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welcome to:  
savings and investments.

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# creating an emergency fund.

If you are in a position to put money aside, start by checking what emergency savings you have:



Adding up your essential monthly expenditure

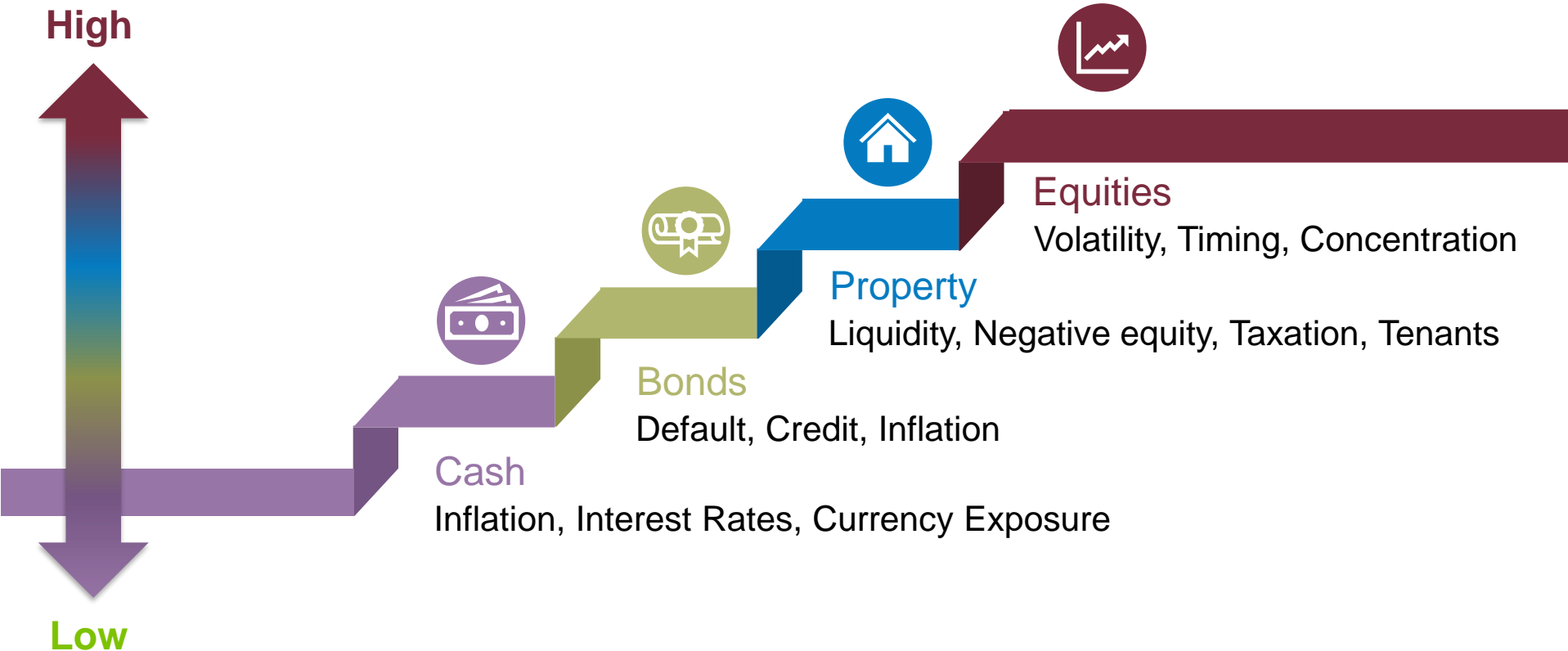


Aim to have at least enough to cover 3-6 months of these costs



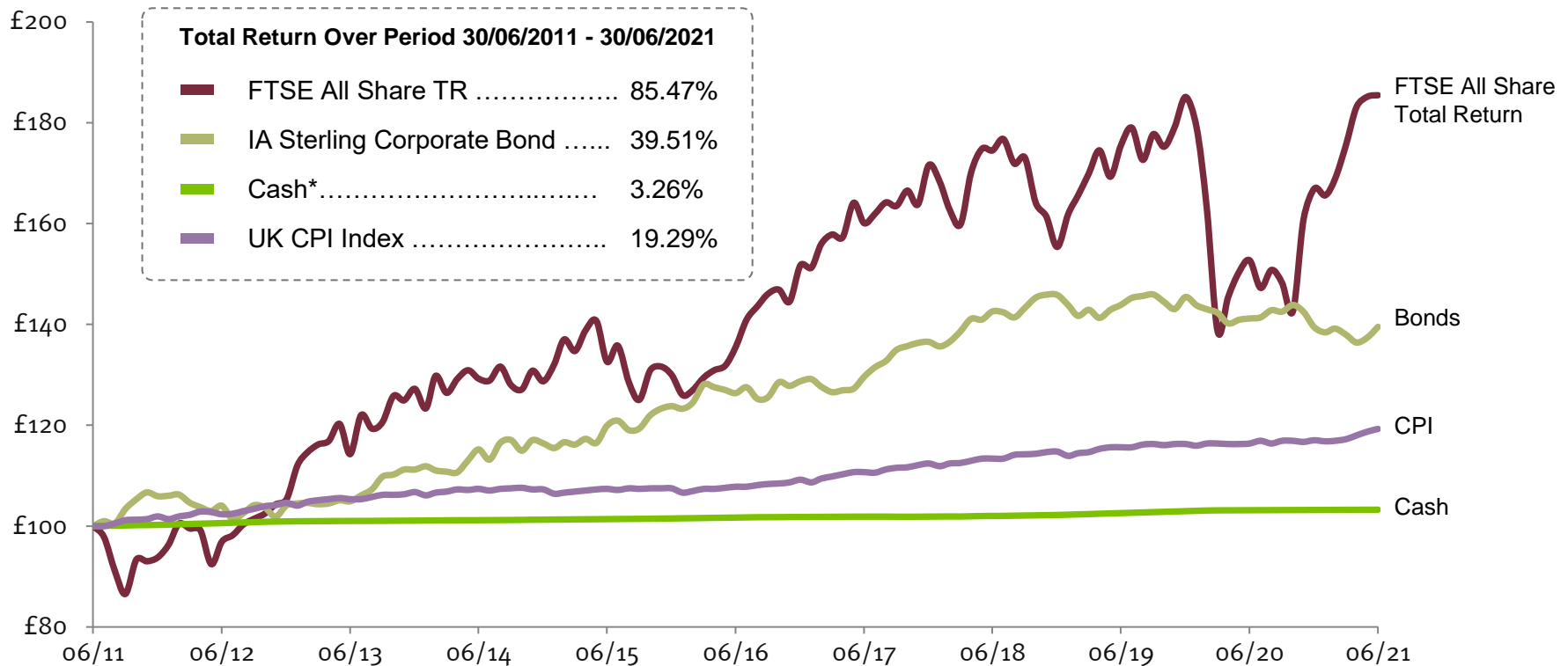
Hold this money in an instant access cash account

# investment risks and returns.



# risk and returns: the real world.

The value of £100 originally invested 30/06/2011 by 30/06/2021



**This chart shows past performance which is not a reliable guide to the future**

Source: Financial Express & Bloomberg

\*Cash is calculated using: FE FER Cash Proxy from 30/06/2011 to 31/12/2018 and the UK Bank of England Base rate from 31/12/2018 to 30/06/2021.

# diversification.

01 Single Company



Exposure to the fortunes of a single company

Future wealth aligned to the success of a single company

02 Many Companies



Invest in a number of companies

Limits exposure to a single company

03 Many Sectors



Diversify further by ensuring investments are in different sectors

Limits exposure to a single sector (e.g. retail)

04 Geographical Areas



Finally, spread investments across economies throughout the world

Limits exposure to a single country or region

# defined benefit schemes.

Employer and employees contribute (tax free up to HMRC limits)



