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Planning Ahead For Your Finances

Managing Your Money For The Future



All references to BT refer to the BT Group company that employs you: either BT plc or
Openreach Limited.

About us

We are a leading financial wellbeing and retirement specialist - helping those in the workplace to improve their financial future.

Established in 2005, we work with hundreds of organisations across both the private and public sector.

Our financial education services are delivered on a bespoke basis.

What We'll Cover Today

- Taking stock of your existing finances
- Debt and mortgages
- Building up savings in the BTRSS
- Investing your BTRSS
- Receiving your pension at retirement
- The State Pension
- Other savings and investments
- Estate planning
- Next steps

Actions To Takeaway

Access the workbook by visiting:

www2.wealthatwork.co.uk/bt/your-education/your-seminars/

planning for your future.

planning for your future.

where will your retirement money come from?

What should you know? Learn how to:

Download the free guide to the biggest retirement mistake you can make. It's a mistake that could cost you tens of thousands in lost savings.

Plan for retirement income today.

100% FREE | 100% GUARANTEED

Monthly

Year

Decade

Quarter

Season

Week

Day

Hour

Minute

Second

Millisecond

Microsecond

Nanosecond

Picosecond

Femtosecond

Attosecond

Zeptosecond

Yoctosecond

Zetasecond

Exasecond

Petasecond

Exaworld

Petaworld

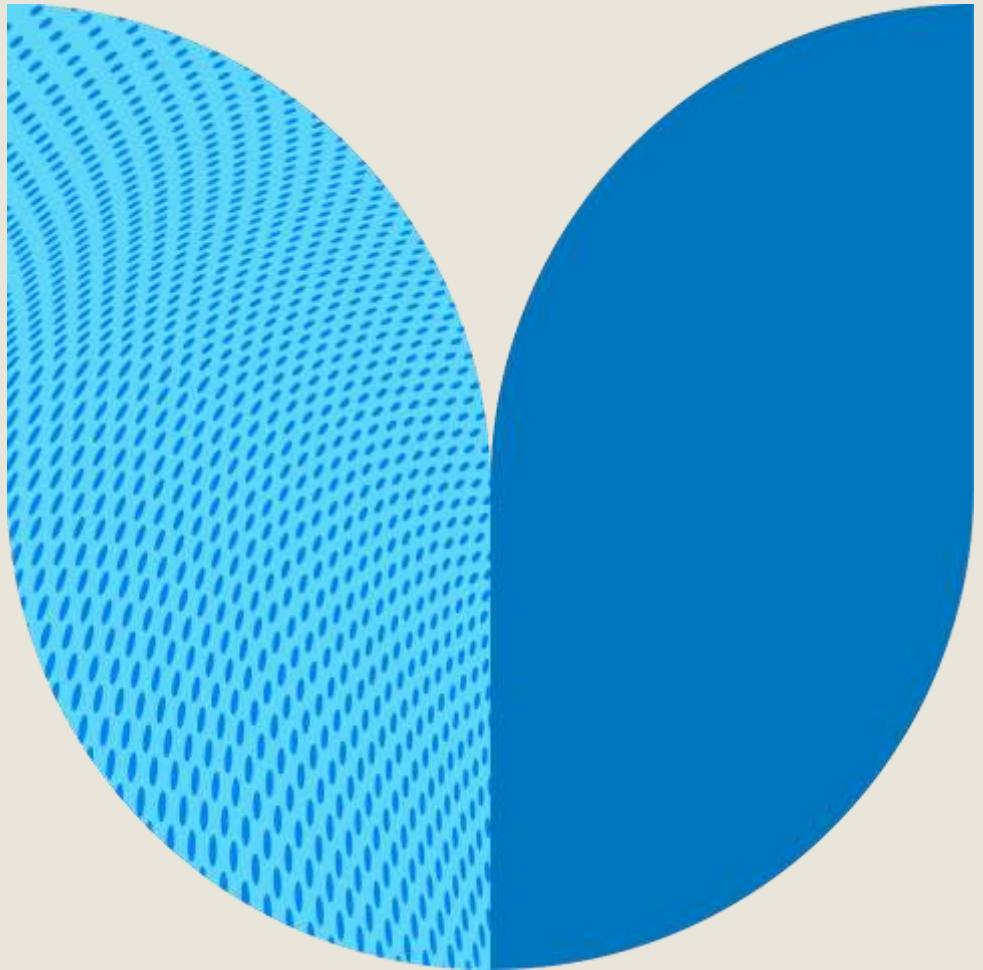
Exaworld

<p

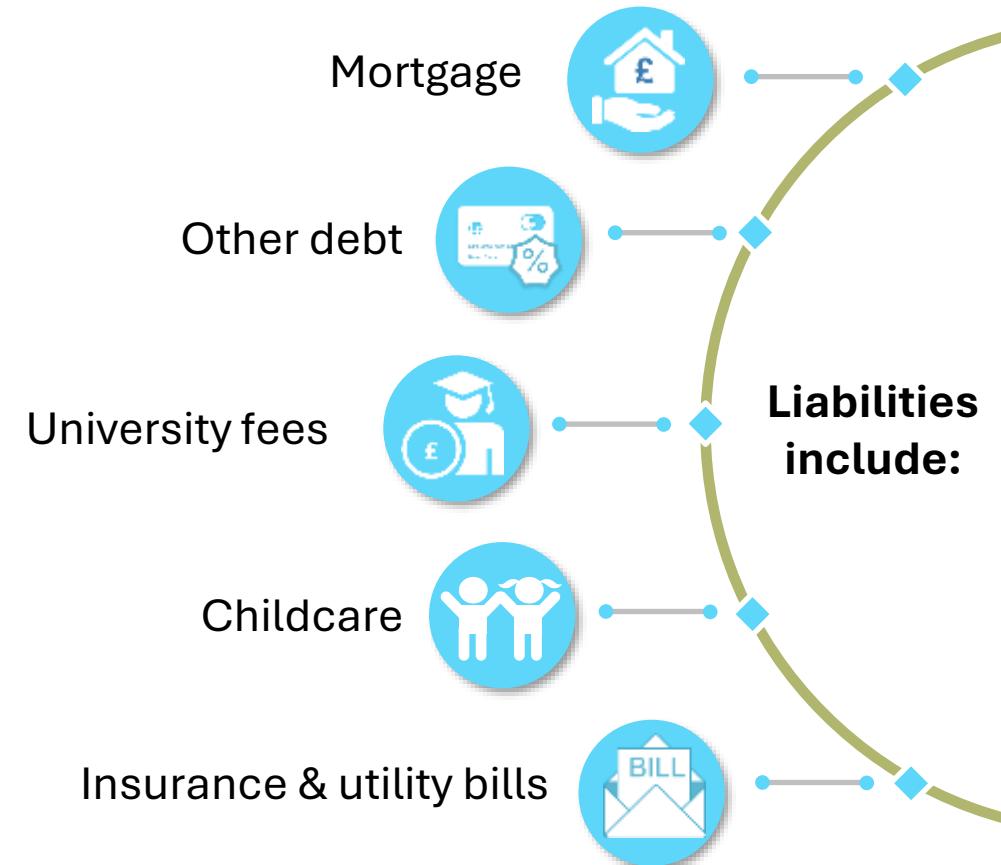
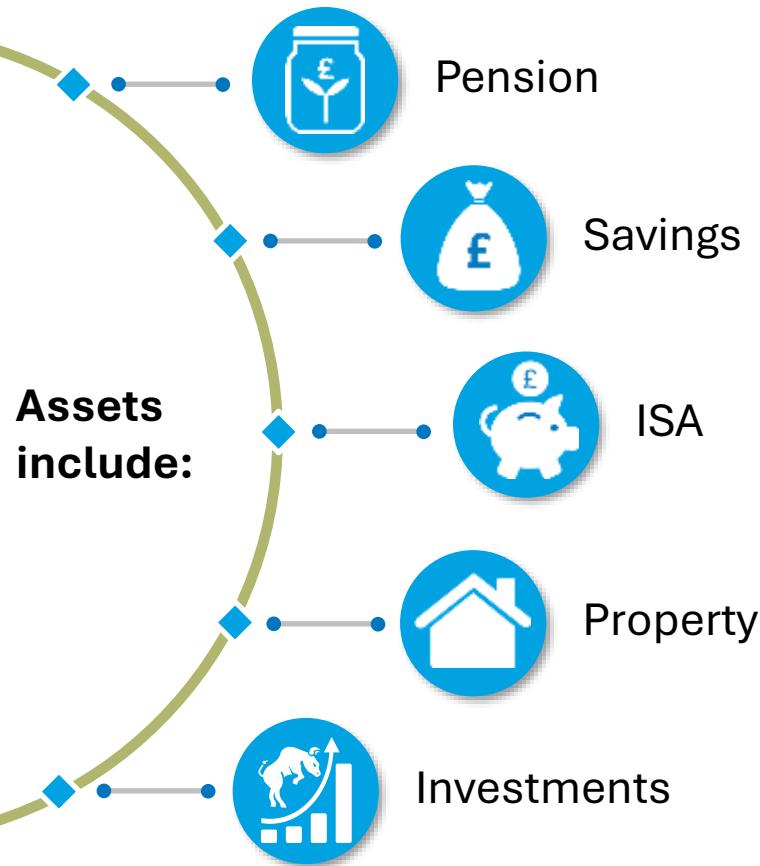
(The link will be emailed to you after this online seminar)

You will also be able to view a list of useful contacts for your workplace pension schemes from this site

Taking Stock Of Your Existing Finances



Your assets and liabilities



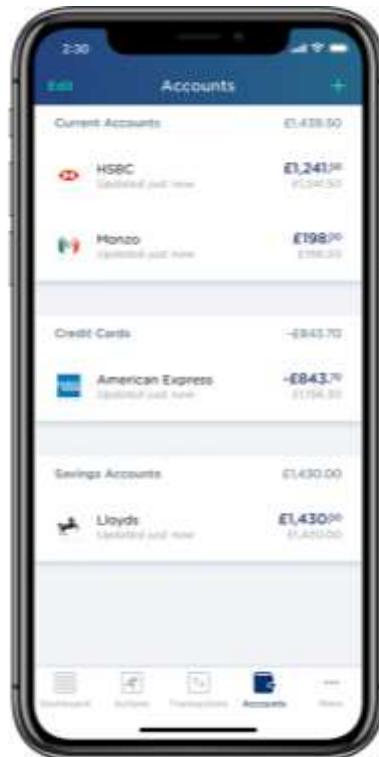
Budgeting – 4 steps



Search: 'MoneyHelper Budget Planner'

Budget planning

Apps are available that can integrate with your accounts to build a budget in one place.



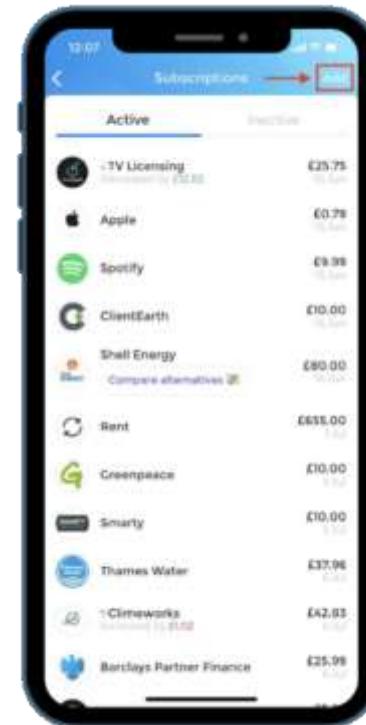
A clear overview of all accounts

Budget planning

Apps are available that can integrate with your accounts to build a budget in one place.

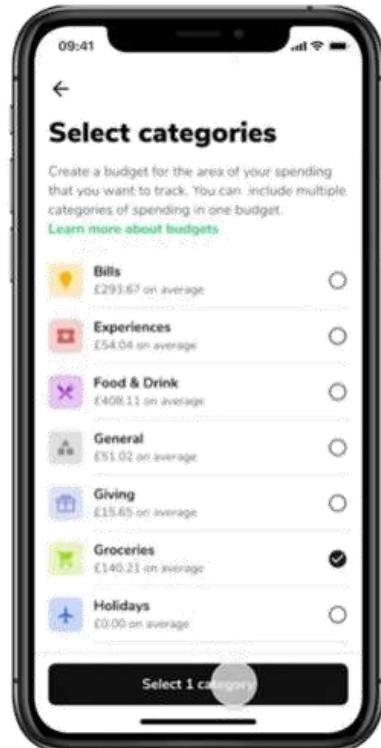
A clear overview of all accounts

Show all transactions in one place



Budget planning

Apps are available that can integrate with your accounts to build a budget in one place.



A clear overview of all accounts

Show all transactions in one place

Set multiple budgets

Budget planning

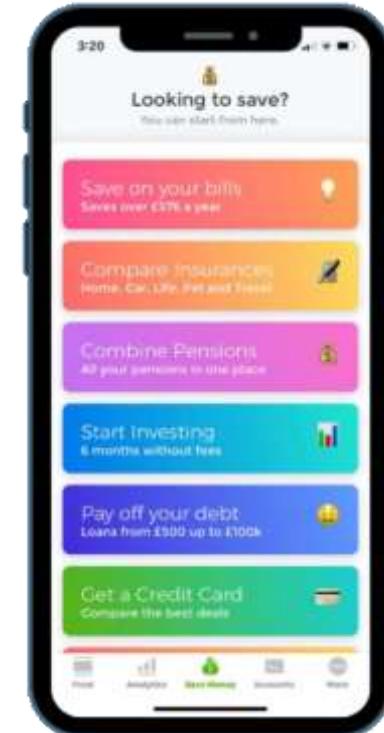
Apps are available that can integrate with your accounts to build a budget in one place.

A clear overview of all accounts

Show all transactions in one place

Set multiple budgets

Set multiple savings goals



Budget planning

Apps are available that can integrate with your accounts to build a budget in one place.



A clear overview of all accounts

Show all transactions in one place

Set multiple budgets

Set multiple savings goals

Keep on track with reminders

Financial Protection

Financial protection is available to you through your employment at BT Group.

Death In Service Cover



- Provided to all employees
- Tax free lump sum if you die whilst employed at BT Group
- Check your level of cover & chosen beneficiaries

Private Medical Insurance



- Access to private medical treatment
- Check if you have cover in place

Critical Illness Cover



- Tax free lump sum if you suffer a specified illness or injury
- Check if you have cover in place

Some benefits are available to select all year round, while others are only available during the annual selection window in March.

For more details log in to Your Rewards: www.therewardhub.com/identity/bt/login

Updating Your Beneficiaries

You can update your beneficiaries for your death in service and BTRSS pension.



