



Emily McAlister <emily@retirement.capital>

Pension Scheme

1 message

gavin mccloskey <gavinm@retirement.capital>
To: mikemholmes@outlook.com
Cc: Emily McAlister <emily@retirement.capital>

13 June 2024 at 12:44

Hi Mike,

Thank you for providing the figures and paperwork.

I have confirmed the following:

Whilst Francesca and James are members of the SSAS and beneficiaries from a tax perspective, I recommend that we utilise the maximum tax-free cash allowance for you and allocate the balance to Janet, with an adjustment for the contributions paid in respect of James and Francesca.

If we split the fund on this basis, the tax-free payment to you will be £312,500; which is the maximum allowed. The current tax free amount for Janet is in the order of £90,477. There is scope to continue contributions for Janet and I would suggest that this is maintained having regard to both her age and headroom.

Any income you draw, having taken the tax free amount would be subject to tax at the marginal rate. Upon your death post-age 75, the remaining funds will be used either to pay a widow's pension or will be allocated to the James and Francesca in equal sums. This falls outside the inheritance tax rules, as your pension fund is a tax-exempt trust.

The annual allowance for the current tax year is £60,000 each and this remains in place until 5 April 2025. There would be no tax benefit to continue contributions for you in the current year.

Additionally, I suggest you consider the cash management platform known as Insignis. It effectively aggregates your cash across all banks and building societies up to the Financial Services Compensation Scheme level, allowing you to lock in the best rates for each account through a single platform. There is a small transaction fee, but the interest payable and online flexibility could be beneficial. You can find more information here: [Insignis Cash](#). If you would like us to organise this facility for you, please let me know.

In summary, the tax free cash available to you is £312,500 (which is the maximum) and I suggest that this amount is drawn before the new Parliament. I suggest that Janet's headroom limit is maximised, with continued funding for Fran and James. I will respond separately on the property.

Kind regards

Gavin

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