

SMALL TIPS BIG IMPACT

Matthew Rankine, Sales Director



SIPP due diligence

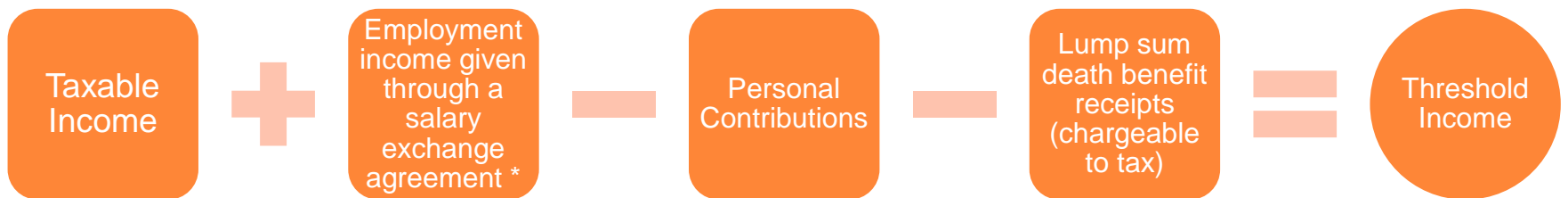
- How do SIPPs make money?
- Please can we move on from cap ad
- Strength of the SIPP market
- SIPP provider technology costs
- Sales and purchases – be more Paxman!
- Insistent clients – DB transfers



Adjusted Income - £150,000



Threshold Income - £110,000



*set up after 08/07/2015

Tapered Annual Allowance

John has a salary of £120,000 and investment income for the year of £20,000.
His employer contributes £20,000 and he has personally contributed £15,000.

Adjusted Income = £160,000 (£140,000 + £35,000 - £15,000)

Threshold income = £125,000 (£140,000 - £15,000)

Tapering? Yes

Tapered amount = £5,000

Annual allowance = £35,000



Tapered Annual Allowance

Catherine has a salary of £150,000 and investment income for the year of £10,000. Her employer contributes £5,000 and she has personally contributed £50,000.

Adjusted Income = £165,00 (£160,000 + £55,000 - £50,000)

Threshold income = £110,000 (£160,000 - £50,000)

Tapering? No



Tapered Annual Allowance

Adjusted Income = £195,000 (£115,000 + £80,000)

Threshold income = £115,000 (£115,000 - £0)

Tapering? Yes Tapered amount = £22,500 AA = £17,500

Employer contribution - £75,000 Employee contribution - £5,000

Adjusted Income = £190,000 (£115,000 + £80,000 - £5,000)

Threshold income = £110,000 (£115,000 - £5,000)

Tapering? No



An increase in LTA

Rachel has £1,200,000 in her pension. No protection.

1st Feb 2018

Tax free cash £250,000

25% tax = £50,000 55% tax = £110,000

6th April 2018. LTA will now be £1,030,000.

Tax free cash £257,500

25% tax = £42,500 55% tax = £93,500



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£7,495 Porsche Boxster 3.2 986 S Convertible 2dr

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LTA Management

Frank has £1.4million SIPP with £1.25million LTA protection.

Scenario 1 – pot at 65 £2,280,000

	Scenario 1 – Fully crystallise at 65	Scenario 2 – Crystallise up to LTA at 55
Tax free cash	£312,500	
LTA tax charge	£257,000	
Total pension after tax at 65	£1,710,500	
ISA at 65	£0	
Cash in the bank at 65	£312,500	
Total savings	£2,023,000	

LTA Management – scenario 2

At 55 crystallise up to LTA

Tax free cash = £312,500

Remaining pension = £1,087,500 (89.2% crystallised and 10.8% uncrystallised)

At 65 pension is now worth = £1,771,422.91 (crystallised = £1,580,109.23, Uncry = £191,313.67)

Crystallise remaining pot - 25% Tax charge at 65 will be £47,828



LTA Management

	Scenario 1 – Fully crystallise at 65	Scenario 2 – Crystallise up to LTA at 55
Tax free cash	£312,500	£312,500
LTA tax charge	£257,000	£47,828
Total pension after tax at 65	£1,710,500	£1,723,594
ISA at 65	£0	£500,000
Cash in the bank at 65	£312,500	£0
Total savings	£2,023,000	£2,223,594

About a £200,000 increase!

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McLaren

650S 3.8 V8 SSG 2dr



*All images are for illustrative purposes only and may not represent wholly the specifications of a particular model.

Auto Trader rating ★★★★★ 4.4

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THANKS FOR LISTENING ANY QUESTIONS?



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