Keep your chosen beneficiaries up to date
The lump sum payment is made free of IHT and income tax



Complete your BTRSS nomination form

Death before age 75:

Your pension is usually received tax free by your beneficiaries

Death after age 75:

Your pension is taxed at your beneficiaries marginal rate

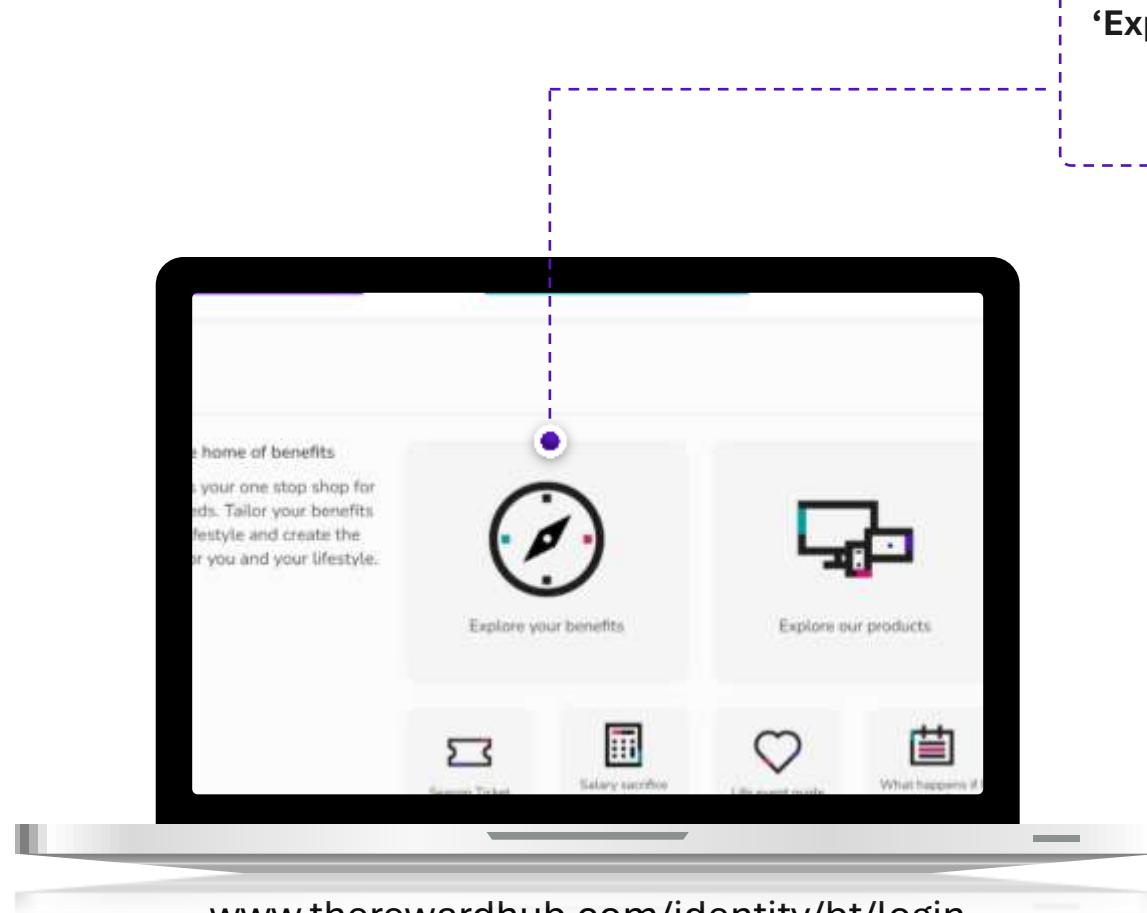
Note: Unspent DC pension pots will be assessed for IHT from April 2027

My Benefits



www.therewardhub.com/identity/bt/login

My Benefits



‘Explore your benefits’ is a good place to start and links you through to your Expression of Wish form.

www.therewardhub.com/identity/bt/login

Rates of income tax

**Personal
Allowance**
on the first
£12,570*



>£12,570*

**Basic
Rate Tax**
on the next
£37,700



>£50,270

**Higher
Rate Tax**
on the next
£74,870



>£125,140

**Additional
Rate Tax**
on earnings above
£125,140



*The Personal Allowance reduces by £1 for every £2 of income above £100,000.

Scottish rates of income tax

Personal Allowance

up to £12,570*

Basic Rate Tax

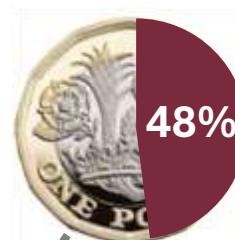
£15,398 - £27,491

Higher Rate Tax

£43,663 - £75,000

Top Rate Tax

above £125,140

**Starter Rate Tax**

£12,571 - £15,397

Intermediate Rate Tax

£27,492 - £43,662

Advanced Rate Tax

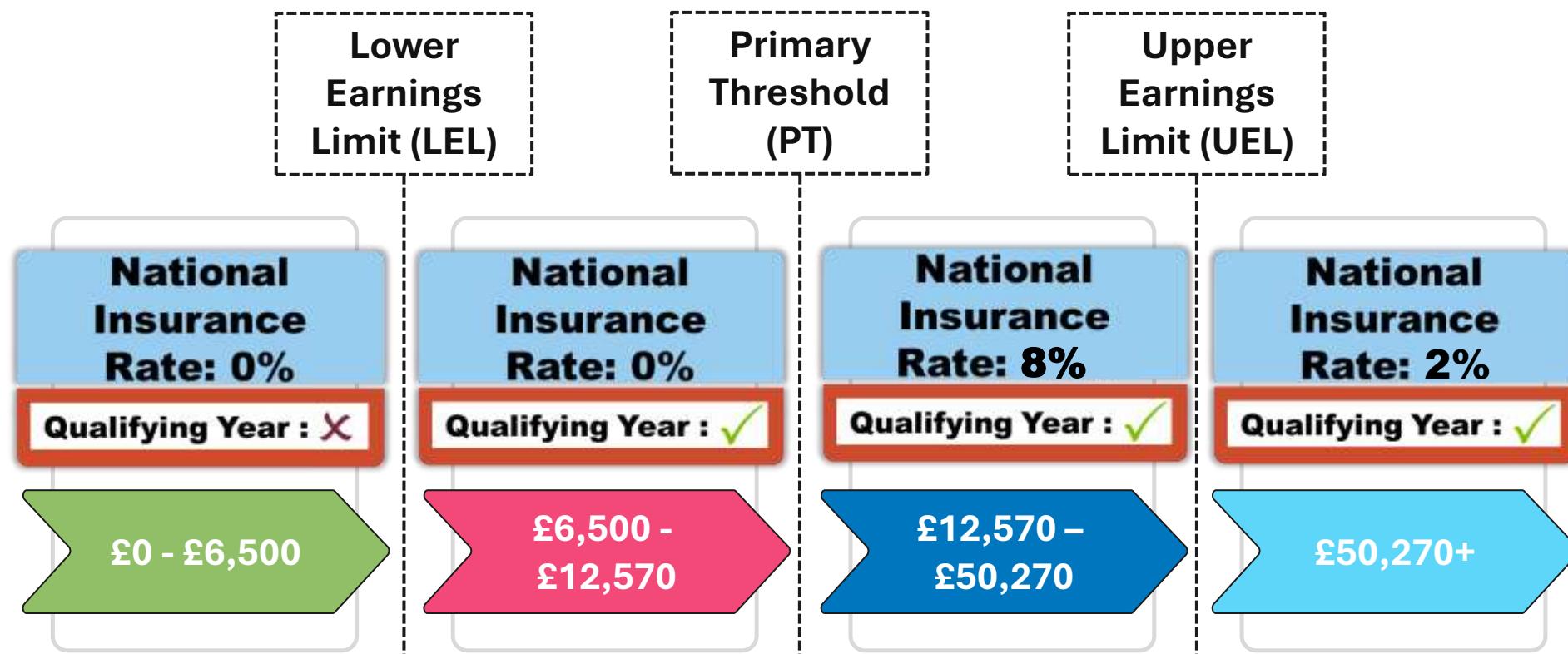
£75,001 - £125,140



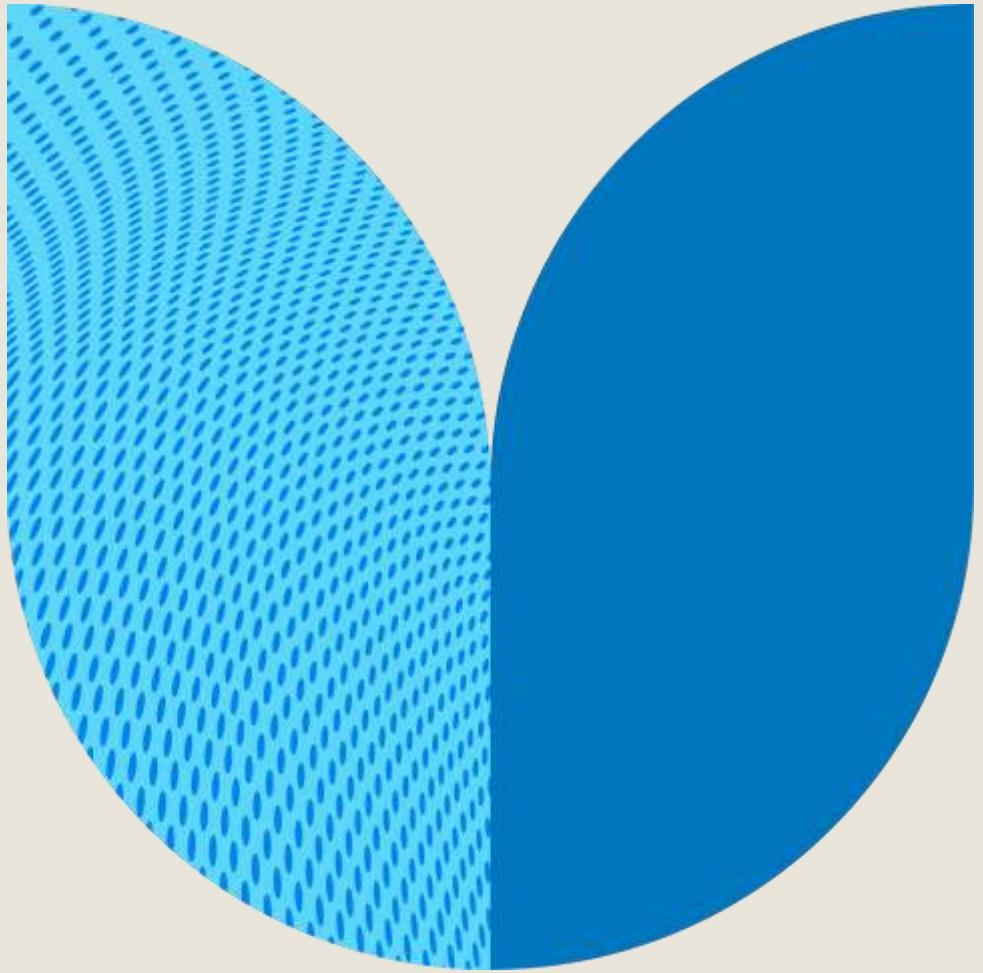
Scottish rates apply to: ✓ Earnings ✓ Pension income ✓ Rental income

