contact us.



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Do these 5 things if you're planning for retirement

Retirement planning doesn't have to be daunting. Here are five key things you can do to start creating a comprehensive plan for life after work.

1. Start sooner rather than later

Retirement might be a long way off, but the choices you make now could have significant impact when you stop working. Start exploring all your options to ensure decisions made today benefit your finances in the years ahead.

2. Work out how much you'll have

It's worth starting with a state pension forecast (easily available from GOV.UK) to help you estimate how much state pension you'll receive. If you have a defined benefit or defined contribution pension, you can ask your provider for a forecast or more information about your retirement options.

Don't forget to include the projections from any savings or investments you have. And it's always a good idea to locate any lost pensions from previous employers through the government's free pension tracing service.

3. Work out how much you'll need

Chances are you'll have to get used to a different pattern of income and spending when you stop working, but planning can make that a less daunting prospect. Simply splitting your expenditure into two categories - essential and discretionary - is a great place to start and ensure you can cover the basics.

4. Look at your income options

You might need to decide how you're going to take your money in retirement depending on the type of pension you have. This may include an annuity, a tax-free lump sum or drawdown options.

If you have a defined benefit pension, for example, you'll probably receive a guaranteed income from your normal retirement age. If you have a defined contribution pension, you'll gain access to a pot of money that you can start drawing down from the age of 55.[1]

Remember to consider other sources of income, such as rent from property, savings or part-time work.

5. Make a plan (or contact your financial adviser)

You can start planning for your retirement once you have all this information at your fingertips. If you want more tailored support with a plan, or if you'd like help to get started, please reach out to your financial adviser.



[1] From 2028, the age at which you can start accessing your pensions will increase to 57.

The value of your investments and any income from them can fall as well as rise. You may not get back the amount you invested.

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Tools for successful estate planning

Successful estate planning is about balance and compromise.

It means you can avoid 40% inheritance tax (IHT), by ensuring that your estate is worth less than the tax-free threshold of £325,000 when you pass away.

But life is complex. You don't know when you're going to pass away or how much money you may need in later life. You also can't predict what will happen to your loved ones, and you may want your assets to be used in a certain way.

Let's consider some ways that could help reduce your IHT liability:

1. Lifetime gifts

You can give away up to £3,000 tax-free each year to one person or split the £3,000 between several people (this is known as your annual exemption). You can give a further £250 per person each year to individuals who haven't benefitted from your annual exemption.

Other gifting options such as wedding gifts, gifts from your surplus income and gifts to help with living costs are also available.

2. Exemptions and reliefs

There are lots of other legal ways to reduce IHT besides gift giving, including:

- Any amount left to a spouse or civil partner is exempt from IHT.
- Any unused IHT allowance will also pass to your spouse (note that you must be married or in a civil partnership for these conditions to apply).
- Leaving your home to your children or grandchildren could boost your tax-free allowance by up to £175,000 to a total of £500,000.
- Any money you leave to a UK registered charity, community amateur sports club is free from IHT and the IHT rate on your taxable estate falls from 40% to 36% if you leave more than 10% of it to one of these groups.

3. Trusts

Trusts help you control what happens to your assets after you pass away. Trustees are legally obliged to manage the assets on behalf of your beneficiaries, and you can make the terms as rigid or flexible as you like. Trusts can also be useful for minimising IHT.

4. Pension arrangements

Currently, you can pass many pension products on to loved ones when you die and they're not usually subject to IHT so it can be a smart way to leave a legacy if you don't think you'll use all your pension in your lifetime. But it can be complex, and the person inheriting may have to pay income tax.

The Government has announced its intention to make changes to inheritance tax (IHT) on pensions. From April 2027, most pension funds will fall into the estate for IHT purposes. Any funds that pass to a spouse or civil partner will remain free of IHT on first death.

5. Life assurance

Estate planning may not eliminate the IHT liability on your estate, but the payout from a life assurance policy can be used to pay off all or part of the eventual tax bill. Alternatively, your Executors might need to take out a loan to cover the cost because the assets in your estate can't be realised until they've been granted probate, and that doesn't happen until IHT is paid.

We can help you create a legacy to be proud of

Setting up your estate to support your loved ones can bring you real peace of mind. We'll work with you to explore your options and explain the best way to achieve your goals.

Figures based on the IHT figures for the 2025/2026 tax year.

The value of investments and any income from them can fall as well as rise and you may not get back the original amount invested.

HM Revenue & Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes, which cannot be foreseen. Please contact an accountant or tax specialist for specific tax advice.

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5 tips to help you set realistic financial goals



Realistic financial goals are an important part of a financial plan. They help you stay motivated, define your version of success and give you a benchmark to work against.

But things can change and creating financial goals that will still be relevant in 10, 20 or 50 years can be difficult. We want to help your secure your finances and empower you to face the future with confidence, so here are five top tips for setting realistic financial goals.

1. Review your current financial situation

Set yourself up for success with a thorough review of your finances. Mapping out your income, assets and expenditure can help you understand how to use your wealth to set and achieve realistic financial goals.

You might identify opportunities to make more efficient use of your money – could that spare £100 left in your current account at the end of each month be working a little bit harder for you?

2. Build a strong foundation

Shocks like an emergency repair or sudden illness can undermine even the best-laid plans, but a solid financial foundation can help you weather periods of volatility.

An emergency fund for unexpected expenses is a good place to start. How much you put in depends on your specific circumstances, but a good rule is to have enough saved to cover three to six months of essential outgoings.

You might want to consider an ISA which works similarly to a regular savings account with one significant advantage – you don't pay tax on the interest you earn. You can deposit money whenever you like (up to your annual ISA allowance of £20,000 for the 2025/2026 tax year) and take out funds when needed.

3. Make your goals specific and measurable

A vague goal might be flexible, but how do you know when you've achieved it? Clear goals with a specific outcome and measurable progress make it easier to understand if your financial plan is on track.

Let's say you want to help your child buy their first home. Stating that you want to save £20,000 by your child's 18th birthday is a better goal than simply saying you want to create a nest egg for them because you have a specific amount to aim for and a clear timeframe in which to achieve your goal.

For this, you could think about a Junior ISA (JISA). Set up by parents or guardians, a JISA provides a long-term, tax efficient savings strategy. With an annual allowance of £9,000 (for the 2025/2026 tax year), all growth is tax-free. Entirely for the benefit of the child, the child can take control of the account at 16, but cannot withdraw funds until 18.

4. Act on evidence rather than assumptions

We'd all love to achieve our financial goals with no downsides, but no financial plan is entirely risk free. Informing your decision-making with evidence, rather than acting on assumptions, helps keep your goals realistic and your finances secure.

You might be investing towards a target amount and calculate that you need returns of 8% every year for five years to reach your goal. Chasing these returns in such a short timeframe might present more risk than you're comfortable with, so you might opt for a product with a strong track record of providing 4% annual returns. You'll invest for longer, but this could be a more secure approach.

5. Work with a financial adviser

You know your finances best, but expert advice could help you make the most of your wealth. A financial adviser can bring together your current financial situation and your long-term goals to create a tailored plan. We'd love to help you turn your aspirations into reality and empower you to face the future with confidence.

An ISA is a medium to long term investment, which aims to increase the value of the money you invest for growth or income or both. The value of your investments and any income from them can fall as well as rise. You may not get back the amount you invested.

HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.

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