A secure pension income is built up



Scheme rules determine when the pension normally starts



It may be possible to start the pension income before or after this time



A tax-free cash lump sum is also available

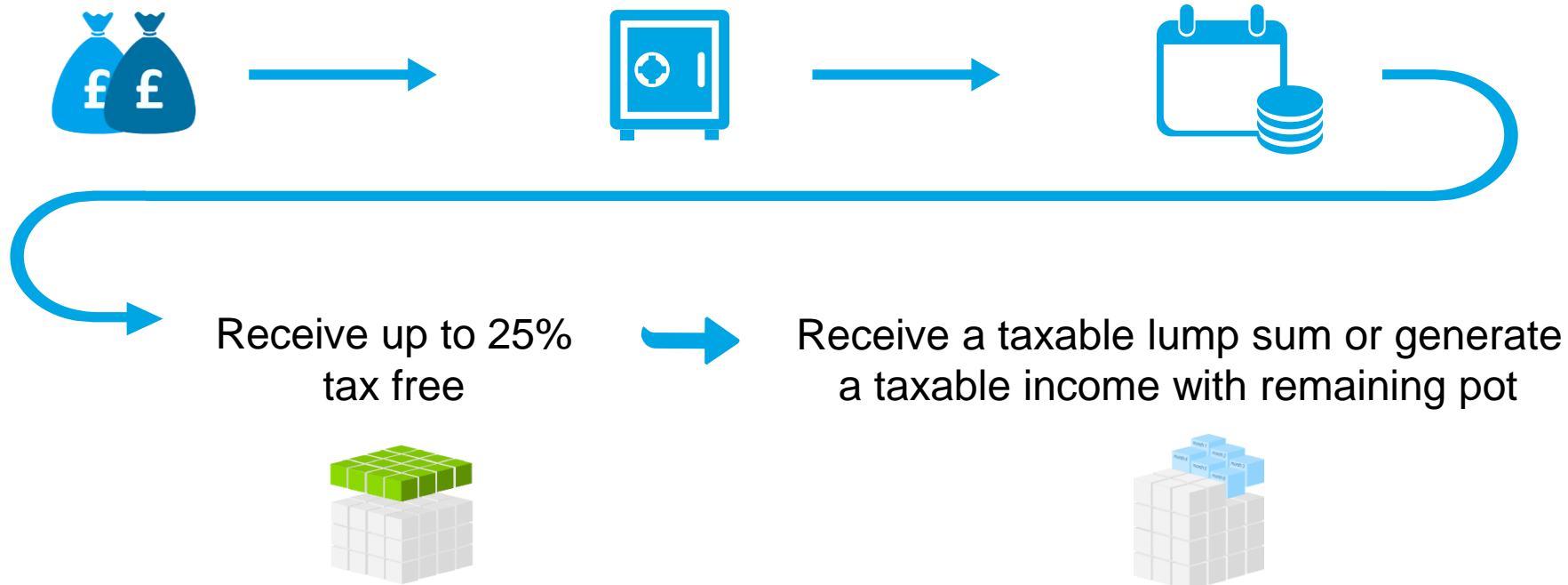


# defined contribution schemes.

Employer and employees contribute (tax free\*)

