



Retirement planning for business owners

June 2023



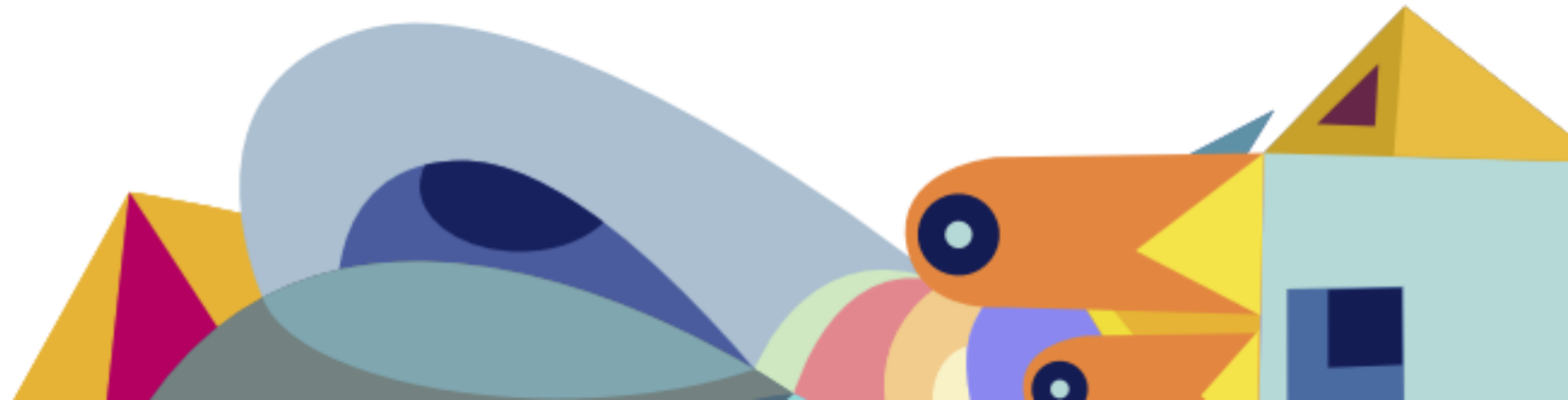
Overview

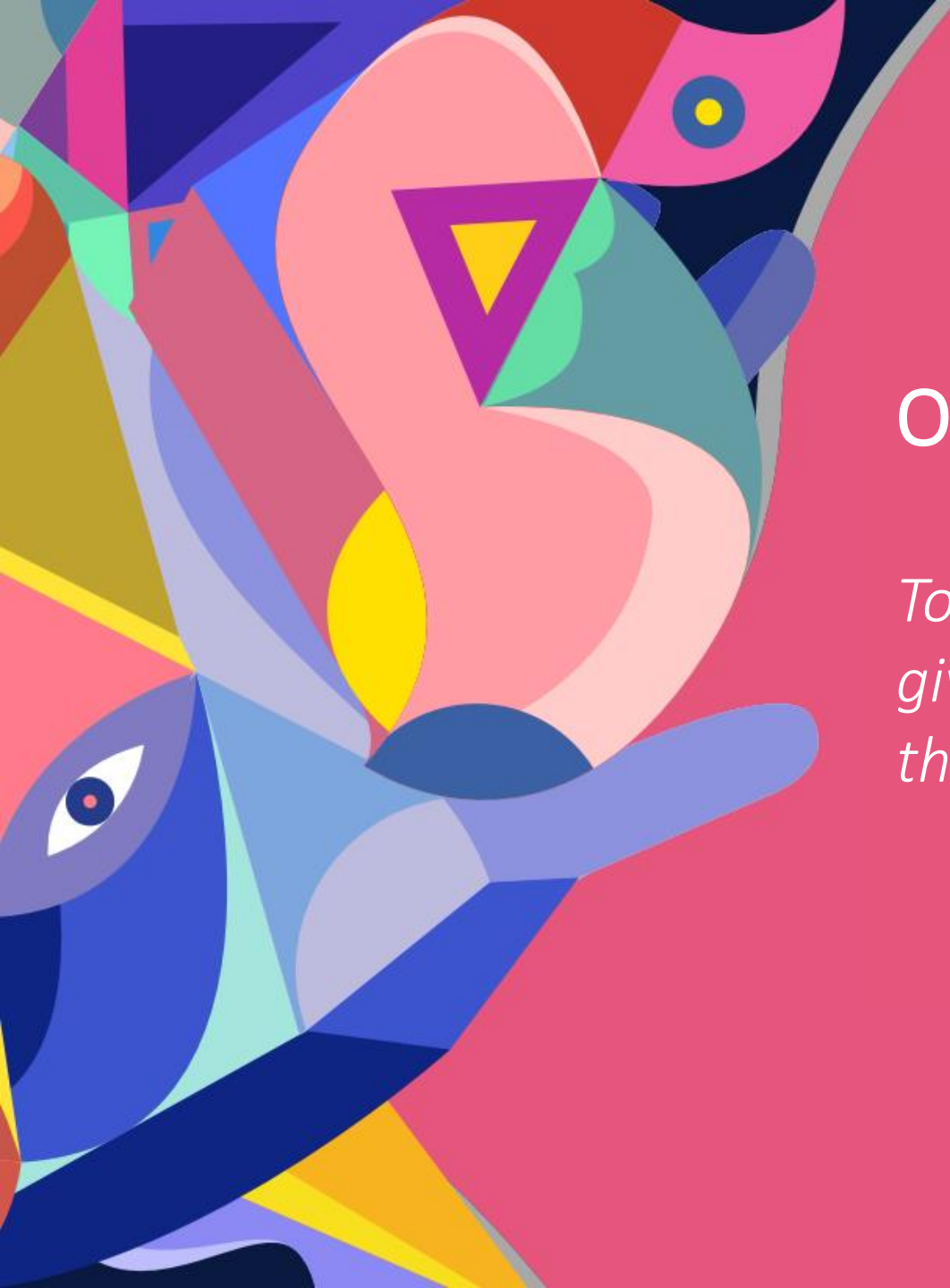
- About New World
- Understanding your pension and retirement options
- What to think about when planning for retirement