They do not apply to: ✗ Savings ✗ Dividends ✗ Capital gains tax

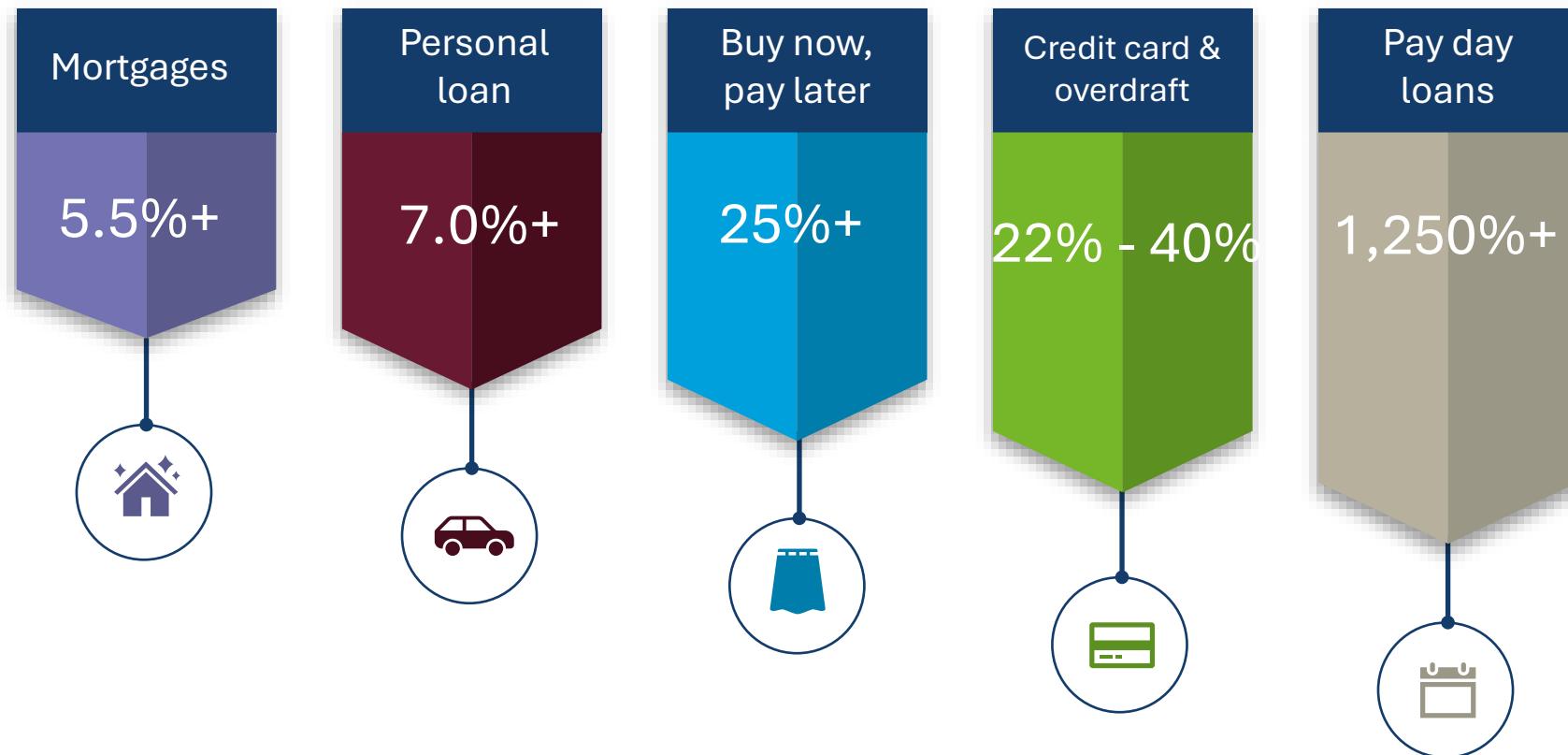
National Insurance



Debt And Mortgages



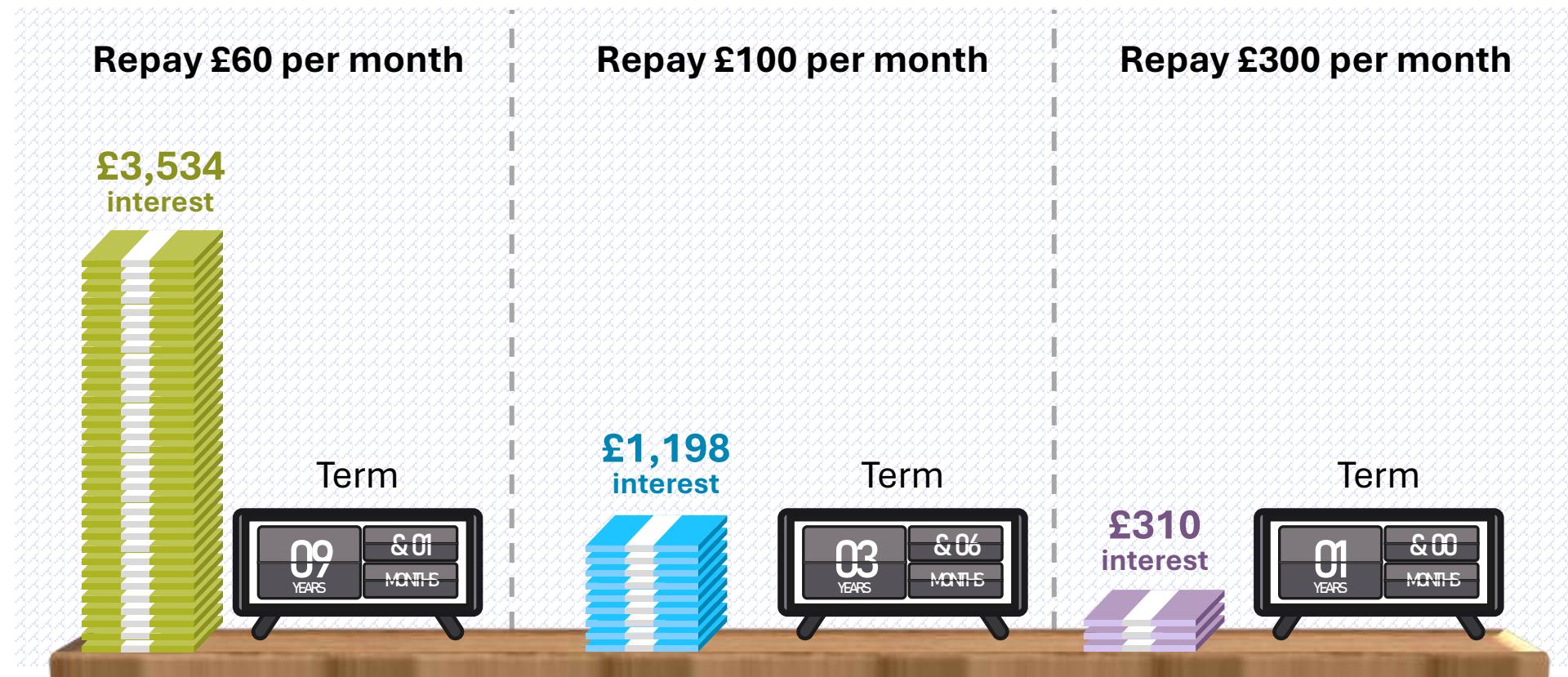
Types of debt



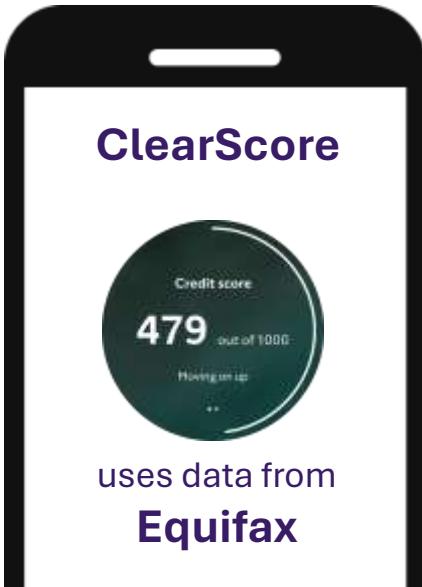
*All rates are approximate examples only.

Credit card overpayments

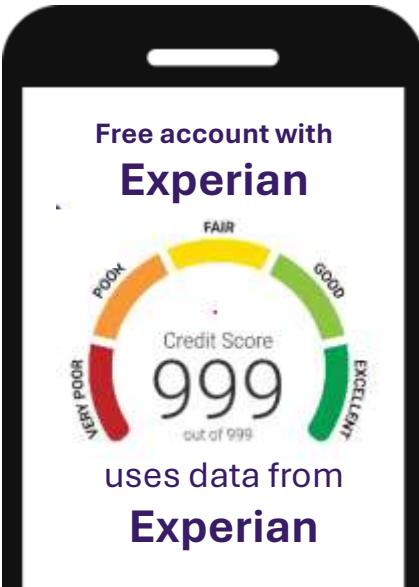
Based on a credit card debt of £3,000 and 22% APR.



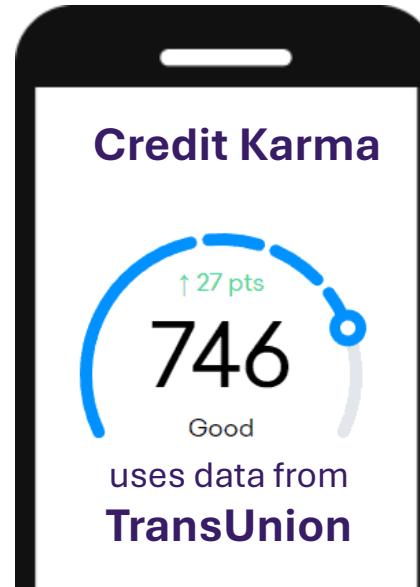
Check your credit score for free



www.clearscore.com



www.experian.co.uk

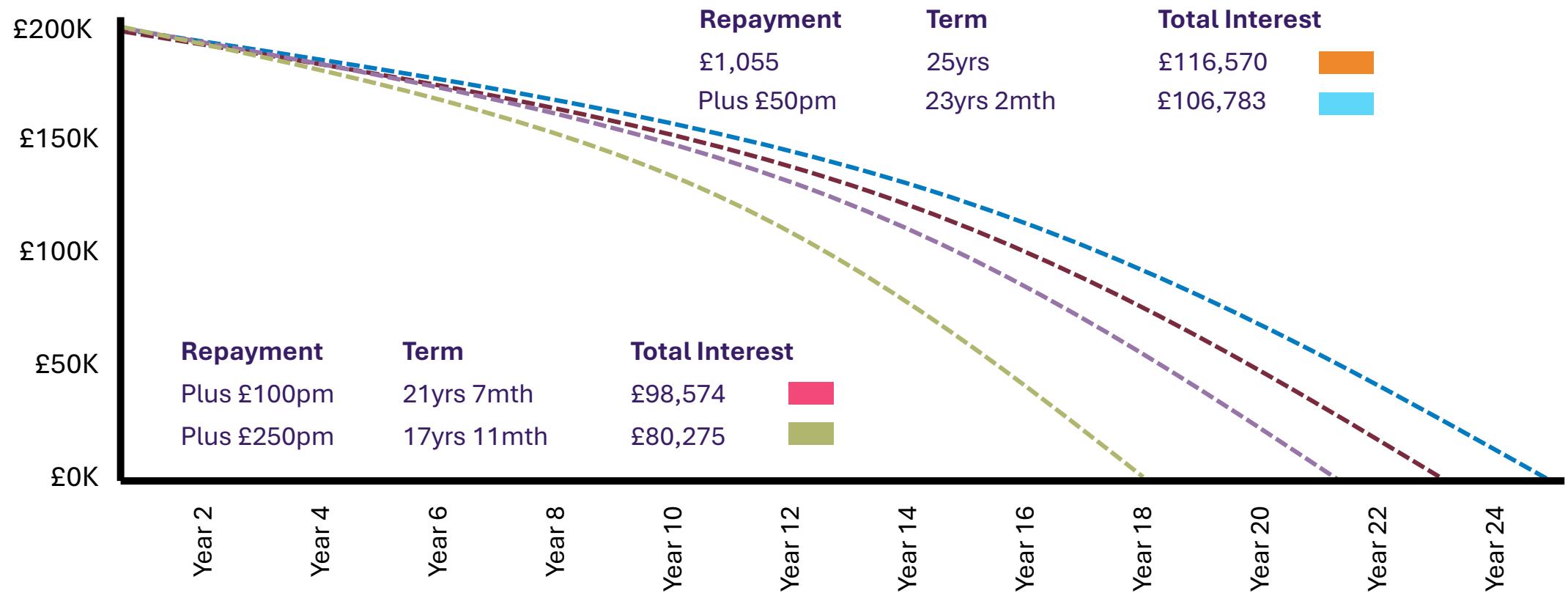


www.creditkarma.co.uk

It's worth checking your credit score with all three agencies at least once a year

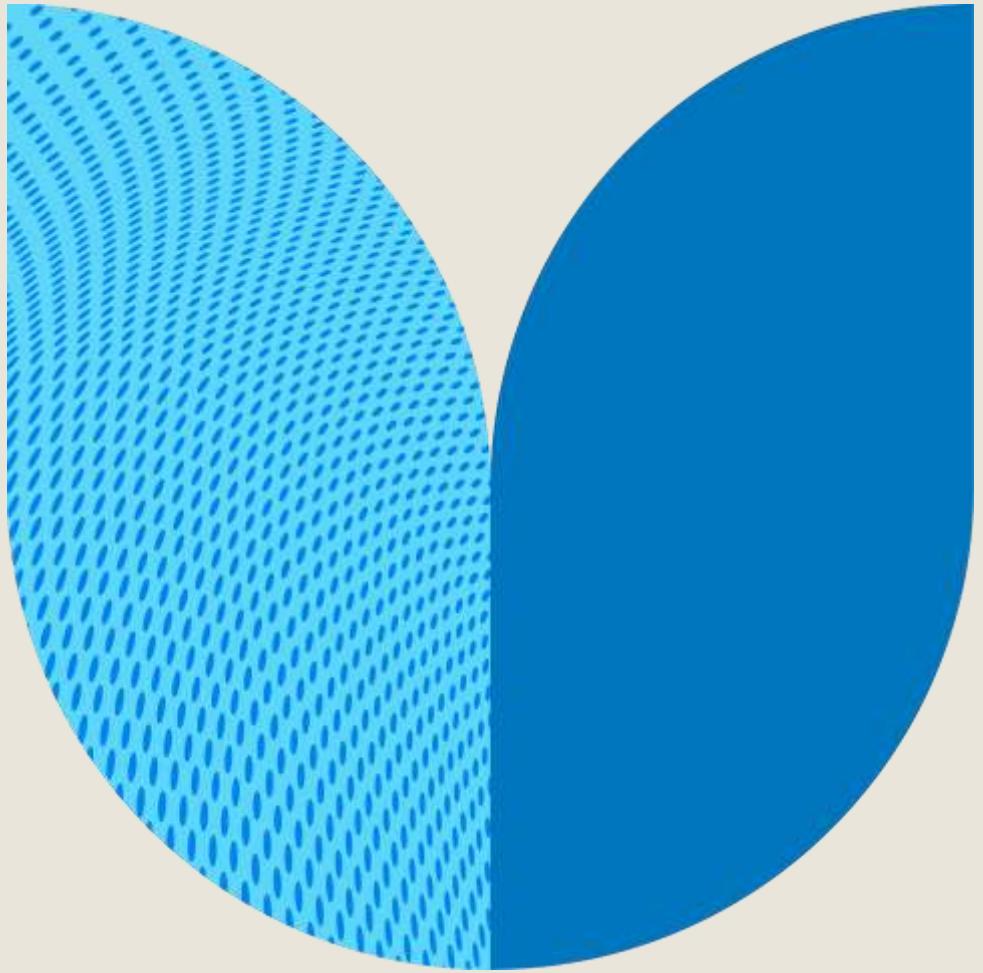
Repaying your mortgage early

Based on a £200,000 repayment mortgage with 25 year term and 4% interest rate

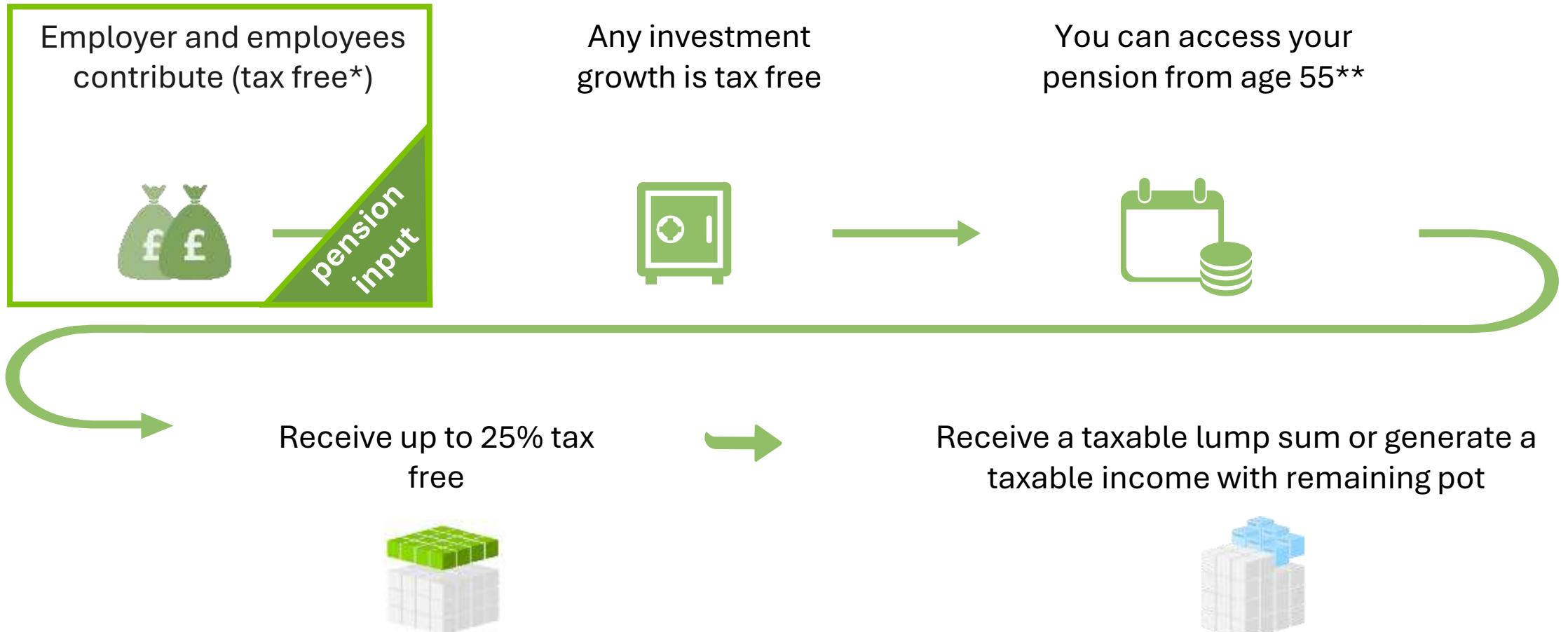


Graph shown for illustrative purposes only. Data provided by Nationwide Building Society. Any early repayment charges or changes in interest rates are not reflected in the figures shown

Building Up Savings In The BTRSS



Defined contribution (DC) schemes



*subject to HMRC limits

**The minimum age for accessing your pension is expected to increase to age 57 from 6 April 2028. Pension savings in certain schemes may be protected from this change.

