



## NEW YEAR'S RESOLUTIONS FOR YOUR FINANCIAL PLANNING

Around 50% of us make New Year's Resolutions and 'sort the finances out' must be one of the most popular: but that's a little vague – it's more a wish than a firm commitment to take action. Here are the topics that we've discussed most often with clients recently.

### 1. Sort out the mortgage

The mortgage is the biggest monthly expense for the vast majority of people, and making sure that the rate you're paying is competitive is common sense. Many people are paying a higher rate than they need to and half an hour with us can be time very well spent.

### 2. Sort out your life cover

This is an absolute priority; especially if you have children. Many people don't know the answer to questions like 'how much life cover do I need?' 'How much do I have?' 'Does it include critical illness cover?' No-one likes to think about the possibility of being seriously ill or dying, and therefore we tend to neglect our protection policies. Life cover can be surprisingly inexpensive and even if you do have cover in place, make sure you have it checked on a regular basis. In many cases the cost of protection is continuing to fall and it may be possible to replace old policies and increase the amount of protection you have, without increasing your premiums.

### 3. Start saving for the children

However much you've just spent on Christmas presents, your children are going to cost you a lot more in the future. Whether it's university tuition fees, a first car, your daughter's wedding or the deposit on a house, the numbers are only going to go one way. Even if you only save a small amount, doing it on a regular basis over a long period can make a significant difference – and with the ability to save tax efficiently through an ISA, at least the taxman will be on your side.

### 4. Start saving for yourselves

What's true for the children is equally true for yourself. If there is a specific savings target you have in mind, or whether you simply need to save for the proverbial 'rainy day,' the earlier you start to save the easier it is to achieve your goal.

### 5. Review your pensions

Many people have pensions left over from previous jobs, and despite various Government initiatives aimed at simplifying the system they still don't have an accurate idea of how much is in their pension 'pot.' Good pension planning is impossible without knowing the position you're starting from, so it's a sensible idea to talk to us and find out the position with any old pension policies.

## 6. It's time to understand the company pension scheme

Just as importantly, far too many people don't understand their existing company pension scheme. Is it final salary? Money purchase? Eightieths? Sixtieths? Can I make additional contributions? Buy extra years? We'll be able to summarise the main benefits of the scheme for you, tell you the sort of pension you're likely to receive and advise you of the best course of action if you want to improve your pension benefits.

## 7. Investigate Inheritance Tax and Long Term Care

If it's the case that your parents are elderly, then it may be worth thinking about Long Term Care planning. Similarly if their, or your estate is likely to be subject to Inheritance Tax, then action taken now could pay significant dividends in the future. We will be able to tell you what's possible, and the steps that could be taken now to prevent an unpleasant surprise in the future.

## 8. Make a will

Make sure that you have an up to date will. The consequences of dying 'intestate' (that is, without a will) can be severe, and it's sensible to make sure that this area of your financial planning is kept up to date.

## 9. Look at Private Medical insurance

With tales of woe from the NHS continuing, many people are starting to look at the option of private medical insurance. This may be an investment worth making, particularly if you run your own business and would need treatment at a time to suit you.

## 10. Sort out the partnership insurance

Many businesses are run as a partnership (whether it's a straightforward partnership or through equal shares in a limited company). The death or serious illness of one of the partners could have catastrophic consequences for the business and serious implications for the other partner. Yet very few businesses have addressed the simple question of partnership assurance. We will be able to explain the basic rules to you and give you an idea of what protection might cost: you may well be pleasantly surprised!

If there is any aspect of your financial planning that you would like to discuss then please don't hesitate to contact us on [enquiries@money-wise.co.uk](mailto:enquiries@money-wise.co.uk) , or speak to your current Money Wise adviser in the usual way.