

A comprehensive service offering

At Paish Tooth we deliver an extensive range of tax and accounting services. Alongside our traditional compliance offerings, we provide expertise in all of the following areas:

- **Succession planning**
- **Wealth Management**
- **Financial Management**
- **Profit improvement**
- **Personal tax planning**
- **Business tax planning**
- **Xero Cloud accounting**
- **Auto-enrolment**

Please just ask if you wish to discuss any of these additional service options.

A friendly team of experts

Paish Tooth is a relaxed and friendly firm with a team of 15 staff. We've been offering expert accountancy and tax advice for over 30 years. Paish Tooth is regulated by the Association of Chartered Certified Accountants (ACCA), and we also practise as Chartered Tax Advisors, authorised by the Chartered Institute of Taxation. Our drive has always been to gain an understanding of every client we work with, so that we can offer the appropriate tailored support and practical advice. We're always keen to build up strong, effective partnerships with our clients and help them achieve their full financial potential.

Get in touch!

Paish Tooth is conveniently based in Cheltenham town centre, a short stroll from the High Street, plus we have client car parking available. Please give us a call if you would like to arrange a meeting with one of the team - we'd love to hear from you!

Paish Tooth Ltd
35 Rodney Road
Cheltenham
GL50 1HX

Tel: (01242) 584050
Email: info@paishtooth.co.uk
Web: www.paishtooth.co.uk

Or why not join us on social media:

-  @paishtooth
-  /paishtooth
-  /paish-tooth

Download our free mobile app

The Paish Tooth app will keep you on top of the latest news and tax changes, and is packed with useful tools including calculators, tax tables, financial dates, a receipt manager and mileage tracker.



 **paishtooth**
ACCOUNTANTS & TAX ADVISORS

Pension Planning



Pension changes - why are they needed?

The Government is keen that we all save more for our retirement. We are all living longer and will therefore need more money for our old age. This is against a background of poor investment returns, the state of the economy and bad press. The latest changes sit alongside workplace pensions auto enrolment and changes to the basic state pension.

In the past, those who retired gave their accumulated pension savings to an insurance company in exchange for an annuity, a guaranteed income for life. However the annuity rates offered have been seen as disappointing and people have been deferring this decision in the hope that rates might improve. Up until 2011, everyone was forced to buy an annuity once they reached age 75.

'Pensions Freedom' in a nutshell

As well as giving pension funds a valuable boost in the form of tax relief on pension contributions, the Government has now decided that to further encourage pension savings, we can all be trusted to manage our pension funds responsibly and choose how much and when we take money from them.

This is achieved by drawing an income from your pension funds, whilst leaving the bulk of your funds invested to hopefully benefit from continued long term growth.

Anyone aged over 55 can start accessing their pension funds even if they are not retiring.

Advice will be especially important if you still want to make substantial pension contributions, do not want to fall foul of the rules or trigger unexpected tax charges.

It is still possible to take a pension commencement lump sum of up to 25% of the fund, free of tax.

Further payments can then be deferred, set as either regular amounts or if the funds are small enough, taken as a single lump sum. These will all be subject to tax in the year that they are drawn, so must be considered alongside all other income for the tax year.

What other good news is there?

Death before aged 75 has always been tax efficient, as generally all payments to beneficiaries are free of tax, whether they take a lump sum or continue with a regular drawdown plan.

There is no charge to Inheritance Tax as the value of the pension funds are treated as being outside your estate.

If you are over 75 and die whilst drawing down money from your pension fund, your beneficiary can still receive a lump sum or income. During 2015/16 lump sums are taxed at 45%. From 6 April 2016, this is expected to be taxed at the beneficiary's marginal rate of income tax.

Previously only dependants could benefit from funds in your pension. However, it is now also possible to nominate successors and pass your pension funds on to anyone, including future generations. There is no

requirement for them to wait until they reach age 55 to access the funds.

For those who have other sources of income to support their retirement, there is now the real prospect of having funds left in your pension when you die. These funds remain invested in a tax free environment and outside the beneficiary's estate for Inheritance Tax.

How can Paish Tooth help?

So much has changed that everyone should reassess their pension fund position.

For those who are still saving for their future retirement, it is vital to ensure you are getting the maximum tax relief to boost your investments. You should ensure your funds are well managed and we can help find an independent financial advisor if you do not already have one in place.

For those who are planning to start accessing their pension funds in the near future we can help you plan to minimise your tax liabilities.

If you are now drawing down on your pension and have funds available, you might wish to consider whether it is better to leave your pension wealth to future generations, as a part of your overall Inheritance Tax planning.

Everyone must also ensure their will is up to date and as tax efficient as possible. If you do not have a will, we can help organise your plans before you instruct a solicitor to draft the paperwork.