How Contributions May Add Up

- Annual Salary £35,000 (salary sacrifice member)
- Employee Contribution = £1,750pa (5%)
- Tax Saving = 20%
- NI Saving = 8%
- Personal Cost = £1,260
- BT Group Contribution = £3,500pa (10%)

 BT Group contribution (10%)

 Tax & NI savings

 Employee contribution (5%)

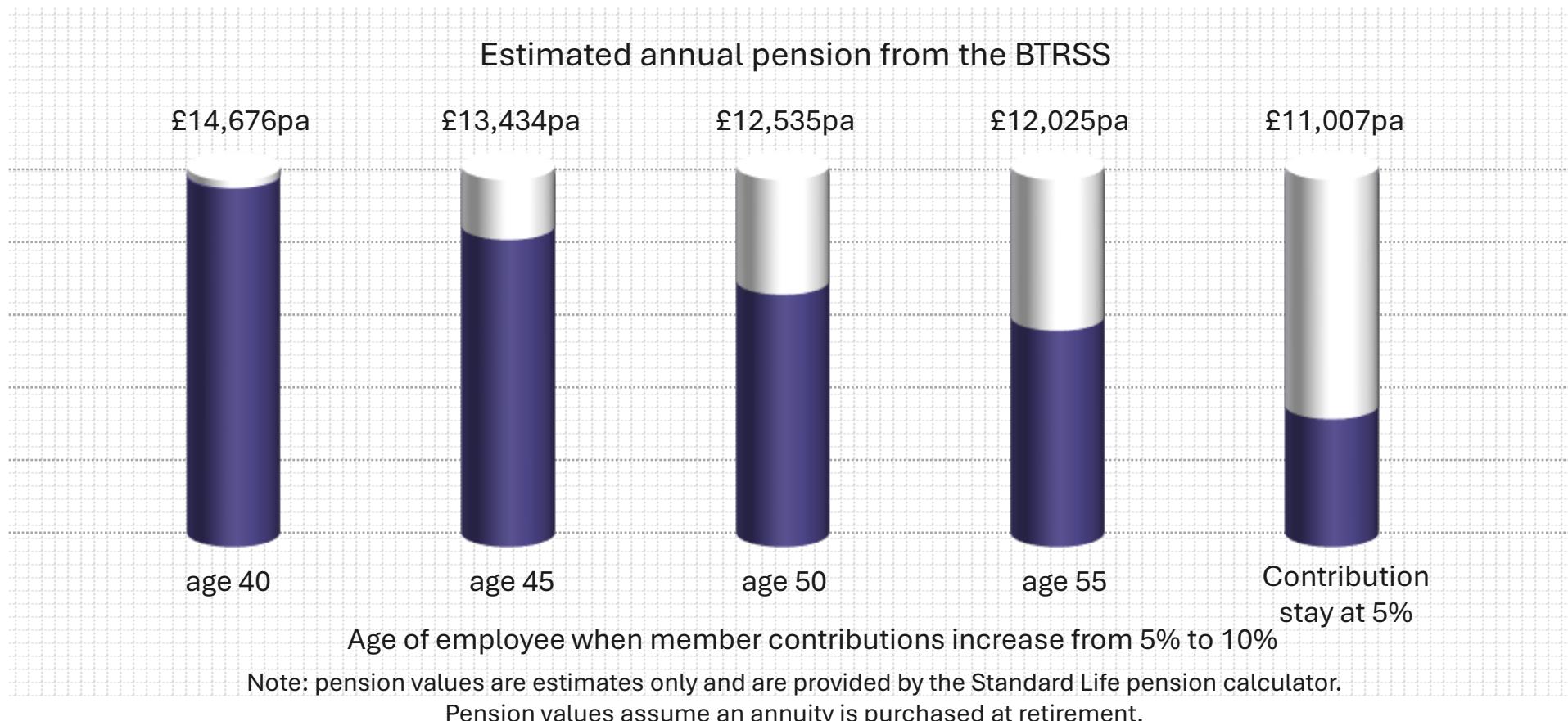


*You must contribute at least 5% and BT Group will contribute 10% of pensionable salary.

Making The Most Of Your Pension

Increasing pension contributions as early as possible is likely to have the biggest impact.

£35,000 salary | Age 40 | Retirement age 65



Pension Calculator

Make use of the Standard Life pension calculator to see the potential future value of your pension savings.



Limits on tax efficiency

Annual Allowance (AA)

- The annual allowance is £60,000*
- This may be reduced if your total taxable income exceeds £200,000 or you flexibly withdraw taxable income from a DC scheme
- Carry forward may be available from up to the 3 previous tax years

Limits on tax-free cash

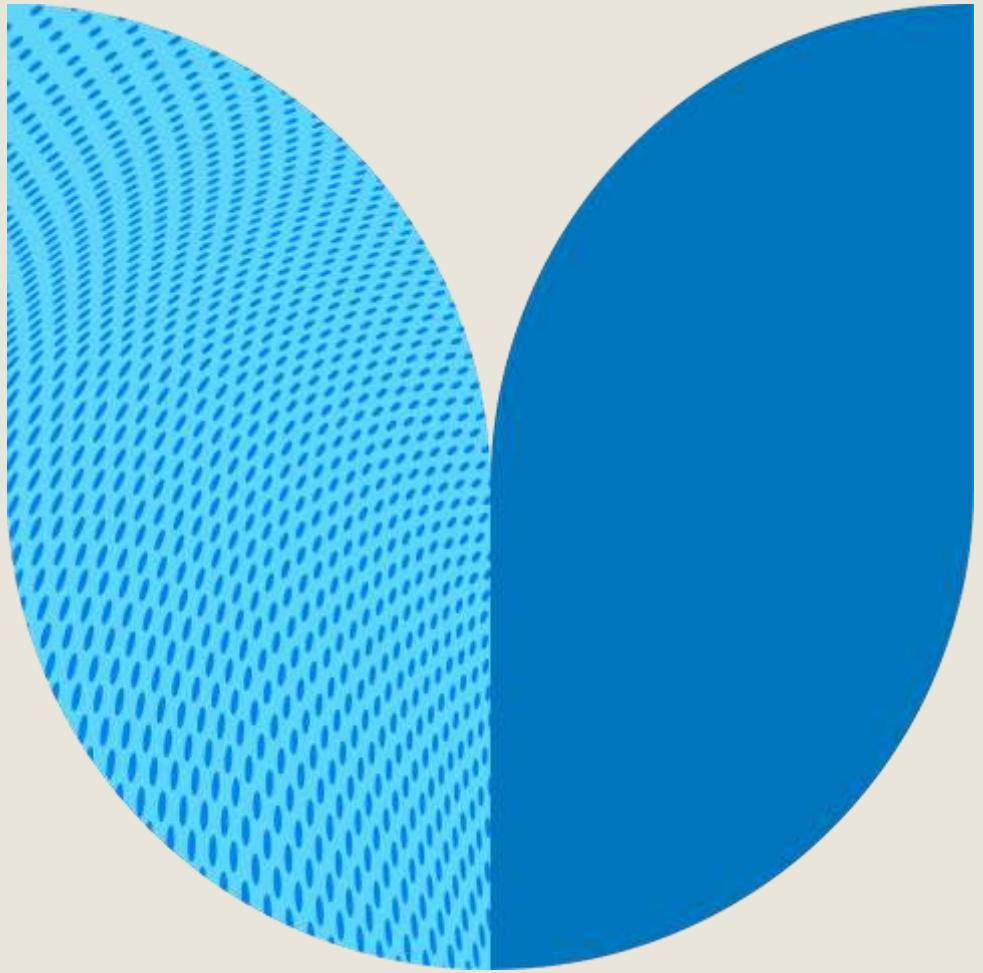
- Lump Sum Allowance (LSA): The maximum tax-free cash is limited to 25% of the pension value, subject to a total cap of £268,275 (which is set to be frozen)
- Lump Sum and Death Benefits Allowance (LSDBA): The maximum amount of non-taxable lump sums that can be taken from a pension, set at £1,073,100.
- Those individuals who hold Life Time Allowance (LTA) protection will have allowances based on their protected LTA



If you think you may be affected, ask about this on your follow up call

*Tax relief is only available on contributions up to the greater of 100% of relevant earnings or £3,600

Investing Your BTRSS

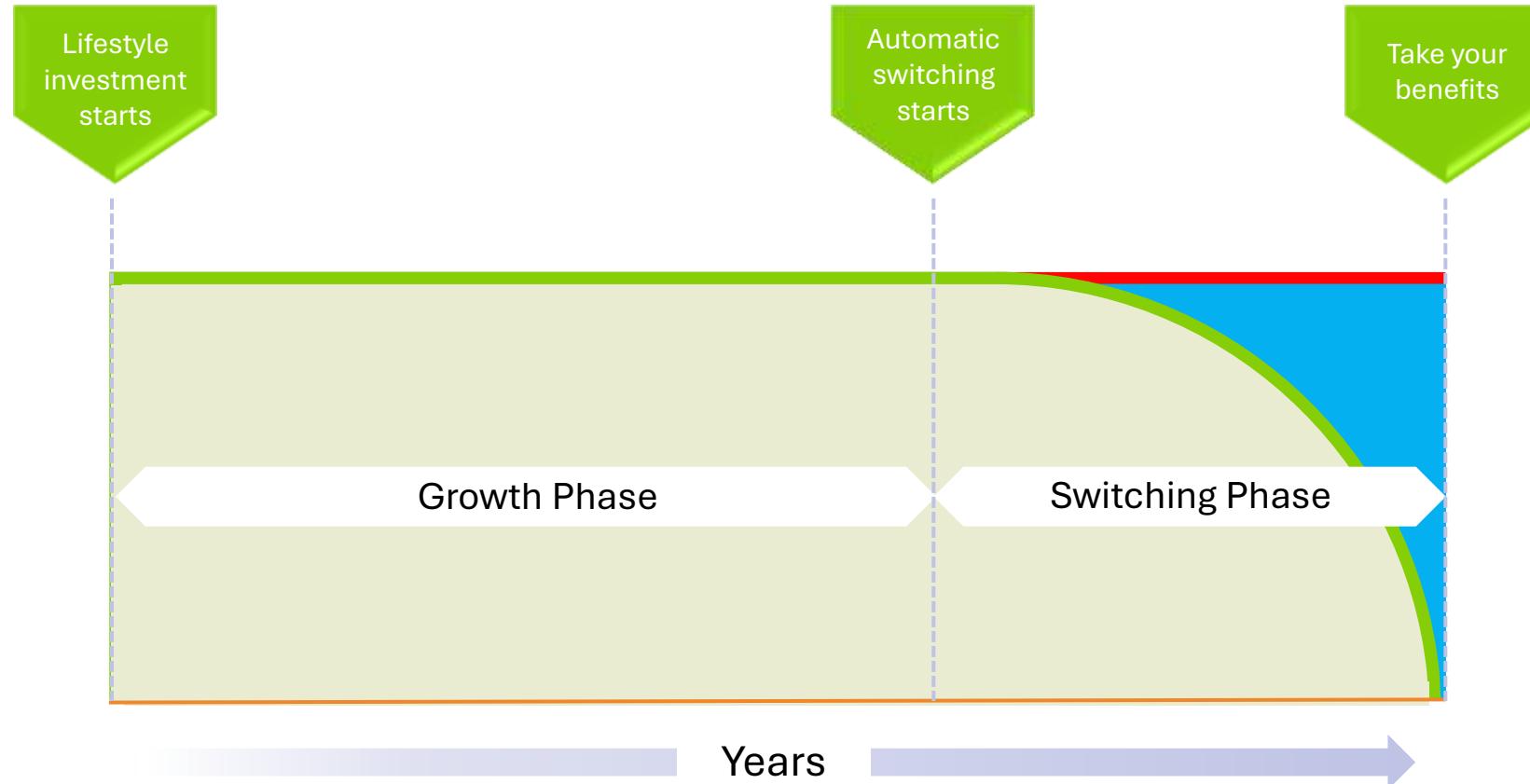


Your Investment Options

How your pension savings are invested is up to you. There are choices depending on how involved you want to be with your investments.

OPTION**1****Do It For Me
(default)**The low
involvement
lifestyle option**OPTION****2****Help Me Do It**Other
Standard Life
Lifestyle
profiles**OPTION****3****Let Me Do It**Choose from
the full fund
range

Lifestyle funds



Your Selected Retirement Date

Standard Life

Home >
Your pension >
Plan your retirement >
Combine your pensions >
Your details >
Mailbox >
Help >
Guides >
Logout

Personal details **Plan information** **Preferences**

Plan retirement date

The date you have chosen to start taking your retirement benefits.

Retirement date

Plan retirement date
19 2050

[Important information about changing your retirement date](#)

Important information

The value of investments can go down as well as up and you may get back less than was paid in. Laws and Tax rules may change. Your own circumstances - including where you live in the UK - also have an impact on tax treatment. The information here is based on our understanding in April 2019. Some figures may refer to past performance. Where applicable, past performance is not a reliable guide to future performance.

There's a lot to look forward to

Connect with us

Self-select funds



Choose from a range of different investment types



Invest into equities, bonds, property or cash



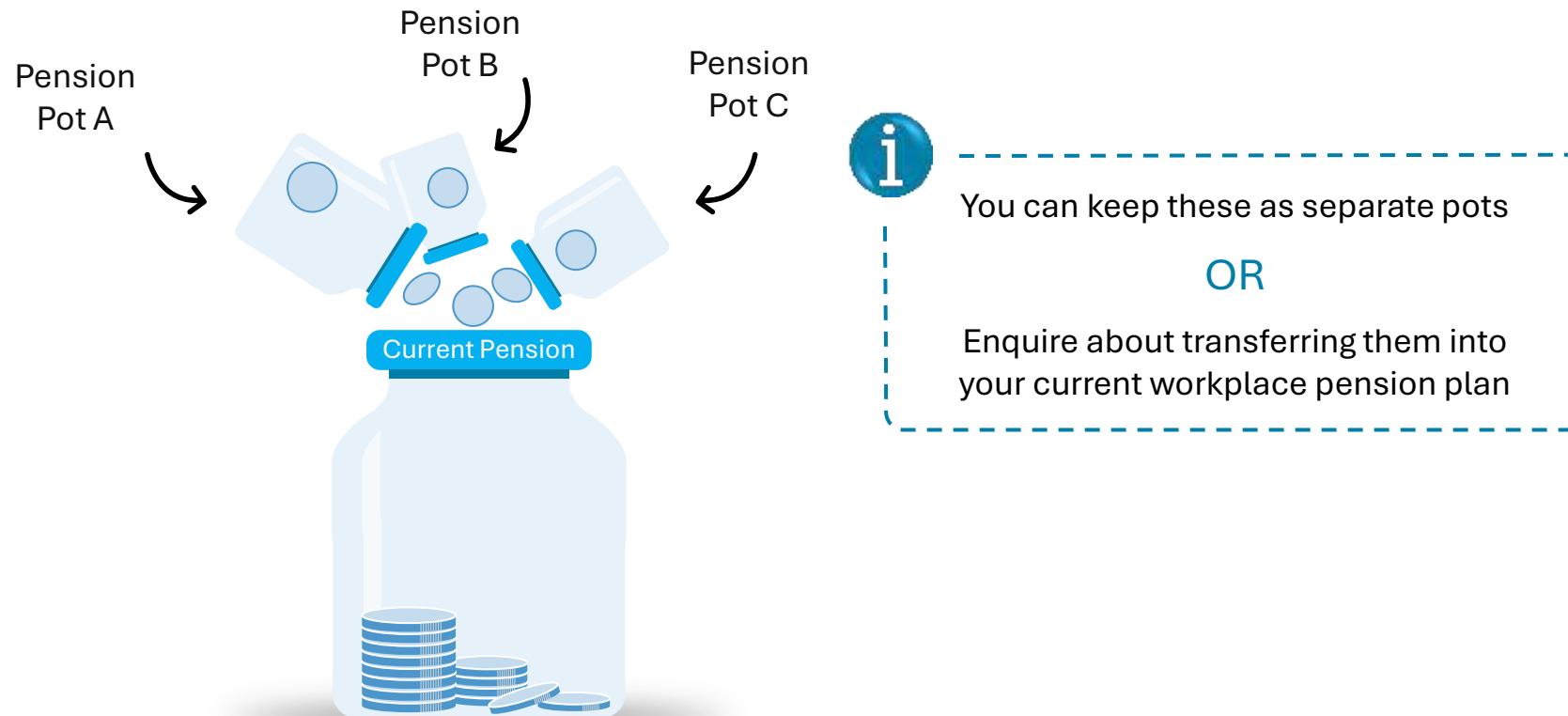
You can manage your exposure to risk as you approach retirement



Visit the Scheme website for further information

Pension consolidation

It is common to build up a number of 'pension pots' from previous employment.



Pension consolidation

Make sure you have reviewed any benefits and drawbacks before taking action.

Potential benefits:

Lower costs?



Investment choice?



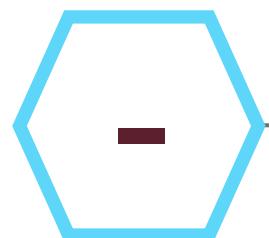
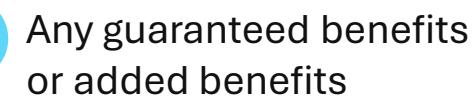
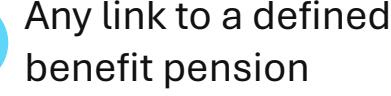
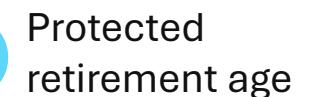
Convenience?



