metis wealth

Partner of a professional services firm?

These 10 things can help protect your wealth

Do you struggle with investment compliance?

Here's how we can help

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Introduction

You may be earning a healthy income, but are you taking the right actions to look after your wealth?

It is easy to keep delaying something which feels a long way off, but if you keep putting things off indefinitely, you run the risk of harming your financial future.

You might have a tricky work-life balance and not enough time to focus on your personal finances. But, if you start planning now, you can make sure you and your family are cared for in the future.

We are Metis Wealth, a team of deciated financial planning experts based in London and West Sussex.

We have more than 20 years of experience in providing financial planning to individual and corporate clients. Our financial planners have specialist experience advising partners of the world's largest accountancy firms. By working with us you can reduce the hassle and headaches of internal compliance on your personal investment choices.

Get in touch and find out more about how we can help you reduce the hassles of compliance and reporting for your personal investment strategy. And have more time to focus on planning for a happy and secure life.

Email **enquiries@metiswealth.co.uk** or call **0345 450 5670** to find out more.

1. Why you should not let the hassle of internal compliance put you off investing

Because you work for a professional services firm who have multiple dealings with listed companies, internal compliance procedures could put you off investing in stocks and shares.

You may feel the risks of falling foul of regulations, no matter how careful you are, is not worth the potential damage to your professional reputation.

Or maybe you do not have time to research your company's independent list to find out where you are able to invest.

"We know from experience that many people in your position choose not to invest because it is just too much hassle. But we can help ease the burden and ensure you are investing your money in a compliant way which will grow your wealth without risking your reputation by stepping out of line."

A compliant portfolio – How it works

Your company's investment list details funds in which it is safe for you to invest. We use this safe list to build your compliant investment portfolio.

Not everyone will hold the same funds, because risk levels, timescales, and the total sum invested will influence the balance of funds appropriate for each individual. But the funds you hold will all be listed on the compliance-approved list.

And, because the funds are all pre-approved, your compliance report will also be easier to complete and submit.

Metis Wealth can reduce the hassle and headaches of your personal investment choices.

We will ensure that your portfolio is safely diversified and adjusted whenever a company you are invested in is no longer viable for you, or the position you hold.

We will even help you file your personal investment reports to avoid the risk of receiving a fine, which can run to substantial sums if you get things wrong.

If you would like to find out more about how we work and how you can grow your wealth minus the compliance and reporting headaches, get in touch for a free, no-obligation chat with one of our financial planners.

Metis Wealth is one of the few independent financial advice firms with experience working with partners and employees of professional services firms, and are an official broker qualified to work with you, and help you invest your money in a compliant way.

We can even help you complete the required reporting documents.

2. Do you have a sound financial plan?

You may have some idea of what you want to achieve in life, and already be planning for your future. Or you might be less sure and have no concrete plans.

Regardless of where you are now, the first step towards financial freedom is creating a financial plan centred around your lifestyle goals and geared towards achieving your objectives.

If you have not already considered what your future goals are, take some time now to make some plans and consider how you would like your life to look in the future.

We will spend time getting to know you and understand your priorities and objectives. With this understanding we will use cashflow modelling to show your current financial situation, and what this means for your future.

We will work with you to create a bespoke financial plan, which aims to answer these vital questions:

- When will I be able to retire?
- How much net income will I have during my retirement?
- How will I achieve my goal of financial freedom?
- How will I fund education for my children?
- How much can I gift to my children without affecting my own retirement plans?
- When will I be mortgage-free?
- How long will my current income stream last in retirement?
- What happens if I am no longer around to provide for my family?

Money can be a worry, no matter how much you earn

Some people believe that having more money means less worry.

However, the Financial Wellbeing Index from Aegon found that **55% of average earners** and **1 in 3 top earners** still worry about money.

Aegon Financial Wellbeing Index, 2021

3. Are you saving enough to fund the future you desire?

You may be saving a substantial amount each month, but it may not be enough.

Savings form the foundation of achieving your financial goals. If you are not already using a range of different savings accounts and investments, you should probably consider what you have and where you could improve your strategy.

Options you should consider include:

- **Easy-access savings accounts.** Ideal for your emergency fund.
- **High-interest fixed accounts.** These "lock" your money away for a certain period and often have higher interest rates than high street savings accounts.
- **Stocks and Shares ISAs.** Use your annual ISA allowance to invest in equity markets without needing to worry about Income Tax or Capital Gains Tax (CGT) on any gains you make.
- **Pensions.** The most popular way to save for your retirement, as contributions benefit from tax relief.
- **General Investment Accounts.** Use for savings over and above your pension and ISA allowances.