Any investment growth is tax-free

You can access your pension from age 55\*\*

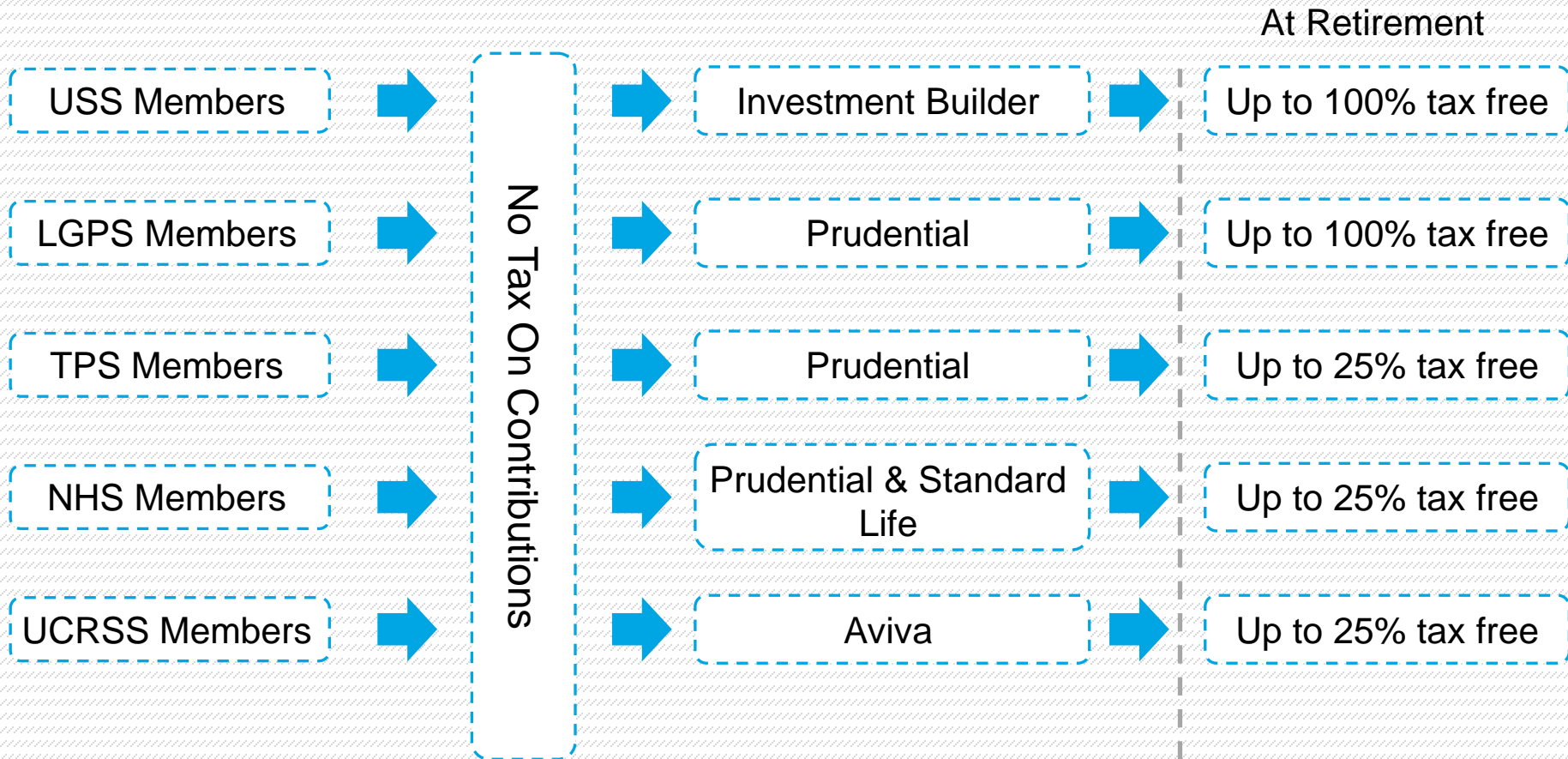


\*subject to HMRC limits

\*\*The minimum age for accessing your pension is expected to increase to age 57 in 2028



# AVC summary.



Tax relief on contributions and maximum tax free cash entitlement is subject to HMRC limits

# Salary Exchange.



You save:

