

1. How June was able to improve her pension by £232.44 every year for the rest of her life when she retired, by getting Lowland to help her shop around

June was approaching 60 and had a pension fund with Standard Life worth around £51,000. She wanted to take the maximum Tax Free Cash lump sum which she knew was 25%. This left £38,250 to provide an annuity. As she was separated from her husband, June was keen to maximise the income but also see if she could provide something for her daughter April.

Standard Life quoted a level pension of £1,636.32pa with a 5 year guaranteed period (in essence this means that the income is guaranteed for the rest of June's life but if she dies in the first 5 years the income will be paid to April during the remainder of the 5 years).

We checked that June was healthy and did not smoke – ironically buying an annuity is one of the few times in life when ill health can improve things – however the reason is because insurance companies expect not to pay these enhanced annuities for as long as they would to people who don't smoke, like June!

We then shopped around on the "open market" to see if we could find anything better, and managed to secure a higher income of £1,868.76 from Aviva. This is an increase of **£232.44** compared to the Standard Life quote - every year. And we built in a 10 year guarantee which meant that if June died within 10 years – April would still get something.

This increased pension also included the payment of our fee which was deducted from the fund after taking the tax free lump sum. This was a real win:win situation where June has more income for life without having to pay for the advice from her savings.

2. How Jim discovered his £53,555 pension plan had some valuable guarantees worth £1,245pa more income than he thought

Jim a solicitor (63) had retired at the same time as his teacher wife Mary (60). Her teacher's pension was providing the bulk of their income – but having been retired for 8 months – they were dipping into their savings. They decided to look into taking the benefits from Jim's pension funds.

He had 3 plans and knew from earlier research that one with Friends Provident offered guaranteed annuity rates from age 70. This meant that this plan had potential to pay substantially higher income than any current company could possibly match. We established that these guarantees were actually available from age 60 onwards so we compared the best annuity available (£2,767.46) with the annuity offered by Friends Provident (£4,012.56). Not surprisingly Jim opted to stick with Friends Provident as their pension provided **£1,245.10pa** extra for the rest of his life.

As this pension provided no income for Mary, we switched the two other pension funds to an Income Drawdown plan from which they can take more cash and income as and when required whilst leaving all options open should Jim die first.

3. How Philippa increased her income by 48% in 4 years by delaying taking her state pension

4 years ago, Philippa was 60, and at the time was working as a nursing assistant. She had the option of taking the state pension which was estimated to be £106.75pw. However as she was working – the extra money from her State Pension would have been taxed, As she did not need the income she planned to invest it until she retired.

We explained to Philippa that every year you put off taking the state pension the income increases by 10.4%. Now four years later her state pension has increased by **£51.82** per week (£2,694 in a year) to £158.57pw – a return she would be unlikely to get anywhere else! Whilst she has missed out on the income for the past 4 years – a bigger priority was income when she retired, so this extra £200pm will be very valuable in the future when she stops working altogether.

4. How Max slept well after he switched his entire pension fund into a cash fund just before he retired, to prevent potential falls in value.

Max was 8 months away from retiring at age 65. He was concerned about the state of investment markets and worried that his fund might fall just before he retired, which would reduce the tax free lump sum and pension.

As nobody has a crystal ball to predict markets, we discussed the options available. We explained that he could leave the funds and risk seeing the value drop just as he was about to retire (with the possibility that the fund could also rise in value). Alternatively he could switch to a cash / deposit fund which has no potential for increasing but cannot fall substantially either!

Max felt he was happier switching his current fund and the last 8 x monthly payments to cash. There was no cost for the fund switch so he knew exactly what was going to be in the pension fund when he retired. In the end markets went up slightly over the 8 months but Max was perfectly happy he had made the right choice at the time.

5. How Derek saved £6,500 Capital Gains Tax at his annual review meeting by offsetting Capital Gains from selling a property with losses from selling some of his shares

Derek (62) is a farming client with whom we have worked for many years. At his review meeting in March (fortuitously just before 5th April) he told us he might have some money to invest following the sale of a farm cottage. We asked if the sale was likely to be subject to Capital Gains Tax (CGT). It was and there was likely to be a tax bill of around £6,500. We knew Derek had a share portfolio and that he had lost money when his RBS share value crashed in 2008. We suggested he contact his stockbroker immediately to establish the amount of the losses. As a result he was able to sell the shares before 5th April, create the loss in the same tax year and offset the tax bill from the sale of the cottage. He then bought back the same shares a month later for more or less the same price – saving **£6,500** in Capital Gains Tax