With a balanced approach, these can all help you grow your wealth and offer potential tax savings too.

What is an ISA?

An ISA, or Individual Savings Account, is a type of savings account that holds your money tax-efficiently.

Any gains you make are free from Income Tax and CGT.

In the 2023/24 tax year, anyone aged 18 or over can contribute up to £20,000 into an ISA.

Your children have their own allowance of £9,000.

If your children are 16- or 17-years-old, they can invest up to £20,000 in a cash ISA, which can then be transferred to a Stocks and Shares ISA when they turn 18.

4. Do you know how much you will need to retire?

Think about what you want to do when you retire. Knowing how you intend to spend your time will help you work out how much income you will need.

Do you have ambitions for things you wish to achieve, such as exploring the world and travelling to unknown places? Or do you want to spend more time with family and friends?

Your lifestyle desires will dictate how much money you will need when you retire. World travel will require a larger pension pot than spending more time tending your garden or playing with your grandchildren.

It is essential that you take time to imagine the life you want to enjoy so that you can judge how much money you will need to live on.

If you have a bucket list, now is the time to revisit it and see what you still want to achieve. Retirement may be the perfect opportunity to fulfil some of your life goals. If you have a jumble of ideas of things you would like to try, write them down and prepare to live your dreams.

Without defining your lifestyle goals for retirement, it will be hard to judge how much money you will need. A lack of clarity could lead you to think you are on course to achieve your goals when you are not.

We help you define your goals and objectives and then make a plan to achieve them.

We use cashflow modelling to forecast a range of future income scenarios, which will help you understand exactly what is achievable.

This reduces the risk of you missing out on anything you have been looking forward to over the years. It also ensures your pension fund and savings last throughout your life.

Planning for retirement requires a great deal of attention. We will work with you to establish whether you are on course to meet your retirement goals and lifestyle objectives. Taking all your circumstances into account we will create a plan to help you achieve the retirement lifestyle you desire.

I Wellbeing Index, 2021

5. Why you should not rely on your pension to provide all your retirement income

Thanks to the tax treatment of your contributions, pensions are usually the main investment for building a retirement income.

If you are a higher-rate taxpayer, every £100 gross that goes into your pension only costs you £60. The first £20 is added automatically, and you can claim the second £20 through your self-assessment tax return. Additional-rate taxpayers can also claim an extra 5%.

If you pay into a pension through salary sacrifice, your £100 pension contribution is made gross, so you reduce the level of income subject to Income Tax.

Alongside your pension, there are alternative ways to fund your retirement plans.

ISAs

ISAs are not subject to any Capital Gains Tax and any income can be drawn tax-free.

An ISA could be an ideal way to fund big-ticket items such as cars, dream holidays, or home improvements.

Using your ISA allowance each year could create a sizeable tax-efficient pot for use in retirement.

Property

You may have one or more buy-to-let properties, which could provide some income in retirement.

Remember that the income will be taxed. You will also potentially pay Capital Gains Tax on any profits you make from the sale of a property.

Gains on residential property attract a higher rate of CGT (18% and 28% depending on whether you are a basic-, higher-, or additional-rate taxpayer).

Buy-to-let property is also subject to Inheritance Tax.

Other investments

There are other tax-efficient ways to help build a retirement fund.

Venture Capital Trusts and the Enterprise Investment Scheme offer up to 30% Income Tax relief.

These are high-risk investments, so taking advice is recommended.

Other investments such as a General Investment Account or bonds can also be useful ways to save for the future.

The number of options available means it is important to ensure that you receive tailored advice to meet all your retirement goals.