Improved administration?



What to look out for:



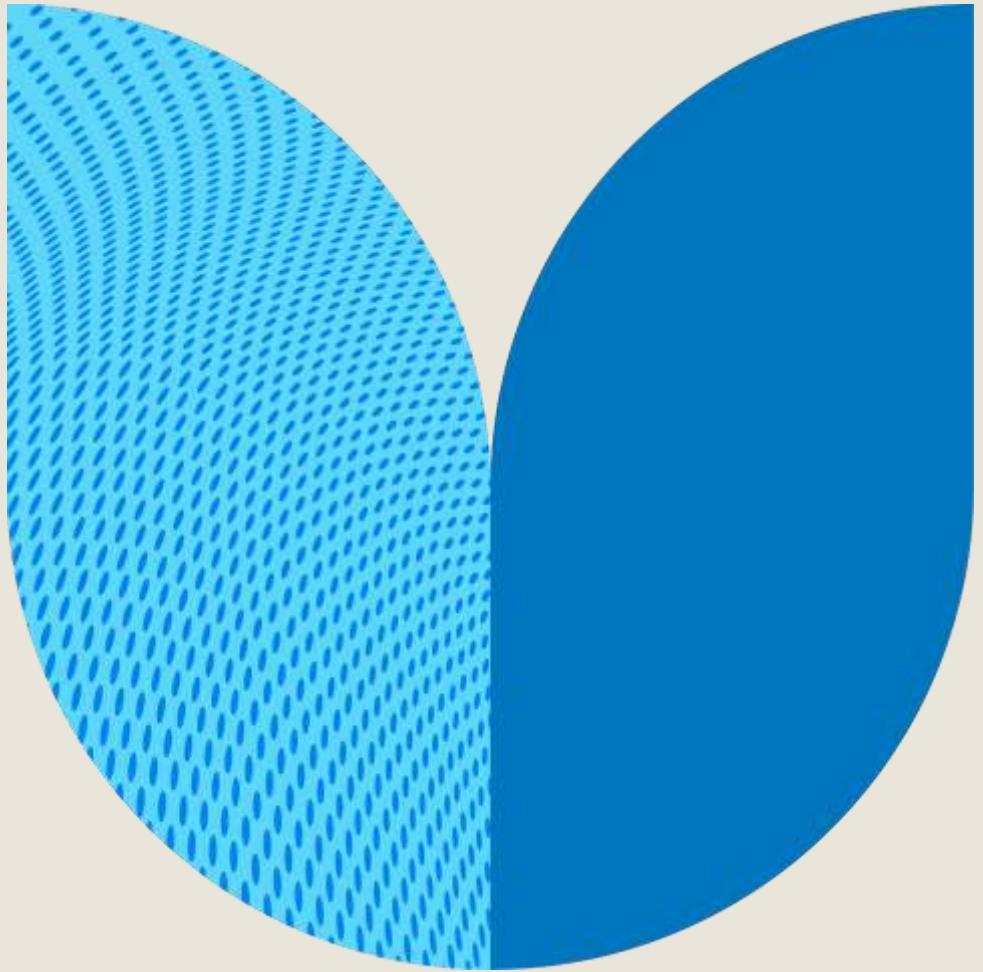
If you are unsure, you should always seek regulated advice before transferring a pension



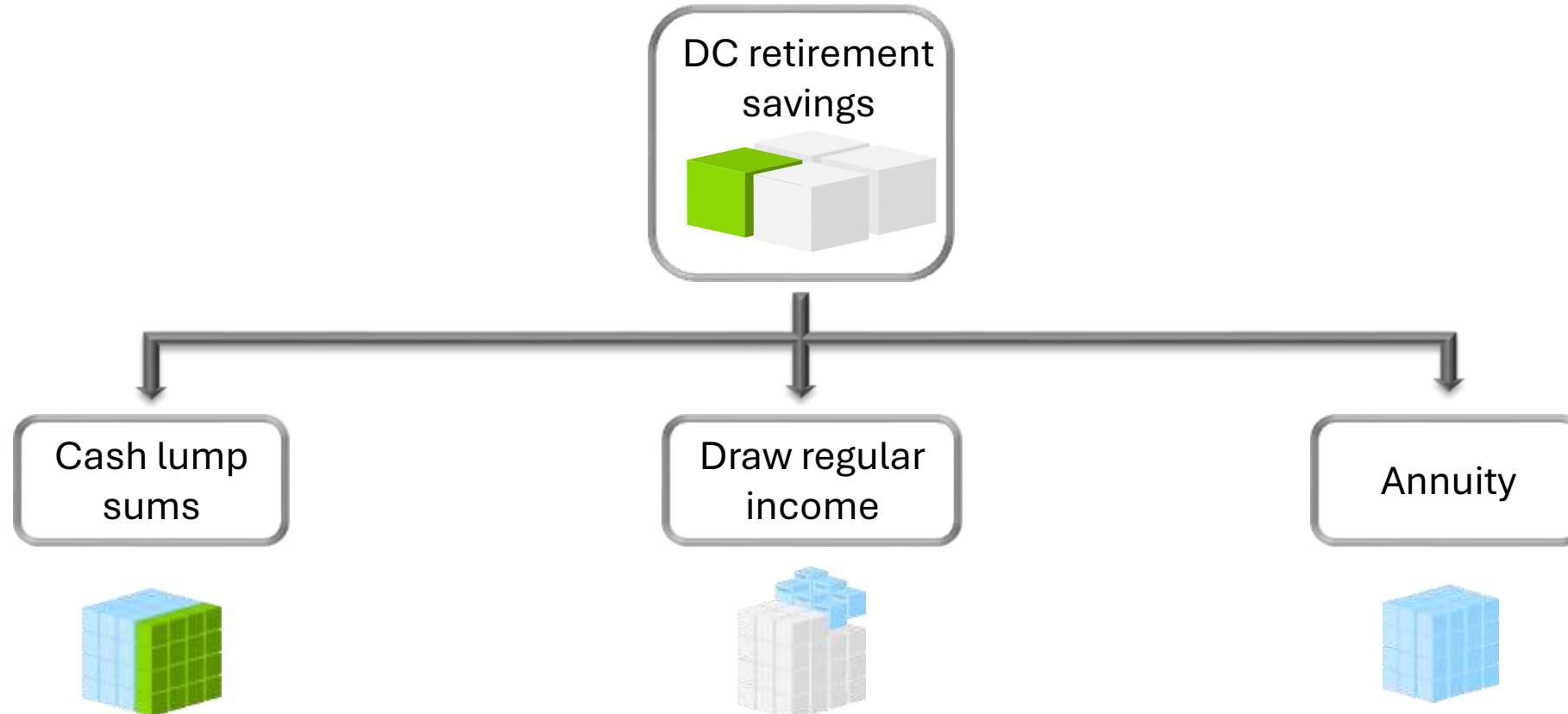
finding lost pensions:

gov.uk/find-pension-contact-details

Receiving Your Pension At Retirement

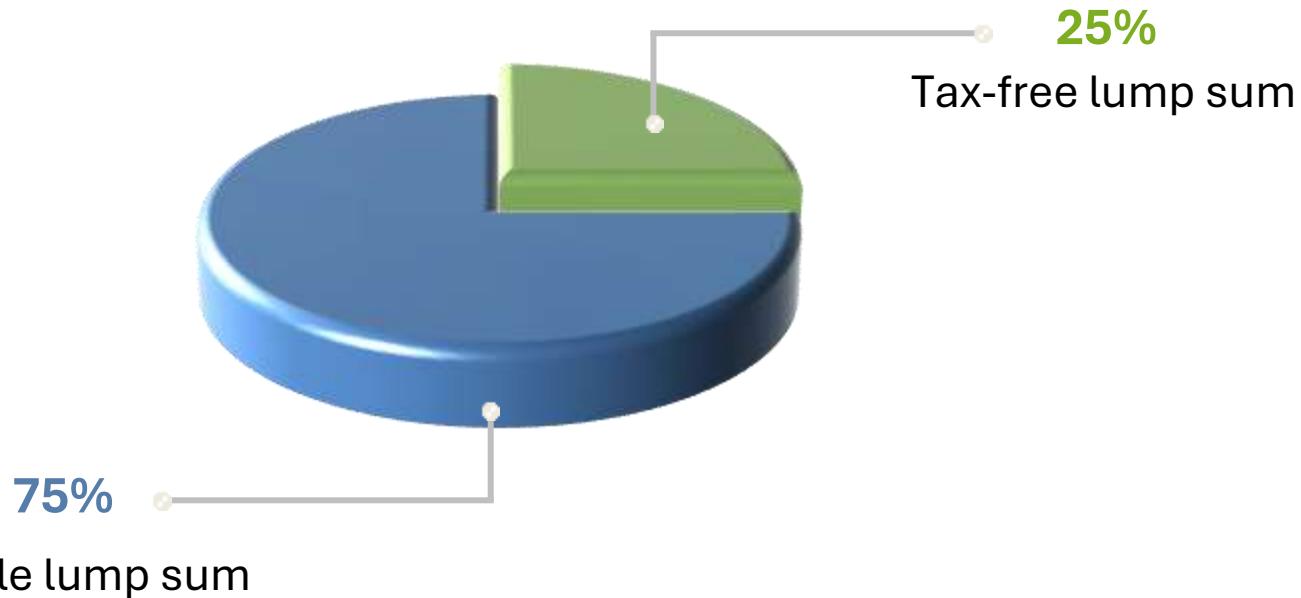


Defined contribution income options



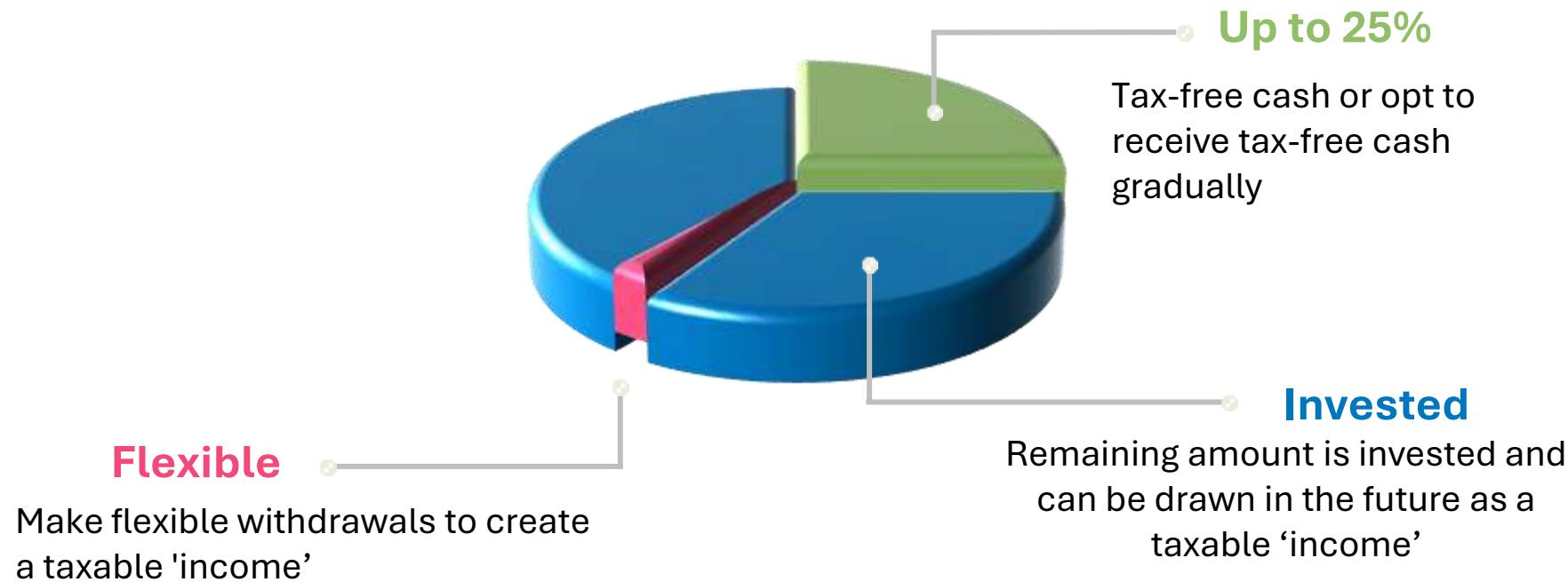
You may need to transfer your benefits to an alternative arrangement to access your chosen income route

Cash lump sum



- The taxable lump sum is taxed in the year of receipt
- This could lead to a significant tax charge
- There is the option to receive a series of lump sums

Flexi access drawdown



Remember – the MPAA will apply if you receive taxable money flexibly from any DC pension pot.

Buying an annuity

Receive up to 25% as a tax-free lump sum

Options include

- A guarantee period
- Inflation linking
- Spouse/partner income

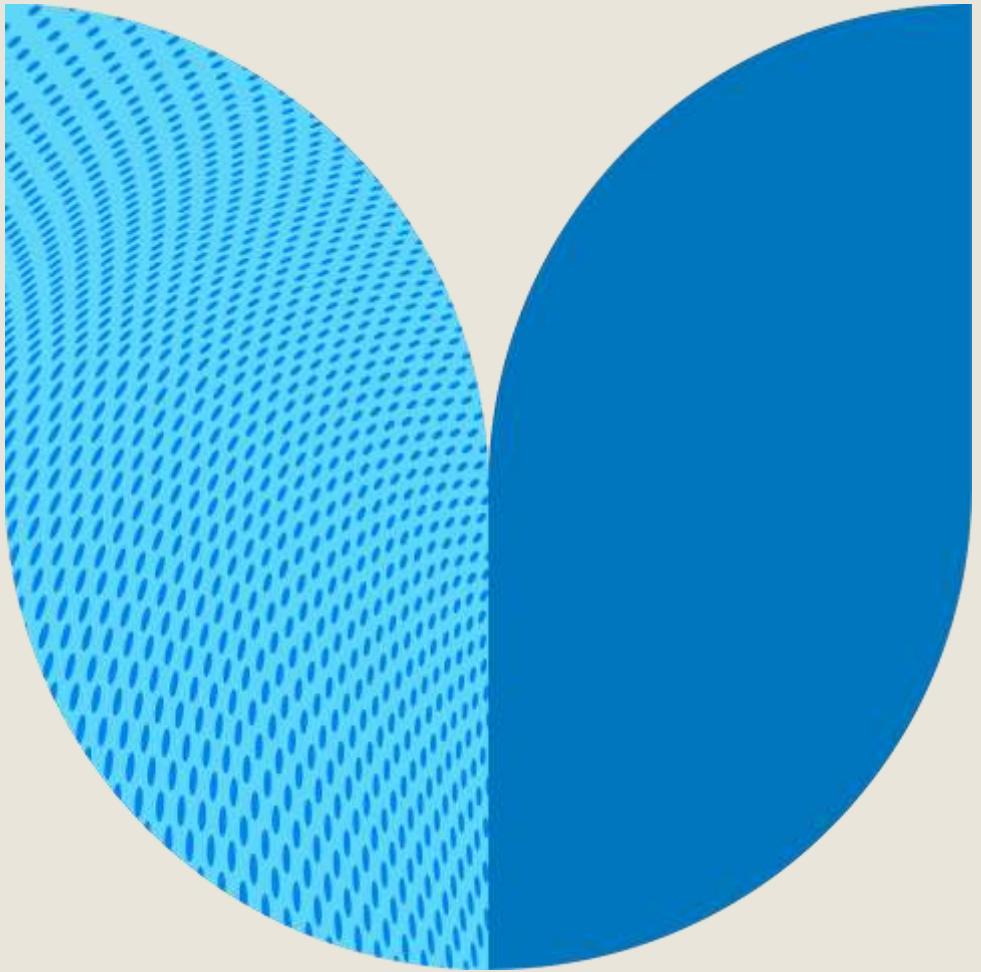
The income level is determined by your circumstances