**Basic-rate  
Taxpayers  
up to 32%\***

- Saving made up of:
- 20% income tax, &
  - 12% National Insurance

**Higher-rate  
Taxpayers  
up to 42%\***

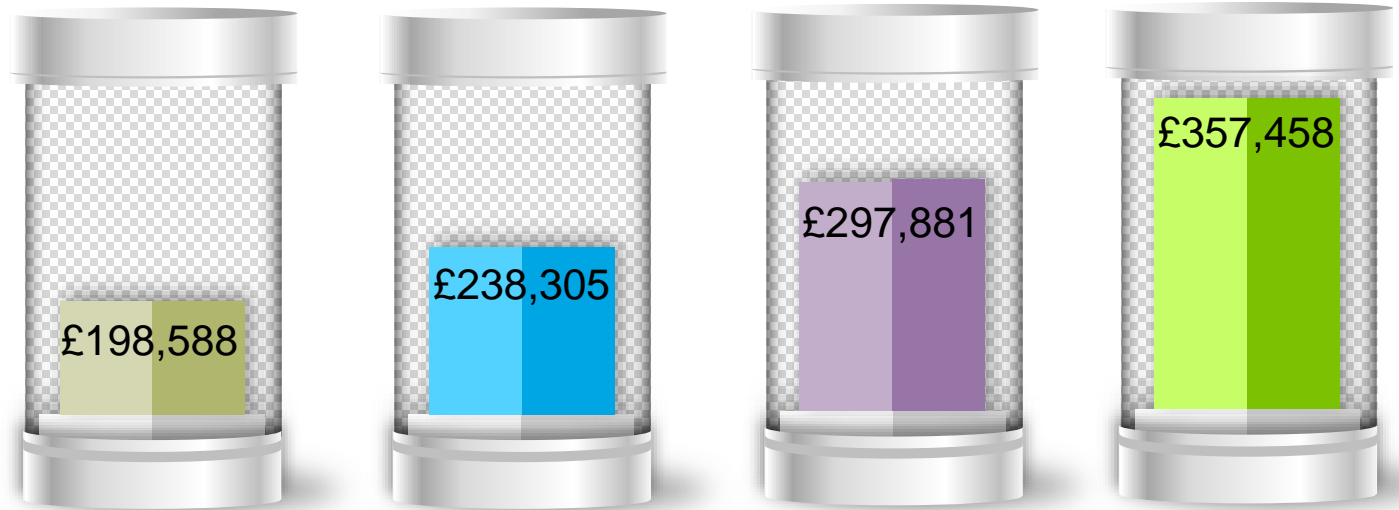
- Saving made up of:
- 40% income tax, &
  - 2% National Insurance

\* Tax relief on pension contributions is limited to the greater of 100% of relevant earnings and £3,600.