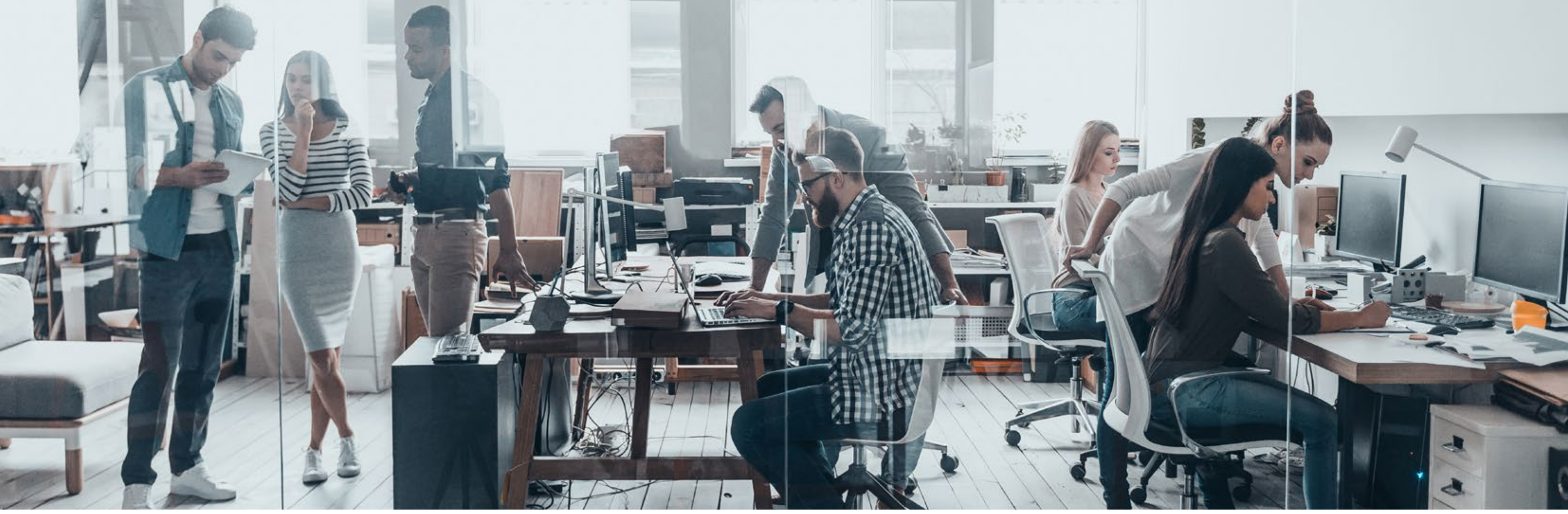
If you have multiple pensions, it may be a good idea to consolidate these in one easy-to-manage place. Transferring pensions should not be done lightly, and you should take advice before committing to a decision.

Get in touch if you would like help in knowing whether this is the right move for you.

Metis Wealth hold the required permissions to provide advice on all personal and occupational pensions, including advice relating to the transfer of defined benefit (final salary) pensions.

We are proud to be recognised as a firm that has met the criteria to achieve the Pension Transfer Gold Standard.

Pension TRANSFER Gold Standard



6. Are you at risk of breaching your pension allowances?

An important aspect of building your pension fund will be the contributions you need to make.

However, while maximising contributions to your pension will help build your retirement pot to the necessary level to support your desired lifestyle, it is important to follow expert advice.

Contribute too little, and you could reach retirement without sufficient funds to support the lifestyle you want. But you also need to be aware of the rules and regulations that limit the pension contributions you can make. Exceeding these limits can result in an unexpected tax liability.

Annual Allowance

The Annual Allowance restricts the tax-efficient savings you can make into your pension to £60,000 annually (or 100% of your earnings if this is lower). Non-earners can still contribute up to £3,600 a year.

Tapered Annual Allowance

If your total income exceeds £260,000, the Tapered Annual Allowance will reduce the amount you can contribute tax-efficiently to your pension down to as little as £10,000 a year.

Money Purchase Annual Allowance

If you have already started flexibly drawing benefits from your pension, the Money Purchase Annual Allowance restricts the amount you can save tax-efficiently to your pension to £10,000 a year.

Lifetime Allowance

The Lifetime Allowance limits the size of pension fund you can generate during your career. This had been frozen at £1,073,100 until 2026, but was removed entirely in the spring Budget 2023.

Pension allowances are complicated. Falling foul of them could mean paying significantly more tax than you need to, and consequently reduce the amount of money you have in retirement.

We can help you to understand if you are affected by any of these allowances and help you plan appropriate strategies to avoid them costing you unnecessary tax payments. We can also help you utilise the "carry forward" options to maximise your tax-efficient contributions.

7. Risk versus reward – are you sitting too comfortably?

We all have different attitudes to risk. Many of us attempt to reduce risk as we progress through life, but we also recognise the benefits of taking a few risks. For example, changing jobs, getting married, or starting your own business can present a variety of risks, but the potential rewards drive us to move forward and make changes, despite the risk.

The same can also apply to investing. Over the short term, equities have a higher risk of losing money. However, invest with a long-term view, and you'll probably end up ahead. The longer the term you're invested, the more likely this will be true.