About New World

- Formed 2019, launched 2021
- Regulated and authorised by the FCA
- Award winning
- Innovative approach to financial planning





Our mission

To make financial planning truly inclusive and to give everybody the tools they need to improve their financial lives



Pensions...

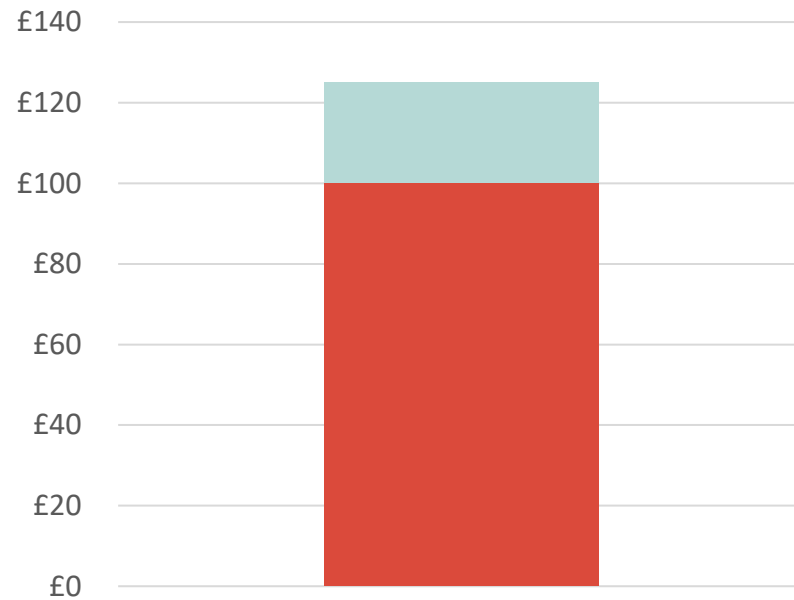
What are pensions?

- Tax efficient savings vehicle
- Main use is to support you in later years
- Contributions are invested for potential growth
- Minimum access age is 55 (increasing to 57 in 2027/28)