# how your contributions may add up.

The below example is based on a 20 year old earning £30,000pa.

Pensionable salary: £30,000 | Planned Retirement: Age 65



Total Contributions

10%

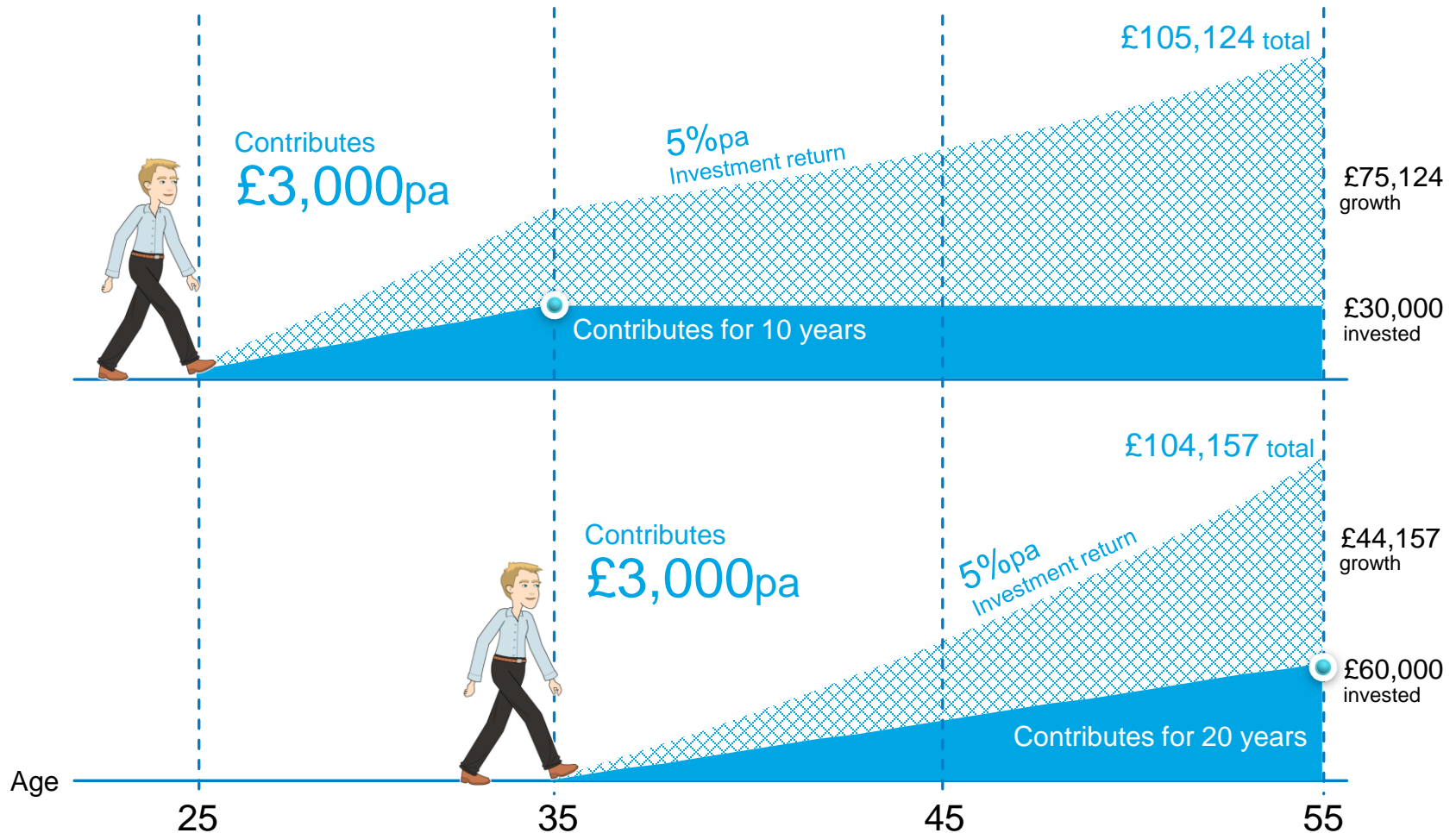
12%

15%

18%

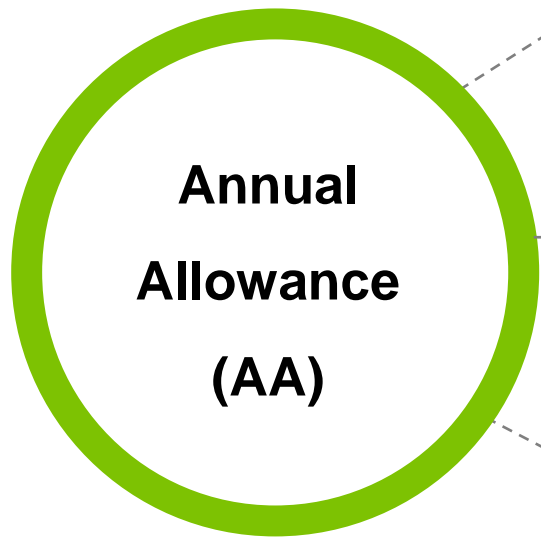
Figures shown are for illustrative purposes only. Contribution levels will vary according to your Scheme's structure.

# the power of compounding.



For illustrative purposes only. Investment growth is not guaranteed.

# limits on tax efficiency.



The annual allowance is £40,000\*



This may be reduced if your total taxable income exceeds £200,000



Carry forward may be available from up to the 3 previous tax years



If you think you may be affected, ask about this on your follow up call.

\*Tax relief is only available on contributions up to the greater of 100% of relevant earnings or £3,600

# limits on tax efficiency.

## Lifetime allowance (LTA)

- £1,073,100 (2021/22)
- DB pensions are converted at 20:1
- DC pensions and tax-free lump sums valued at monetary amount

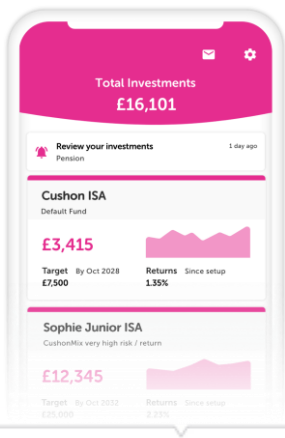


If you think you may be affected, ask about this on your follow up call.