Buy an annuity with the remainder

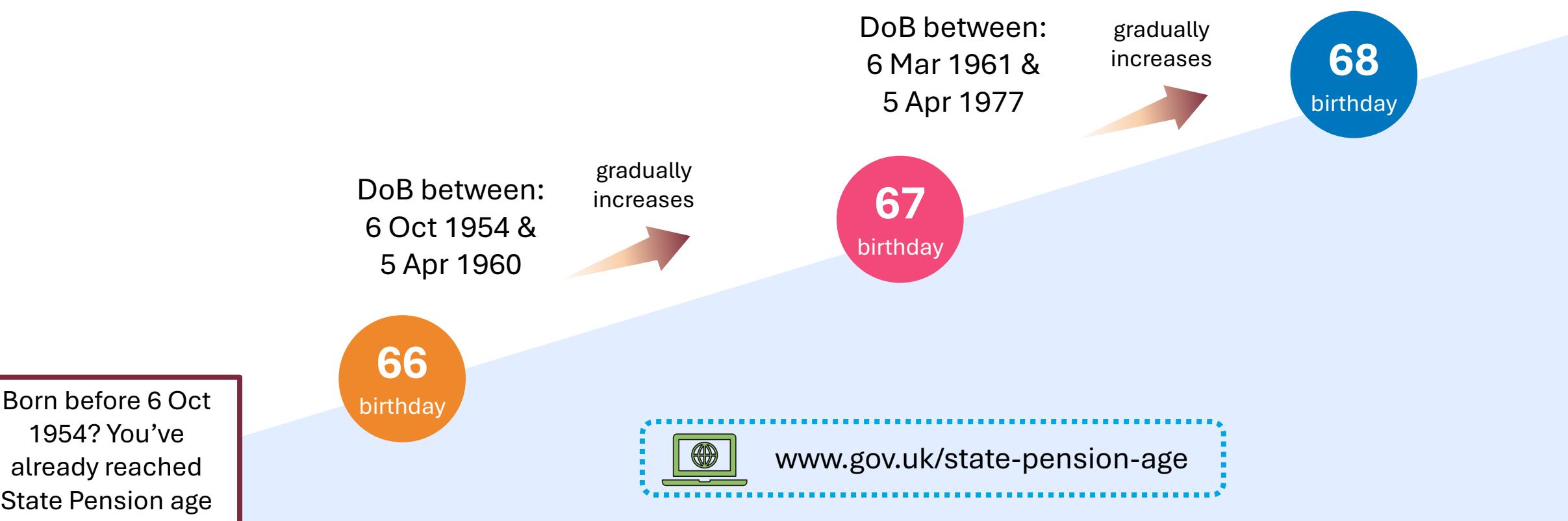
Provides a secure income throughout your retirement

The State Pension



Your State Pension age

DoB from:
6 Apr 1978



The Government intends to bring forward the State Pension age transition from 67 to 68 affecting those born between 6th April 1970 and 5th April 1978 - if adopted those affected will reach State Pension age between their 67th & 68th birthdays

State Pension forecast

Your State Pension summary

You can get your State Pension on 25 June 2036

Your forecast is £230.25 a week, £1,001.18 a month, £12,014.12 a year

Your forecast

- is not a guarantee and is based on the current law
- does not include any increase due to inflation

You need to continue to contribute National Insurance to reach your forecast

Estimate based on your National Insurance record up to 5 April 2025

£184.20 a week

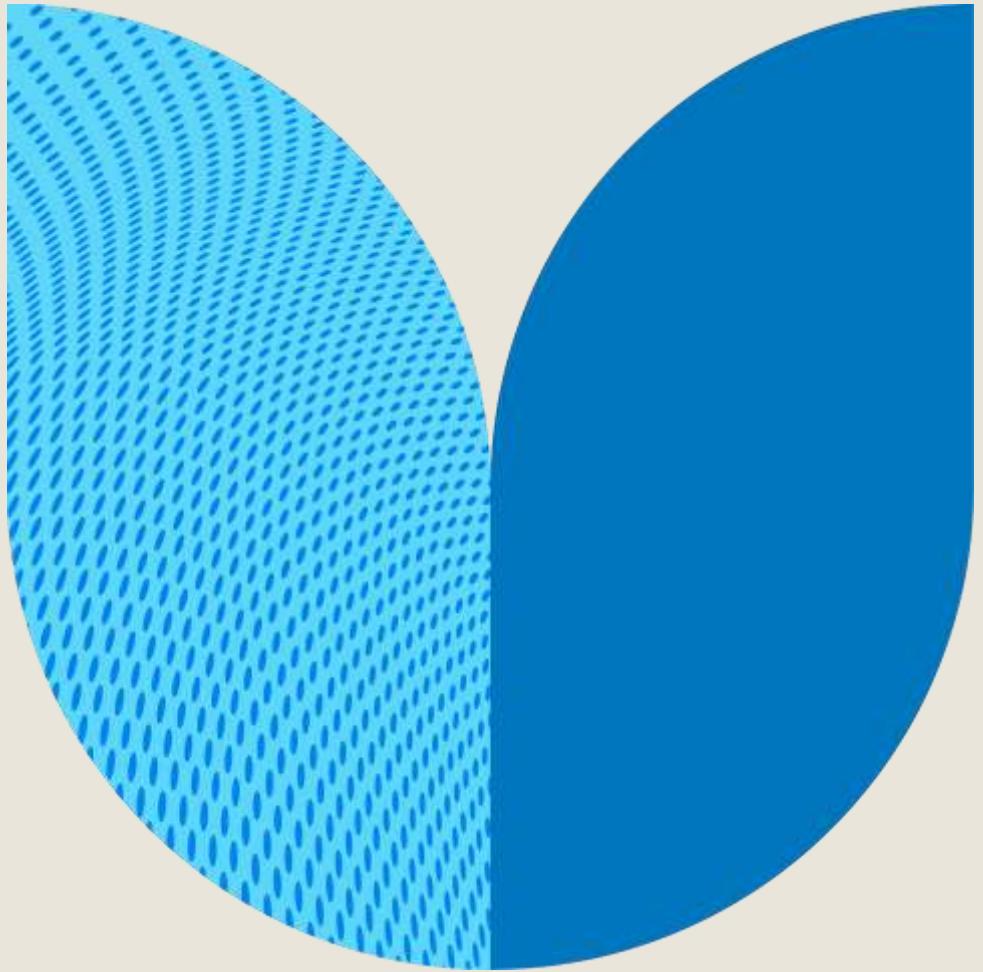
Forecast if you contribute another 7 years before 5 April 2036

£230.25 a week



www.gov.uk/check-state-pension

Other Savings And Investments



Your goals



Short Term

- 0 to 5 years
- Typically cash holdings



Medium Term

- 5 to 15 years
- Consider your risk / return approach

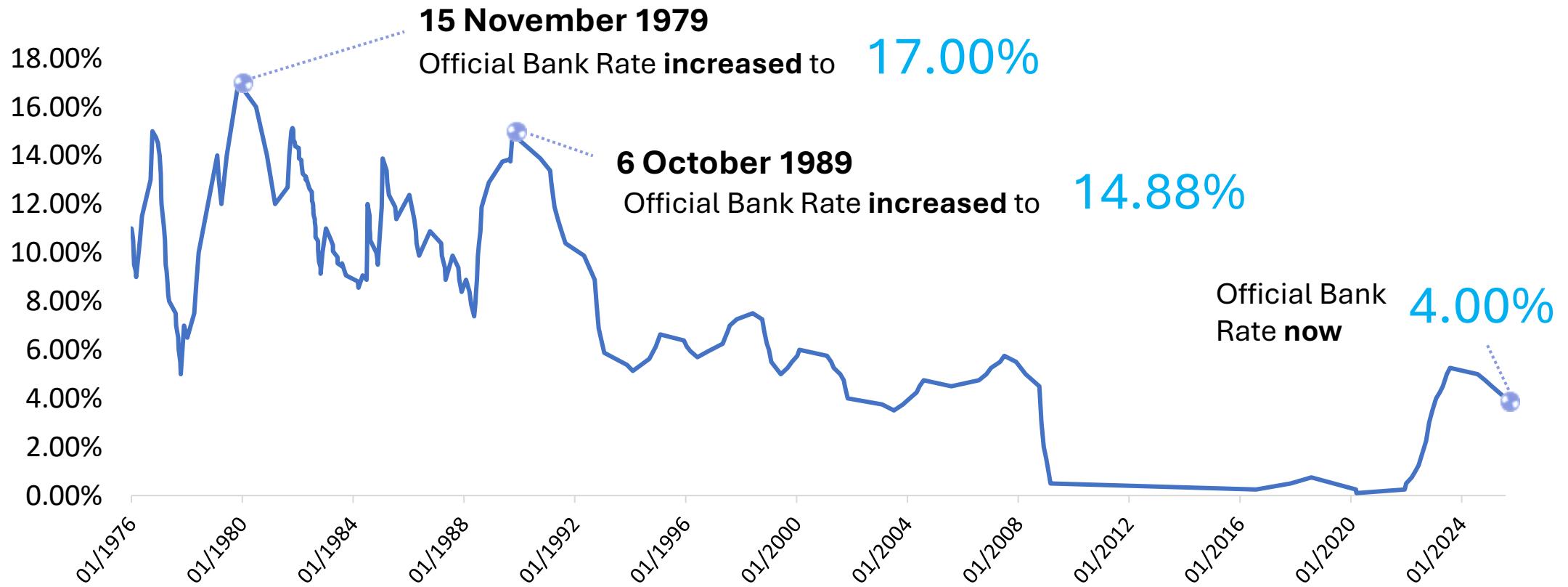


Long Term

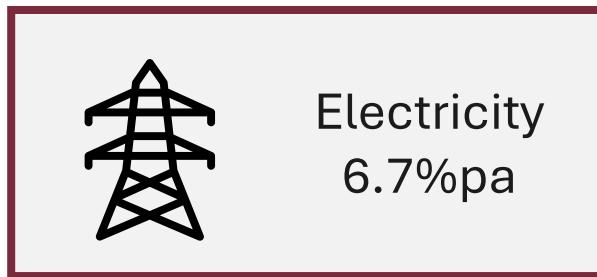
- More than 15 years
- Consider your retirement approach

Changing interest rates

If you have longer term savings you may consider investments rather than cash.



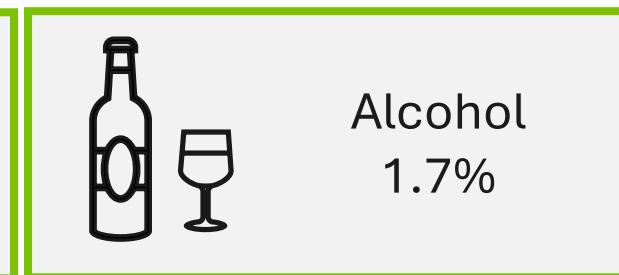
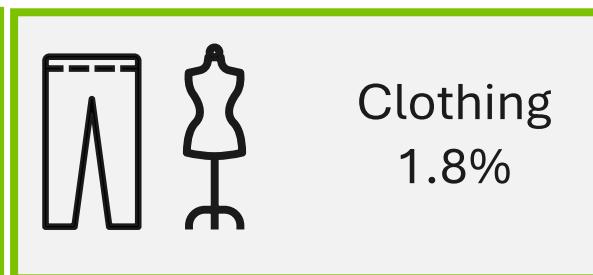
Inflation: average over 10 years



