



## Planning for Your Future

Are you prepared for later life?

Planning for later life is one of the biggest investments you can make – not only for yourself, but your loved ones as well.

### Financial planning for now and the future

Thinking about financial planning for retirement can easily be waved away as something you don't need to think about until you're older, but starting as early as possible radically reduces how much you'll need to put aside.

#### Plan, implement, review, repeat

- Create a financial plan with clear objectives for your personal retirement needs, and understand what action needs to be taken to achieve them
- Implement the plan to start building towards those objectives
- Review the plan to ensure it's on track, and can cater for any change in circumstances
- Repeat – continually going over this process keeps you in control of your financial future.

#### Tips from the inside track

- Maximise the use of your tax allowances and reliefs. Many people could save money simply by utilising their allowances and reliefs on the money they already have
- The Chancellor is likely to announce some big changes to taxation in 2021 to help pay for the cost of the pandemic. Make sure you have reviewed your finances before then to ensure you maximise your reliefs as they may disappear.

### Protect your loved ones

#### Make both types of Lasting Power of Attorney (LPA)

Many people believe their spouse can deal with their affairs and don't understand the complications that come with joint assets. Make LPAs for both Financial & Property and Health & Welfare matters as soon as possible, so you get to choose people you can trust to act in your best interests as your attorney.

#### Get a cashflow analysis completed by a financial adviser

This will guide you on monthly outgoings and income. The importance of this shouldn't be overlooked. It can help indicate when you can retire and support you in managing funds effectively in later life. A financial adviser can help you health check your financial position now, which could reveal the potential for your assets to work harder for you and produce greater yield in the long term.

#### Make a Will

If you pass away without making a Will, the rules of intestacy dictate how your money and assets will be distributed. It should never be assumed that the intestacy rules will cover your specific situation. There are common misconceptions about these rules, where not taking advice could easily be detrimental to your estate. Even if you already have a Will, you should review it regularly to make sure it's still relevant to your personal situation and circumstances.

### Take advice on gifting and managing your estate

Tax law is complicated and the rules aren't easy to understand. Enquiries from people who want to gift property to their children are really common, but they often don't understand the risks that come with it. They're also usually unaware about the deprivation of capital rules.

To avoid pitfalls like these, act now and take legal advice for your estate planning to ensure your financial position is secure and managed as efficiently as possible.

### Plan for what happens next

It's better to have planned for the worst and it not be needed, than not to have planned at all and try to deal with problems afterwards, when it could be too late and very costly.

It's not a pleasant thing to think about, but it's practical. Talk to your future attorneys and loved ones about your preferences and plans for later life, particularly in terms of the type of care you'd like. Having those closest to you aware of your wishes will leave them better placed to support you in the future.

### Not all relationships last forever

#### Passing down wealth

Are you thinking of passing on any gifts/wealth/shares to your children or grandchildren? If so, do you think it would be worth ensuring that these monies are kept within the family? This can be done by way of a wealth protection tool – like a co-habitation agreement or pre-nuptial agreement. Specific guidance is available for when you're looking at succession planning and passing down wealth. The aim is to protect your money in both the short and long term.

#### Living together

If you're living with your partner, or a loved one is about to move in with someone they're not married to, it's important to consider all eventualities.

It's an unpleasant thought, but have you given any thought to what would happen if your relationship ended – if one of you were to pass away or if you simply decided to separate? A Will is crucial to protect loved ones after a death, but also a Living Together Agreement is an incredibly important wealth protection tool, for those living together but not married.

### Getting married

Another question is really around whether you or a member of your family is getting married, particularly for the second or third time. Whilst it's really tricky to think about – when all you want to do is quite rightly focus on the wedding – consideration of a prenuptial agreement is very important to protect wealth and potential inheritance for children, grandchildren or loved ones.

### Taking a practical look at later life

Many care decisions tend to be last minute and unplanned because the need for care can be immediate and there's no time to explore alternatives.

#### Take advice on:

- Cash flow/financial planning – this will be beneficial in assessing how care will be paid for and planning for this
- Funding options – for example are you entitled to NHS funding? Would a care annuity work?
- Property sale – many clients just place the sale proceeds in a high street bank and it doesn't cover inflation
- Care home contracts – there can be unfair terms in the contract which can penalise the client and their families. Think of it as a house purchase - you wouldn't sign a contract for purchasing a property without taking legal advice.

Learn more about what you can do today to start planning for later life by [reading our guide](#).



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