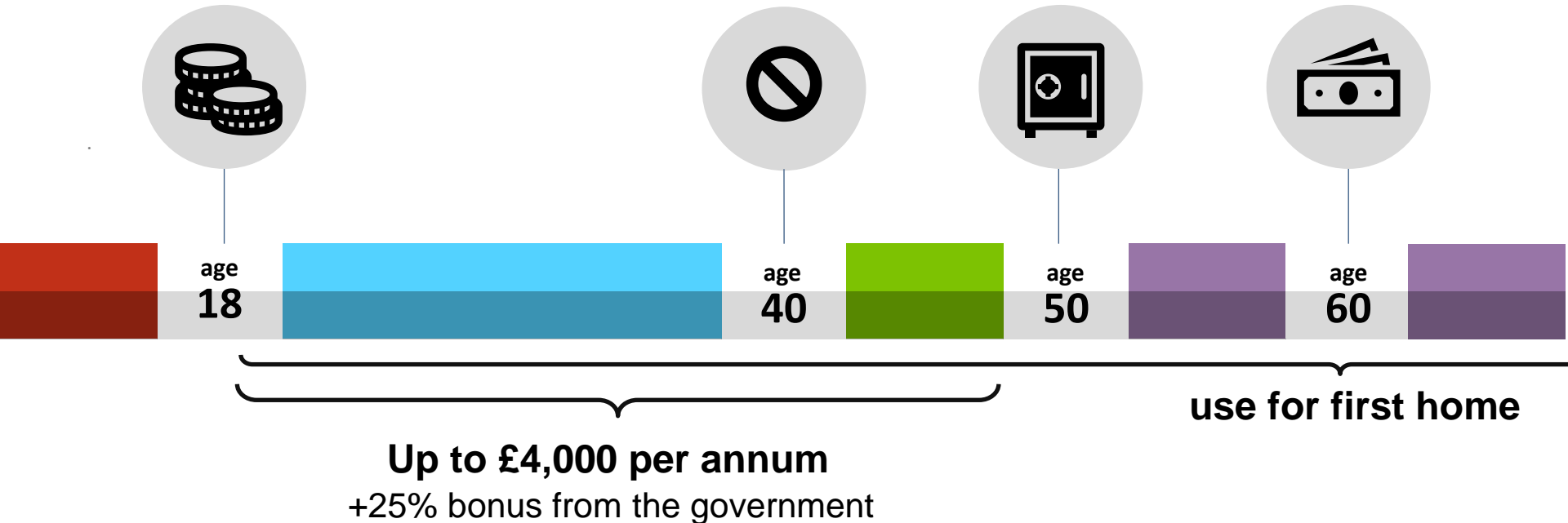


# ISA.

- An ISA protects your savings from taxation
- Interest and dividends are tax free
- Growth is free of Capital Gains Tax
- 2021/22 allowance is £20,000
- Workplace ISA via cushion



# lifetime ISAs.



**Up to £4,000 per annum**  
+25% bonus from the government

**25% penalty charge for early withdrawal**



# personal savings allowance.



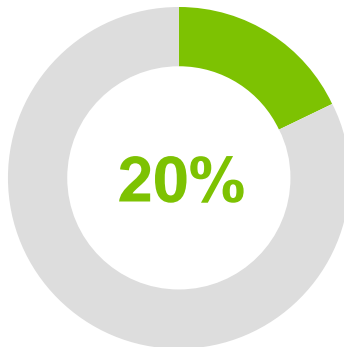
Basic Rate



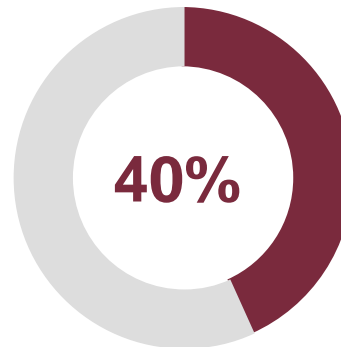
Higher Rate



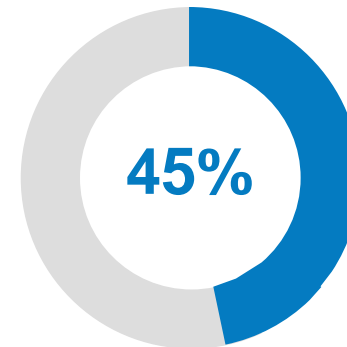
Additional Rate



20%



40%



45%

The Personal Savings Allowance is based on UK income tax rates and not Scottish income tax rates

# your pension scheme.

01

## **The Teachers Pension Scheme**

[www.teacherspensions.co.uk/members](http://www.teacherspensions.co.uk/members)

[www.teacherspensions.co.uk/members/videos.aspx](http://www.teacherspensions.co.uk/members/videos.aspx)

02

## **The Universities Superannuation Scheme**

[www.uss.co.uk](http://www.uss.co.uk)

03

## **The Local Government Pension Scheme**

[www.lgpsmember.org/arm/already-member-how.php](http://www.lgpsmember.org/arm/already-member-how.php)

[www.lgpsmember.org/arm/already-member-extra.php](http://www.lgpsmember.org/arm/already-member-extra.php)

04

## **The UCRSS – members should sign up to ‘MyMoney’**

[www.avivamymoney.co.uk](http://www.avivamymoney.co.uk)

05

## **The NHS Pension Scheme**

[www.nhsbsa.nhs.uk/member-hub](http://www.nhsbsa.nhs.uk/member-hub)

# other useful contacts.

01

## Money Helper pension calculator

[www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/pension-calculator](http://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/pension-calculator)

02

## Money Helper Service credit card calculator

[www.moneyhelper.org.uk/en/everyday-money/credit-and-purchases/credit-card-calculator](http://www.moneyhelper.org.uk/en/everyday-money/credit-and-purchases/credit-card-calculator)

03

## Financial help relating to COVID 19 (mortgage holidays, loans, insurance)

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

04

## General tax and National Insurance information

[www.hmrc.gov.uk](http://www.hmrc.gov.uk)

05

## Pension Tracing Service

[www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

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thank you.

0800 028 3200

[www.wealthatwork.co.uk/mywealth](http://www.wealthatwork.co.uk/mywealth)

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