With careful planning, you can reduce your exposure to risk by spreading your investments across a variety of assets and sectors. But if you attempt to keep your money safe by holding everything in cash, you expose your savings to the greater risk of inflation.

Because you work for a professional services firm with strict compliance and reporting rules you must adhere to, you may not have any savings invested in stocks and shares. But this may mean that you are missing out on valuable opportunities to grow your wealth.

We will help you structure a compliant portfolio of investments and help you capitalise on potential long-term growth.

Depending on your circumstances, this could be a mixture of strategic asset allocation and discretionary fund management.

The value of your investment can go down as well as up and you may not get back the full amount you invested.

Every quarter, our Investment Committee meet to discuss the underlying investment strategies and ways in which we believe we can add value for our clients.

We will take you through a detailed risk analysis and build a bespoke portfolio to help match your tolerance for risk and capacity for loss.

8. Can you structure your finances in a more tax-efficient way?

If you have a family to support, the largest beneficiary of all your hard work is probably HMRC.

Tax is the largest factor that can erode your wealth. So, taking the right steps to mitigate tax is one of the most crucial aspects of your financial plan.

Mitigating Income Tax

You will probably have paid Income Tax throughout your career. But there are a variety of ways you can limit how much Income Tax you ultimately pay, including:

- Pension contributions
- Enterprise Investment Scheme (EIS)
- Venture Capital Trusts (VCT)

Using these tax-efficient schemes could cut your Income Tax bill by as much as 50%. We can advise you on the right options for you.

Mitigating Capital Gains Tax

Capital Gains Tax (CGT) applies to any shares or assets you sell that have risen in value above your CGT annual exempt amount, which is £6,000 in the 2023/24 tax year.

For example, if you bought shares outside of an ISA for £20,000 and sold them for £50,000, you would potentially pay CGT on the £30,000 gain you make, less any available CGT exemption.

At a tax rate of up to 20%, this makes a significant dent in your profits.

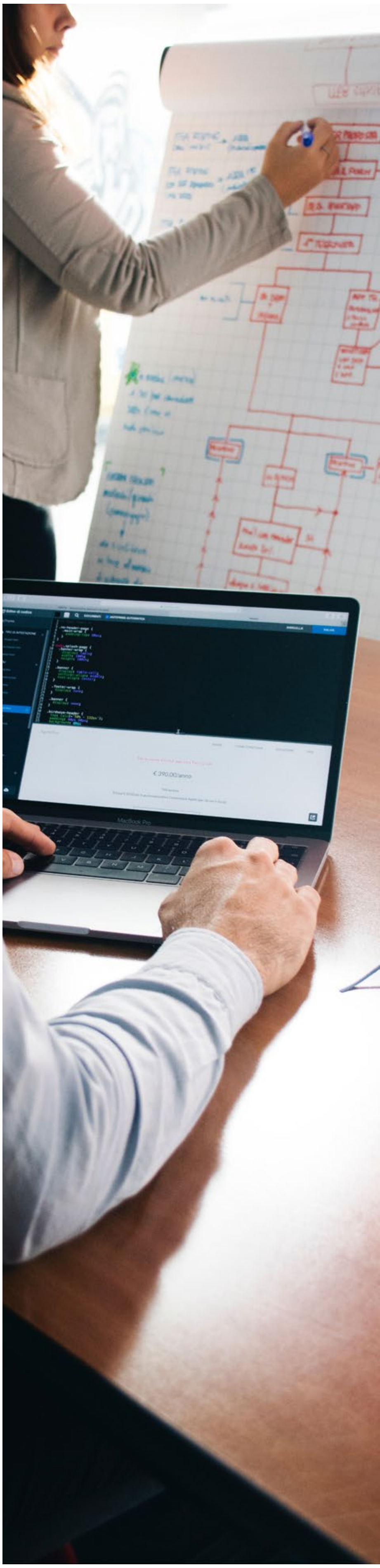
If you do not use your CGT allowance in a tax year, you will lose it. Therefore, where possible, you should actively use it each year to ensure you minimise your overall CGT position over time.

We can help you create, implement, and manage a strategy to mitigate potential CGT.

Inheritance Tax planning

Inheritance Tax (IHT) comes into effect on your death, with a bill payable on the value of your estate. In the UK, IHT starts at 40% of any value over the nil-rate band (NRB) of £325,000 or may be £500,000 if your children or grandchildren inherit your home.

To make sure you pass as much of your wealth on to your family as possible, read on.