↑ **Above CPI** ↑

Consumer Price Index (CPI) = 3.2%pa

↓ **Below CPI** ↓



Inflation: over 10 years

The price of electricity
has risen

91%



Electricity
6.7%pa

The price of insurance
has risen

71%



Insurance
5.5%pa

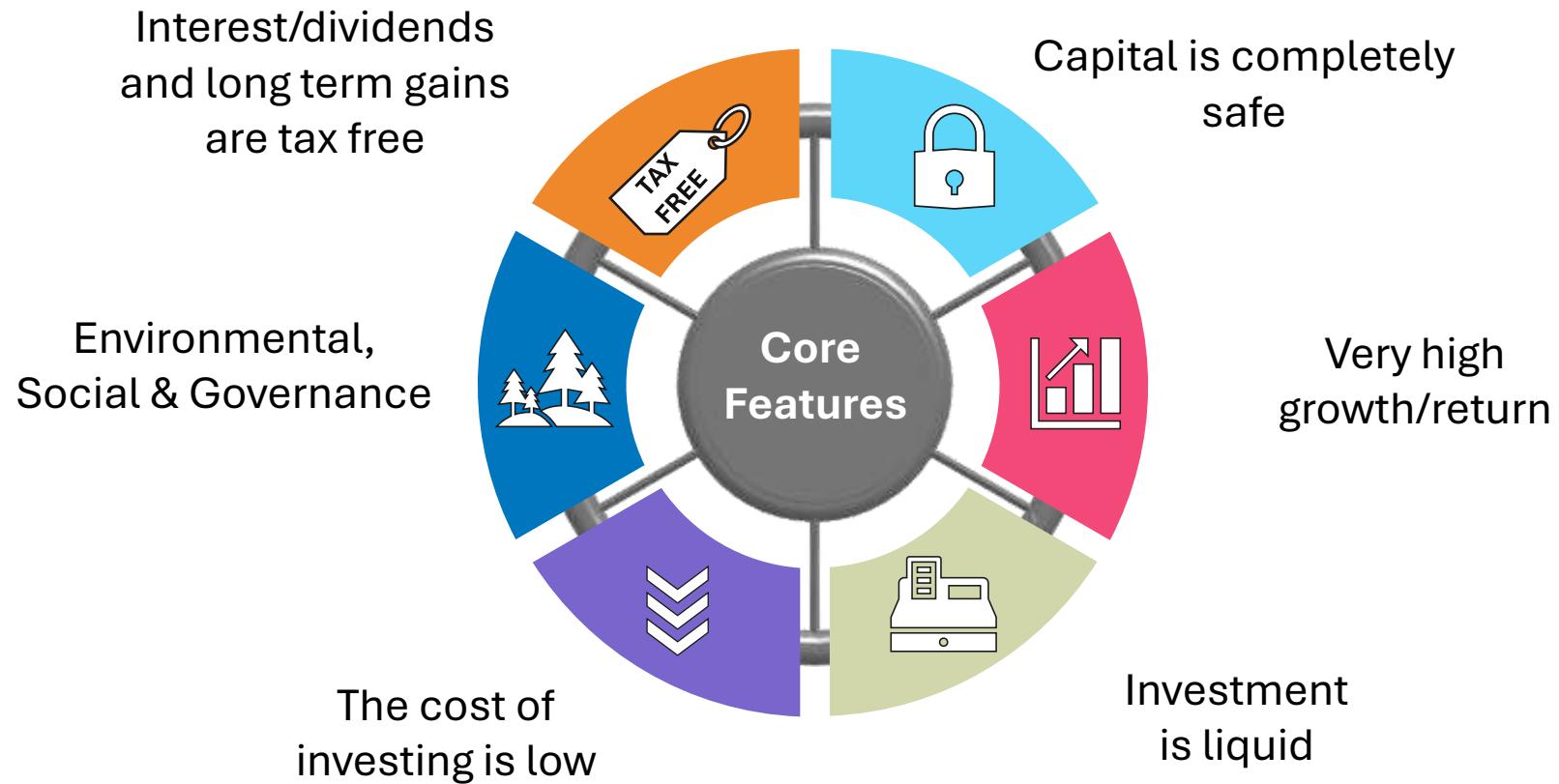
The price of household
gas has risen

42%



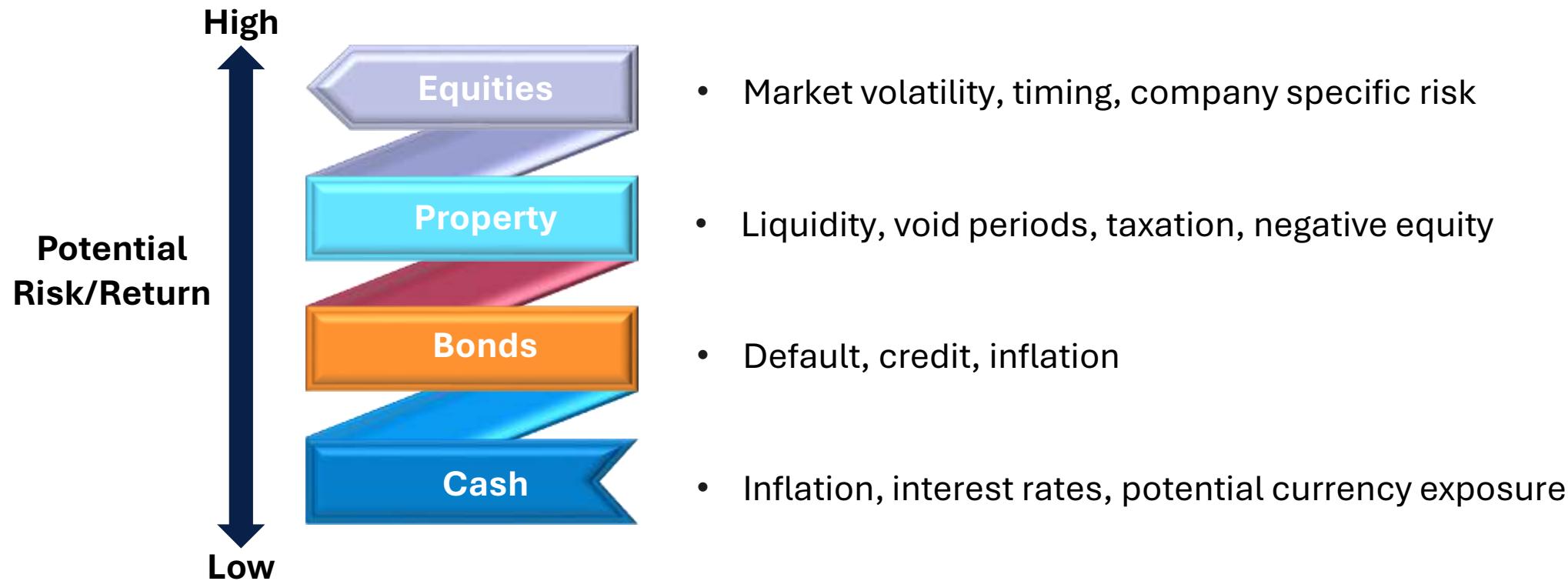
Household
Gas 3.5%pa

Investment principles

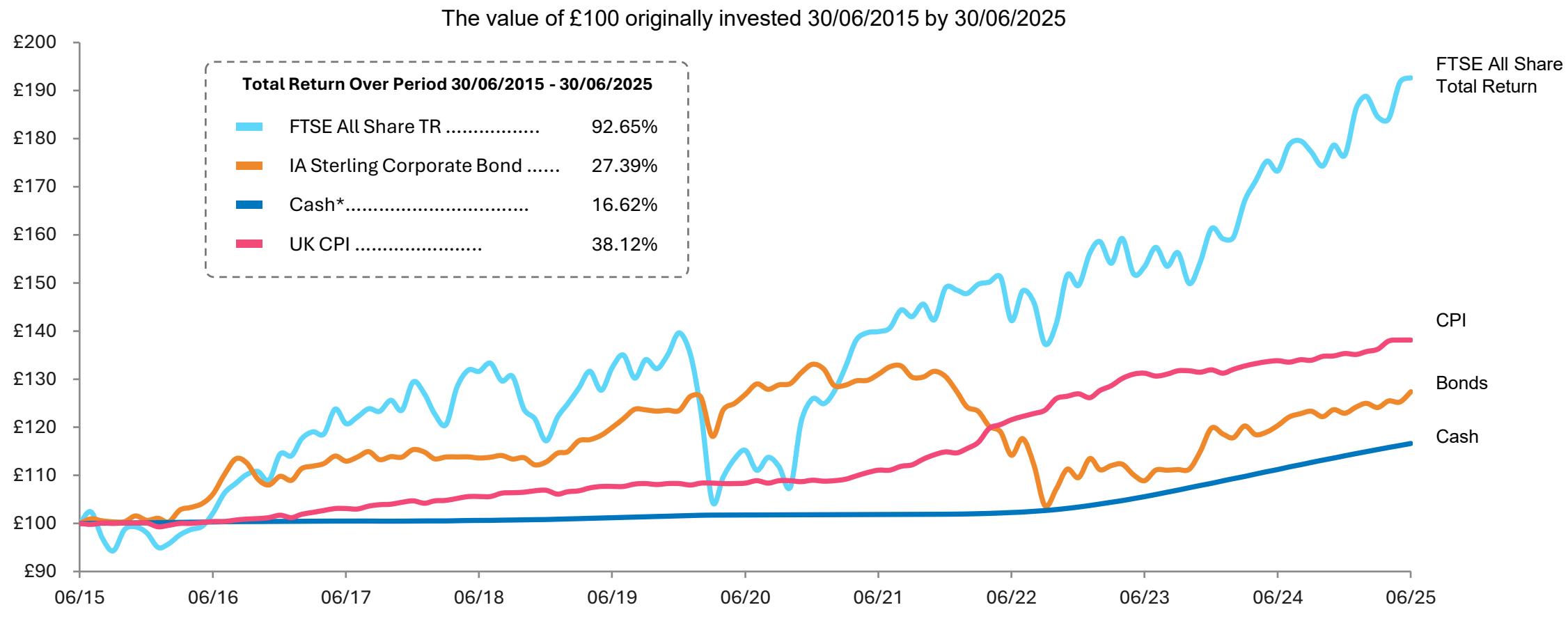


Investment risk and returns

What types of risk may you need to consider with your savings?



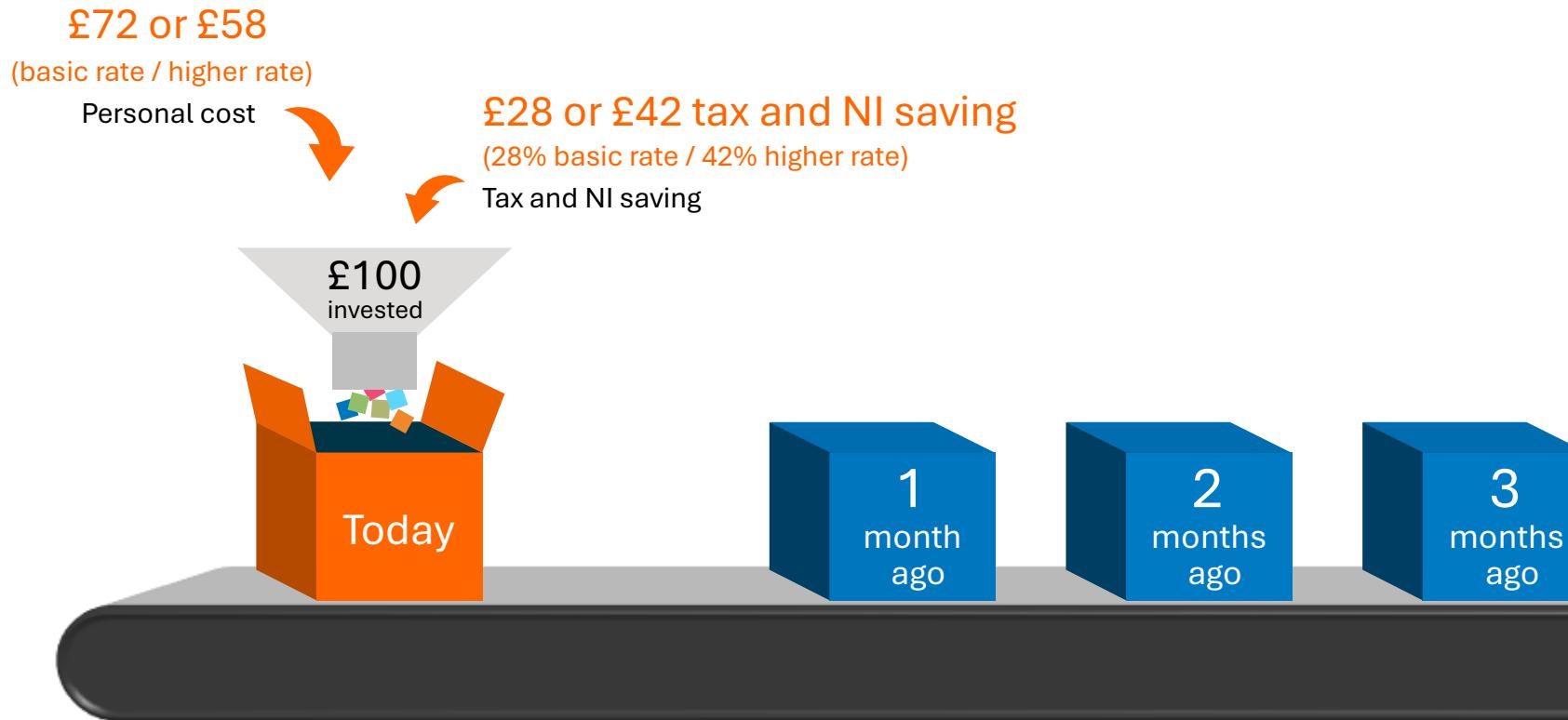
Risk and returns: the real world



Directshare

- Invest between £10 and £1,800 in a tax year (or 10% of your salary if lower)
- Pay monthly or make lump sum contributions if you'd prefer
- Contributions taken from your gross salary
- No income tax or National Insurance providing you:
 - Keep the shares in the plan for at least 5 years, or
 - Leave employment due to retirement, redundancy or ill-health
- After 5 years, you can keep the shares in the plan and any growth will not be subject to CGT when they are sold
- If you retire or leave employment the shares must be removed from the plan

Directshare



A basic rate tax payer making a £100 monthly investment into Directshare.

Directshare



Directshare

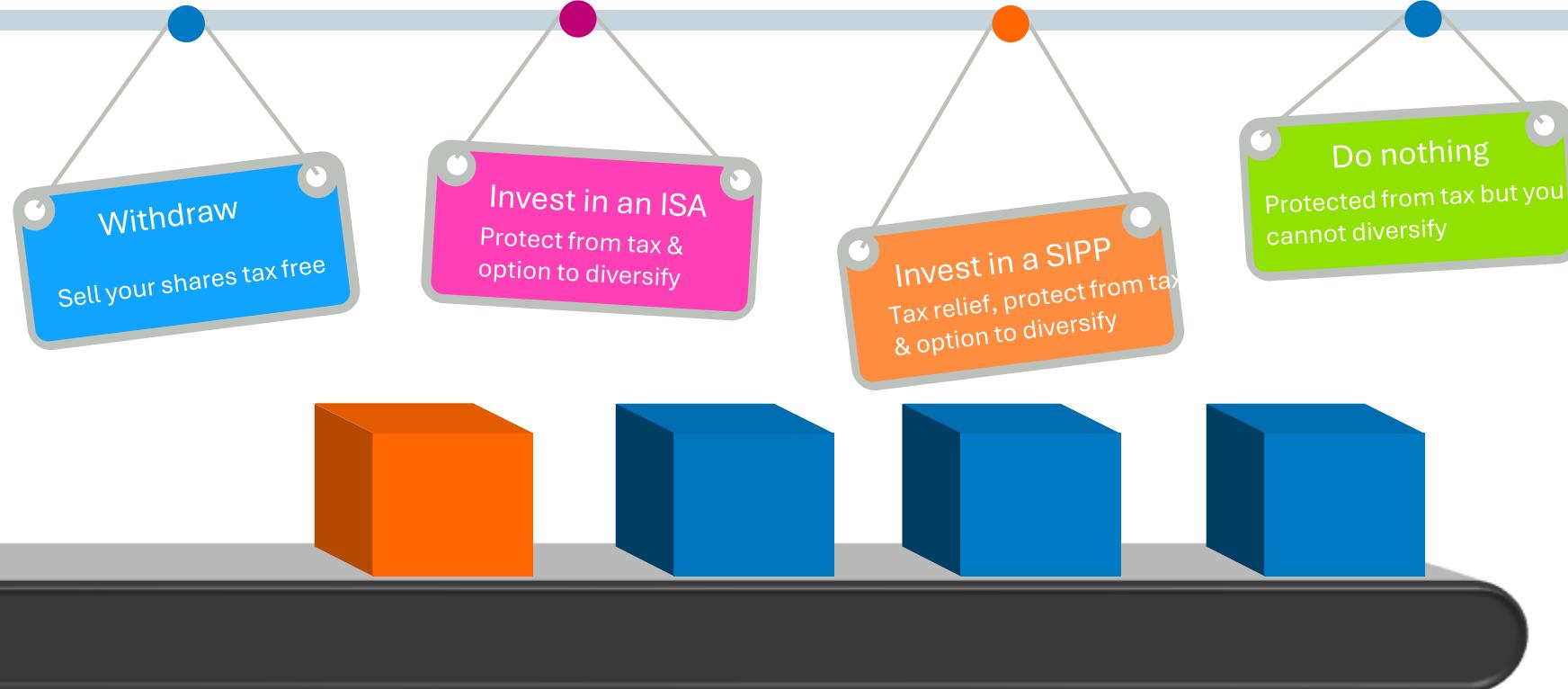


After 5 years...

Access your shares tax
free or leave them in the
plan.



Directshare



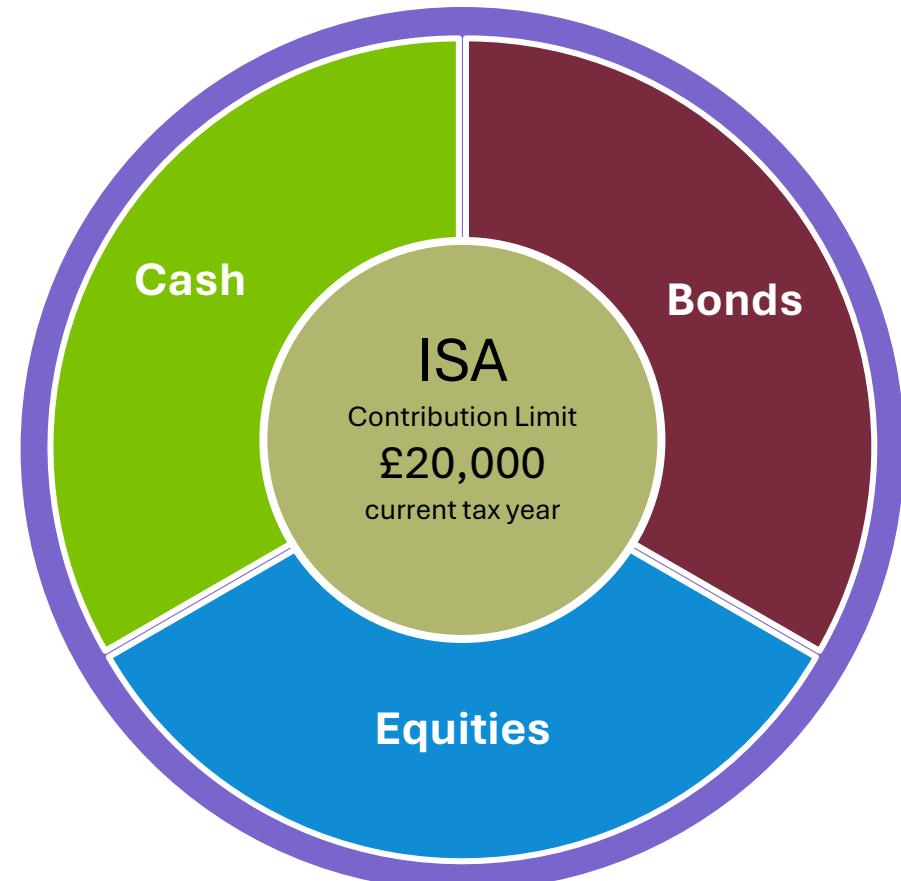
Capital gains tax (CGT)

CGT is a tax on gains when certain investments are disposed of.