The benefit of personal contributions

Basic Rate Taxpayer - £125 into pension



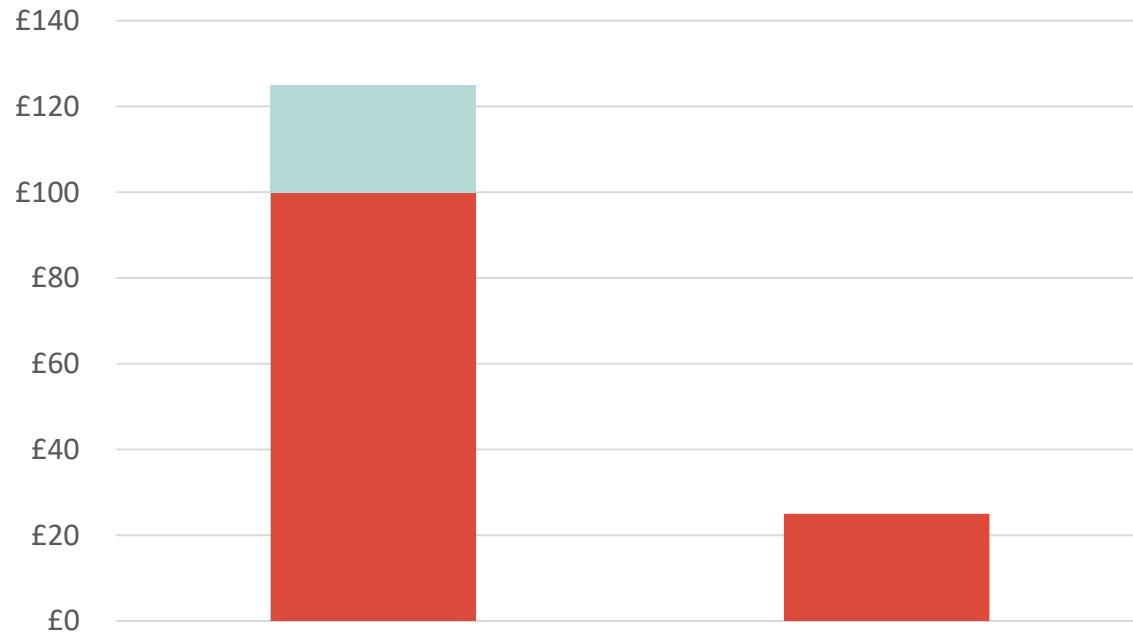
£100 pension payment + £25 tax relief (20%)

Net cost = £100



The benefit of personal contributions

Higher Rate Taxpayer - £125 into pension



£100 pension payment + £25 tax relief (20%)

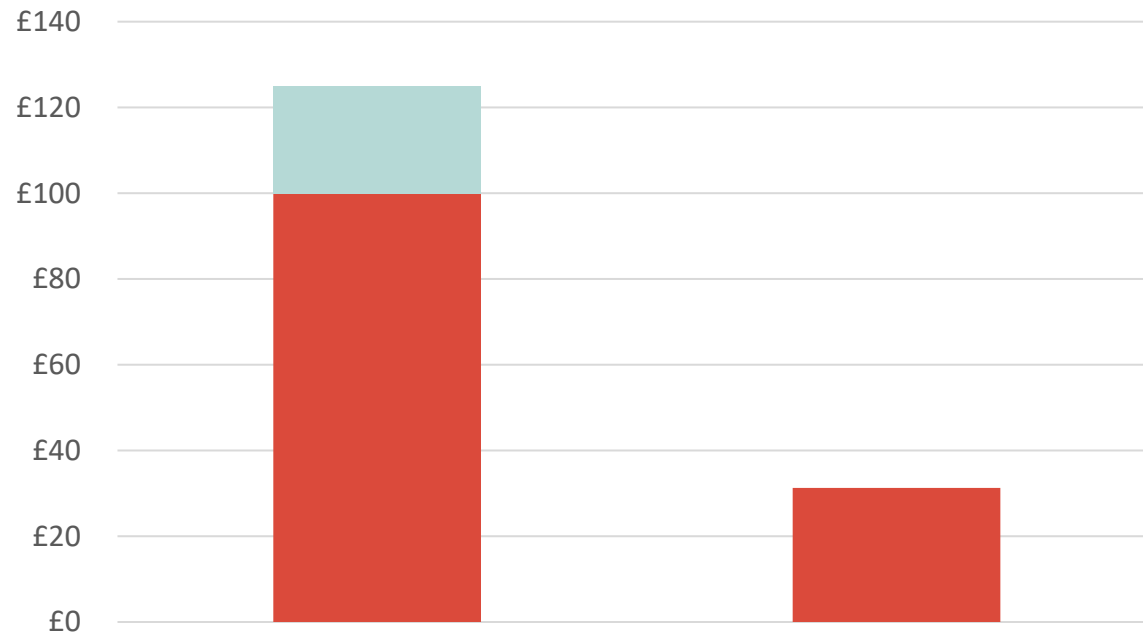
Further £25 tax relief claimed back

Net cost = £75



The benefit of personal contributions

Additional Rate Taxpayer - £125 into pension



£100 pension payment + £25 tax relief (20%)