9. Have you secured your wealth for your family?

Working out what comes next is a key step for making the most of your money, especially if you have a family.

Without effective planning, the largest single beneficiary of your estate could be the government.

If, like many, you would rather leave more of your hard-earned wealth to your loved ones, there are a variety of Inheritance Tax planning strategies that we can help you with.

Here are four important considerations for protecting your wealth for the next generation.

1. Write your will

In the run up to your retirement, writing your will should be one of your top priorities. If you already have a will, revisit it to make sure it still reflects your wishes.

Over half of UK adults do not have a will in place

Dying without a will, or "intestate", means you have no say over what happens to your estate. Your assets are distributed according to the rules of intestacy, which do not take your wishes into account.

Spend the time making a will now to ensure your money and other valuable assets end up in the right hands when you die.

5 reasons to make a will:

1. Ensure that your executors can distribute your assets the way you specify
2. Minimise stress for your family at a difficult and emotional time
3. Reduce potential family conflict
4. Secure the financial future of your family and loved ones
5. Potentially reduce Inheritance Tax liability.

2. Put a Lasting Power of Attorney in place

Give yourself peace of mind with a Lasting Power of Attorney (LPA). With this arrangement in place, you can relax knowing that if you are no longer able to make financial decisions yourself, someone you trust can take care of things for you.

You can choose your spouse, partner, a family member, or friend. Or you may prefer to choose a professional person with fewer emotional biases, such as a solicitor.

There are two main types of LPA:

1. **Health and Welfare LPA –** covers your daily routine and medical care.
2. **A Property and Financial Affairs LPA –** allows your chosen attorney to manage your finances, pay bills, and collect benefits on your behalf.

Anyone over the age of 18 can set up an LPA and it can be temporary or last a lifetime.

Do not assume that being married or in a civil partnership means your partner can look after your financial affairs and decide on your healthcare. Without an LPA in place, they may not have the authority.

3. Use trusts to protect your assets from Inheritance Tax

Trusts can be a useful way to distribute wealth to your chosen beneficiaries and help reduce the value of your estate that will be liable for IHT.

A trust is a legal document you can use to pass property or other assets to a trustee. The trustee is responsible for managing the assets on behalf of the ultimate beneficiary.

There are many different types of trust. We can assess your circumstances and help you understand the type of trust which best suits your objectives.

Trusts can be useful when:

- You want to pass money to children or grandchildren but think they are too young to spend it wisely.
- You wish the money to be used for a specific purpose, such as education, buying property, or any other milestone in life.
- You want to cover the costs of your IHT Tax bill using life insurance.

4. Make use of gifts

You can reduce the amount of IHT you might have to pay by gifting some of your wealth while you are still alive. As a general rule, your beneficiaries should not have to pay IHT on the value of the gift if you survive for seven years after making the gift.

Gifting your assets to your family and loved ones is an effective way of reducing your IHT liability. However, there are strict criteria that you should follow closely.

We can help you navigate the complex rules so you can distribute your wealth to your family and reduce the tax burden when you pass away.

Useful gift exemptions you can use include:

- £3,000 annual gift allowance
- Small gifts of up to £250 per person
- Gifts to charities and political parties.

10. Speak to an expert financial planner

As you will have gathered, speaking to a financial planner is a vital part of ensuring your wealth is protected, and that you are financially prepared for your retirement. A planner can make sure your pensions, savings and investments are appropriate for your financial goals and objectives.

The world of investments and finance is complex. There are many rules and tax regulations, providing several traps you could easily walk into.

Not to mention the added strict compliance and reporting regulations that you must adhere to.

We have spent the last 20 years providing a personalised service to a wide variety of individual and corporate clients. Our wealth of experience advising partners of the larger accountancy practices makes us the ideal choice for you.

We understand that your profession makes investing your money more complicated. Coupled with a busy work and home life, we appreciate that finding time to focus on your future is extremely limited. And the implications of making the wrong move with your money matters even more for you due to the position you hold.

Work with us

Get expert advice from our team of dedicated financial planning experts. We are experienced independent financial advisers delivering a broad range of financial planning advice to our clients in London and across the southern counties.

We will work with you to develop an effective strategy to manage your financial needs in the most tax-efficient way. This will help you maintain your desired lifestyle and secure your financial future, and that of your family and loved ones.

Get in touch

If you would like to discuss the ways we can help protect and grow your wealth and ease the burden of the investment restrictions and compliance rules you must adhere to, please email **enquiries@metiswealth.co.uk** or call us on **0345 450 5670.**

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