case study

Financial Planning for those in Retirement

Tangible Value of Advice: **£3,300 p.a. plus £120,000 inheritance tax**

Mr & Mrs Smith, age 62, retired, with two grown up children.

- £400,000 house
- £150,000 cash
- £400,000 investments
- Pensions in payment

challenges

1. Wanted to know whether they would run out of money at any stage during retirement.
2. Required advice as to how much they could sensibly afford to spend in the early years of their retirement.
3. Concerned about the potential cost of long term care.
4. Concerned about inheritance tax and maximising the amount to be passed to their children in the event of their death.
5. Built up a collection of investments and cash deposits over the years. No strategy or structure in place and all quite confusing. Too much paperwork.

what we did

1. Calculated the cost of Mr and Mrs Smith's desired future lifestyle, which included setting aside some 'fun money' for things to do in the early years of their retirement.
2. Established their tolerance to risk using a sophisticated risk profiling system. We were able to reduce the level of risk within their investments and still keep them on track to meet their objective of never running out of money.
3. Reorganised investments using the low cost BRB investment process. Generated cost savings of £1,800 per annum.
4. Investments consolidated into one reporting structure making everything organised, simplified and easy to understand. This dramatically reduced their ongoing paperwork and removed a lot of hassle.
5. Improved returns from cash deposits by £1,500 per annum.
6. Calculated that, with some adjustments to lifestyle, it was possible to self-fund the cost of long term care using their own assets and expected state benefits.
7. Removed a potential inheritance tax liability of £120,000 with a simple insurance based strategy held in a trust at a cost of £25 per month.

the results

1. Gave Mr and Mrs Smith the confidence to live the life that they wanted to live in the early years of their retirement.
2. By reducing the level of risk being taken within their investments, gave greater security and peace of mind whilst still meeting their objectives.
3. By restructuring their investments, their financial affairs were greatly simplified with annual investment charges being reduced by £1,800 per annum and interest on cash funds increased by £1,500 per annum.
4. Removed their concerns over the cost of long term care.
5. Eliminated £120,000 of inheritance tax, preserving wealth for the next generation.

brb WEALTH MANAGEMENT

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