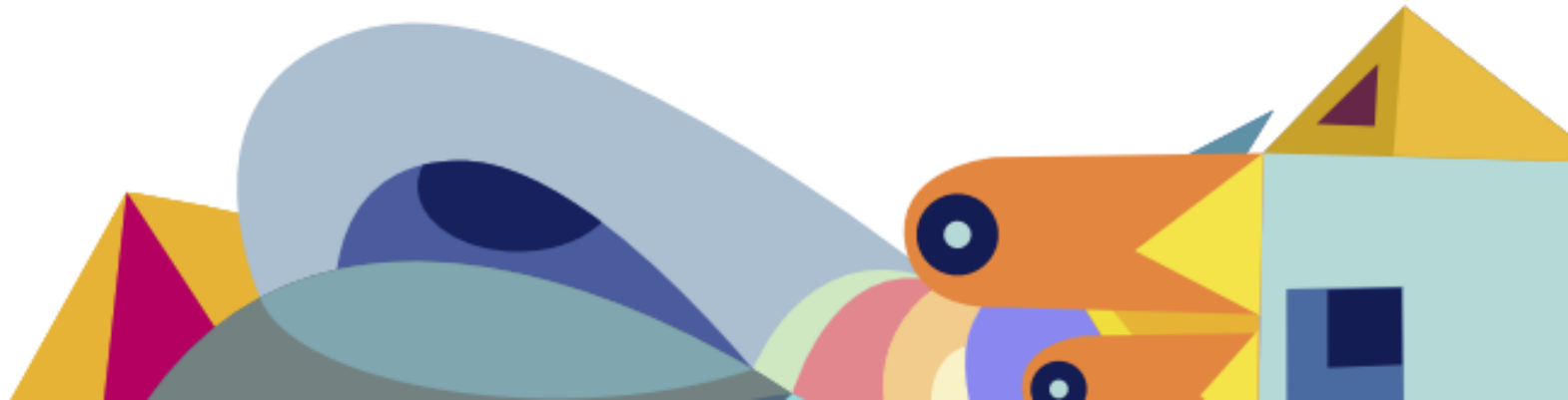
Further £31.25 tax relief claimed back

Net cost = £68.75



Benefits for business owners

- Pension contributions can be paid from the business
- Allowable expense for corporation tax
- Control of funds
- Plan B?



The benefit of employer contributions

Example - ABC Ltd

£30,000 profit (after allowable expenses)

Corporation tax due: £30,000 @ 19% = **£5,700**

ABC Ltd make a company pension contribution in director's name of £20,000; reducing profits to £10,000

Corporation tax now due: £10,000 @ 19% = **£1,900**

Resulting tax saving of £3,800 for ABC Ltd





Understanding your pension options

- Personal pensions
 - Flexi-access drawdown
 - Pension annuity
 - Uncrystallised funds pension lump sum (UFPLS)
- Defined benefit pensions
 - Age?
 - Lump sum?



Starting to plan for retirement....



Step 1: What does retirement look like to you?

- When and how will you retire?
- Stepping away from your business
- What will your lifestyle look like?
 - Leisure time
 - Holidays
 - Family
- Home




Step 2: How much will your lifestyle cost?

- The basics
- Leisure activities
- Travel
- One-off expenditure



Pension and Lifetime Savings Association research for a couple:

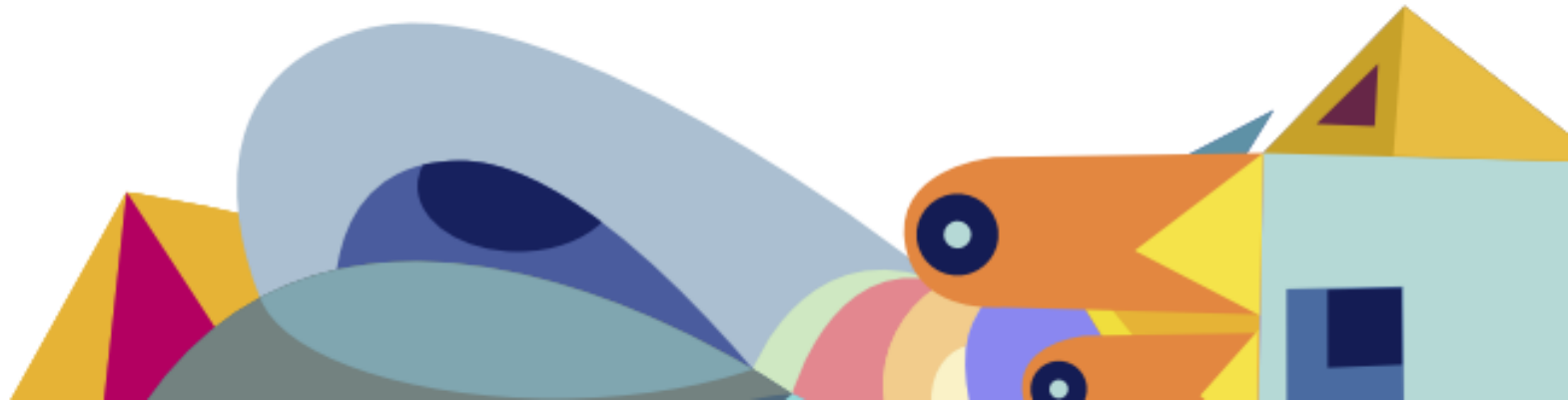
Please show values for: Single Couple

	MINIMUM	MODERATE	COMFORTABLE
COUPLE	£19,900 a year	£34,000 a year	£54,500 a year
WHAT STANDARD OF LIVING COULD YOU HAVE?	Covers all your needs, with some left over for fun	More financial security and flexibility	More financial freedom and some luxuries
 HOUSE	DIY maintenance and decorating one room a year.	Some help with maintenance and decorating each year.	Replace kitchen and bathroom every 10/15 years.
 FOOD	£96 a week on food (including food away from the home).	£127 a week on food (including food away from the home).	£238 a week on food (including food away from the home).
 TRANSPORT	No car.	3-year old car replaced every 10 years.	Two cars, each replaced every five years.
 HOLIDAYS & LEISURE	A week and a long weekend in the UK every year.	2 weeks in Europe and a long weekend in the UK every year.	3 weeks in Europe every year.
 CLOTHING & PERSONAL	£460 per person for clothing and footwear each year.	£791 per person for clothing and footwear each year.	Up to £1,300 per person for clothing and footwear each year.
 HELPING OTHERS	£20 for each birthday present.	£34 for each birthday present.	£56 for each birthday present.

*These amounts would fund this lifestyle for people living outside London. See [The Detail](#) for more information.

Step 3: Understanding what you have

- Pensions
 - The state pension
- Savings and investments
- Property
- Business Assets



Step 4: Fitting the pieces together

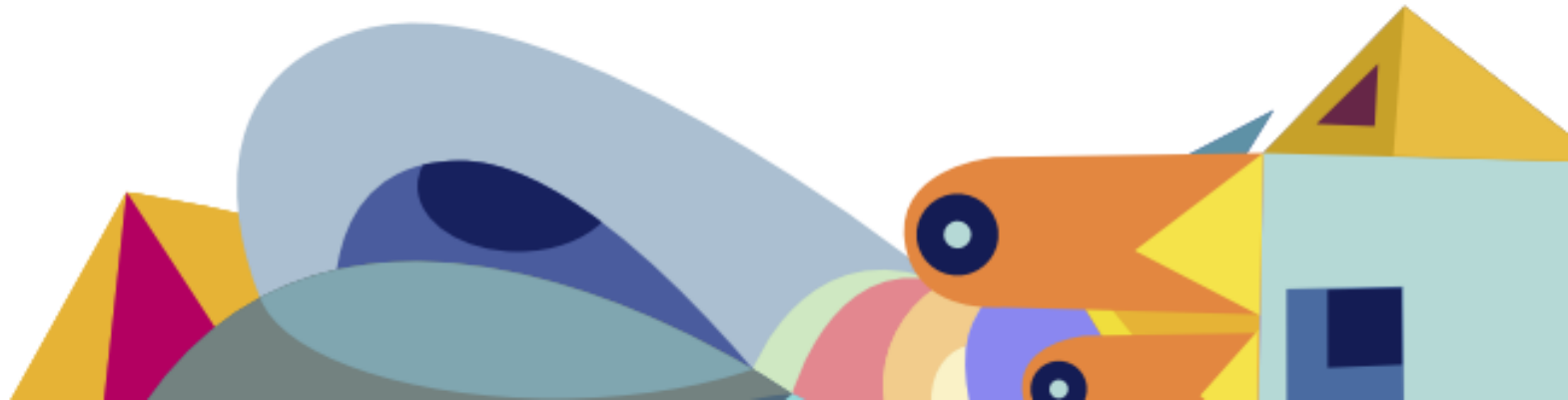




What's your number?

Top tips for business owners

- Take stock of where you are
- Understand your personal goals
- Think about how your business can work for you
- Speak to a financial planner





New World Financial Group Ltd
Level Q
Surtees Business Park
Stockton on Tees
TS18 3HR

0330 005 0028

info@newworldfg.com

New World Financial Group Ltd is authorised and regulated by the Financial Conduct Authority.
Our clients are protected by the Financial Ombudsman Service.
Registered in England and Wales. Company number 12188467.