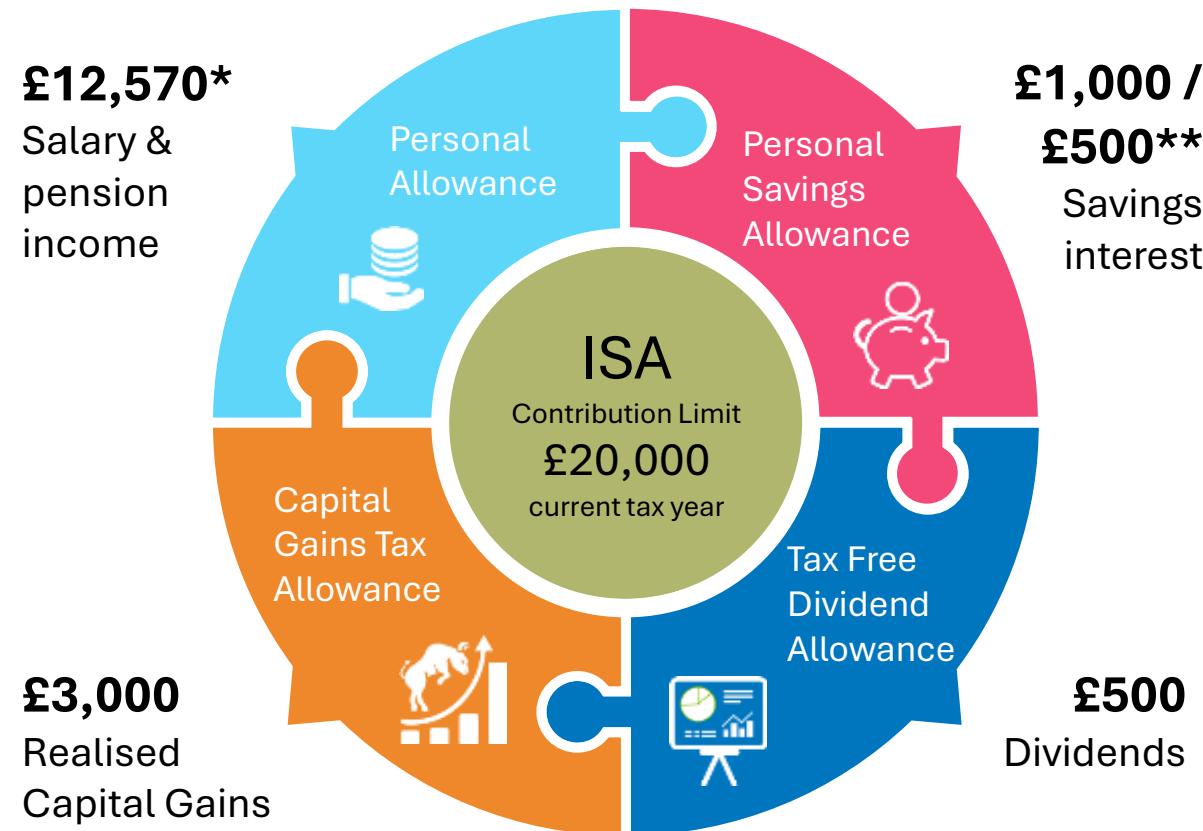


Individual savings accounts (ISAs)

- An ISA protects your savings and investments from taxation
- Interest and dividends are tax-free
- Growth is free of Capital Gains Tax



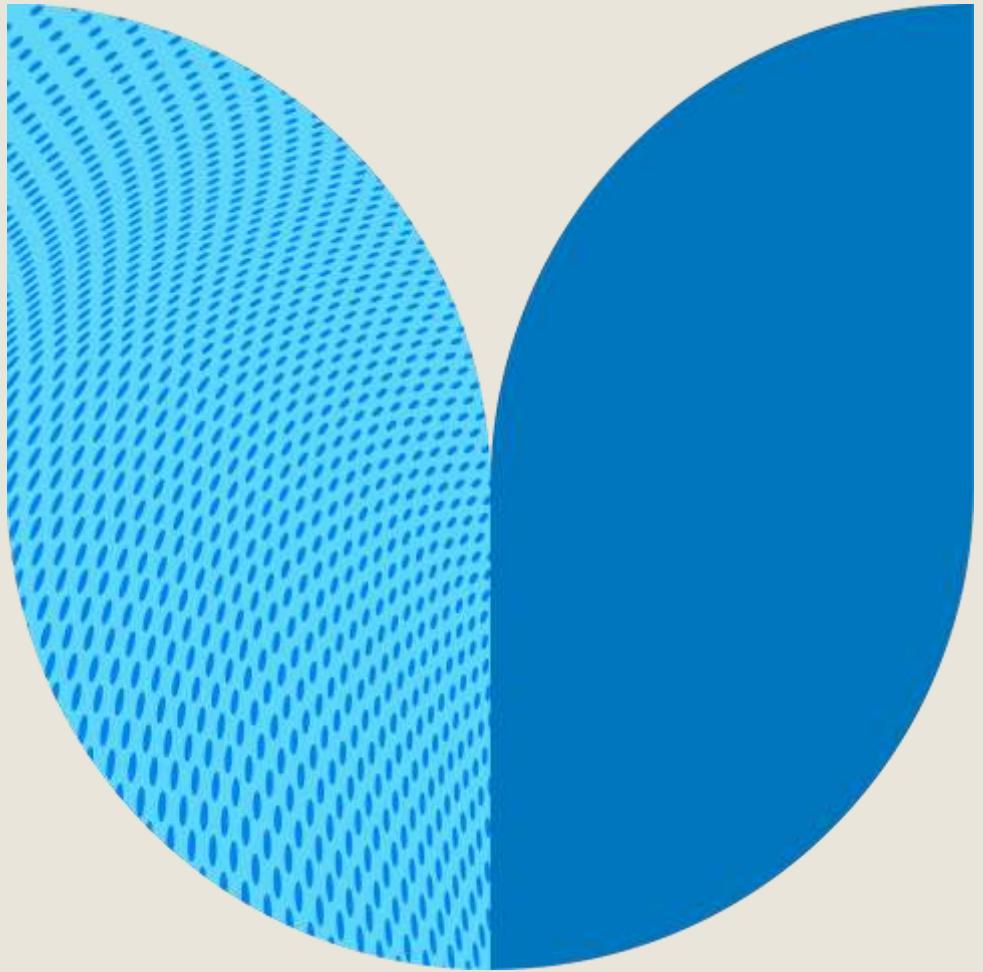
Tax allowances summary



*Reduced for those with income over £100,000

**£1,000 for basic rate and £500 for higher rate taxpayers. Additional rate taxpayers do not have a Personal Savings Allowance

Estate Planning

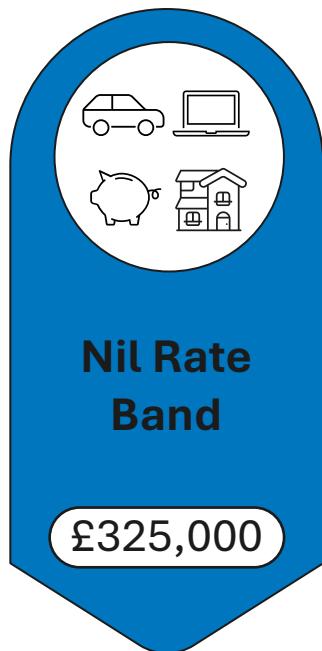


Estate planning

- During your life you build up personal wealth, your 'estate'
- Estate Planning involves protecting your wealth and ensuring it passes to the people you want it to
- It's an evolving process and may include:



Inheritance tax (IHT)



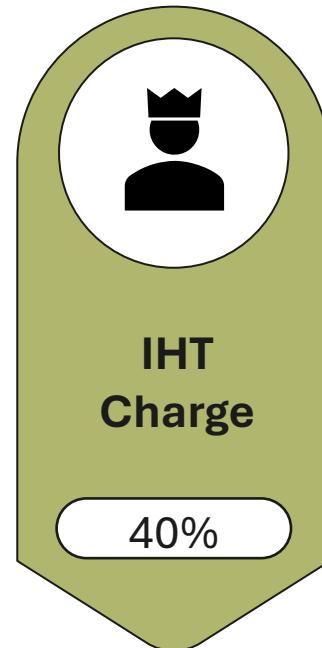
Applied to any part of an estate that is chargeable to IHT



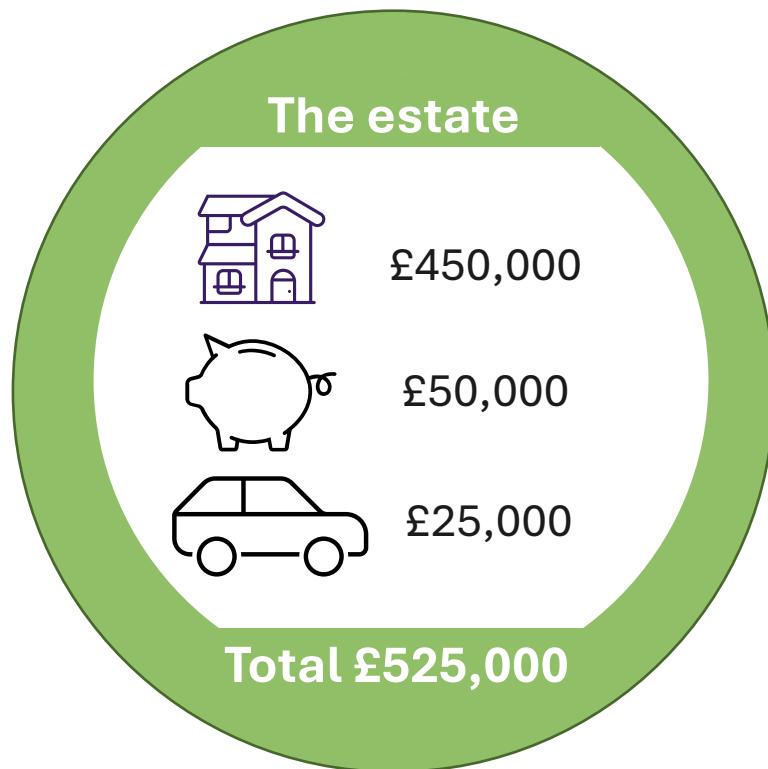
Only applied to a home that is left to a direct descendant



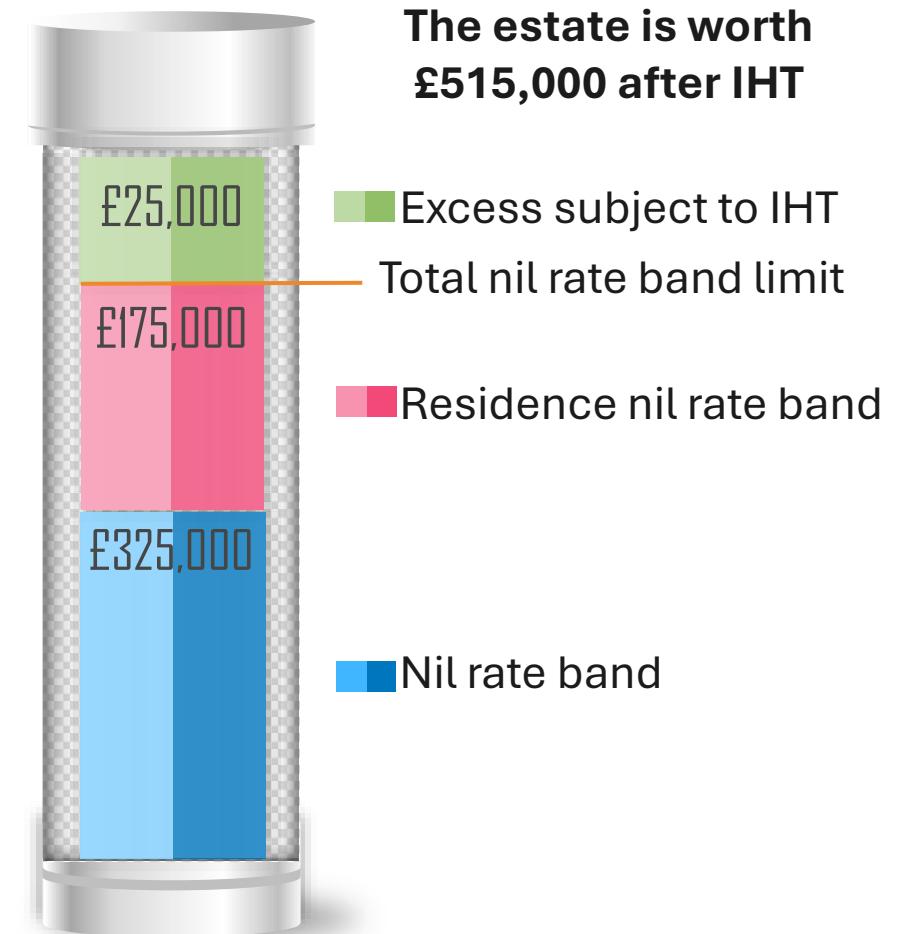
A couple could potentially pass on up to £1m before IHT becomes due*



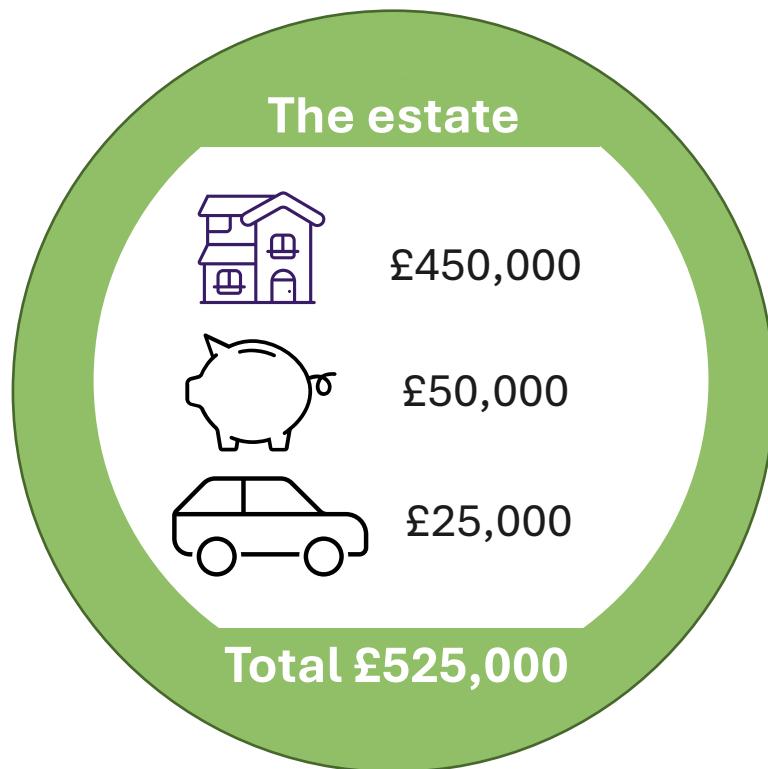
Inheritance tax (IHT) - example



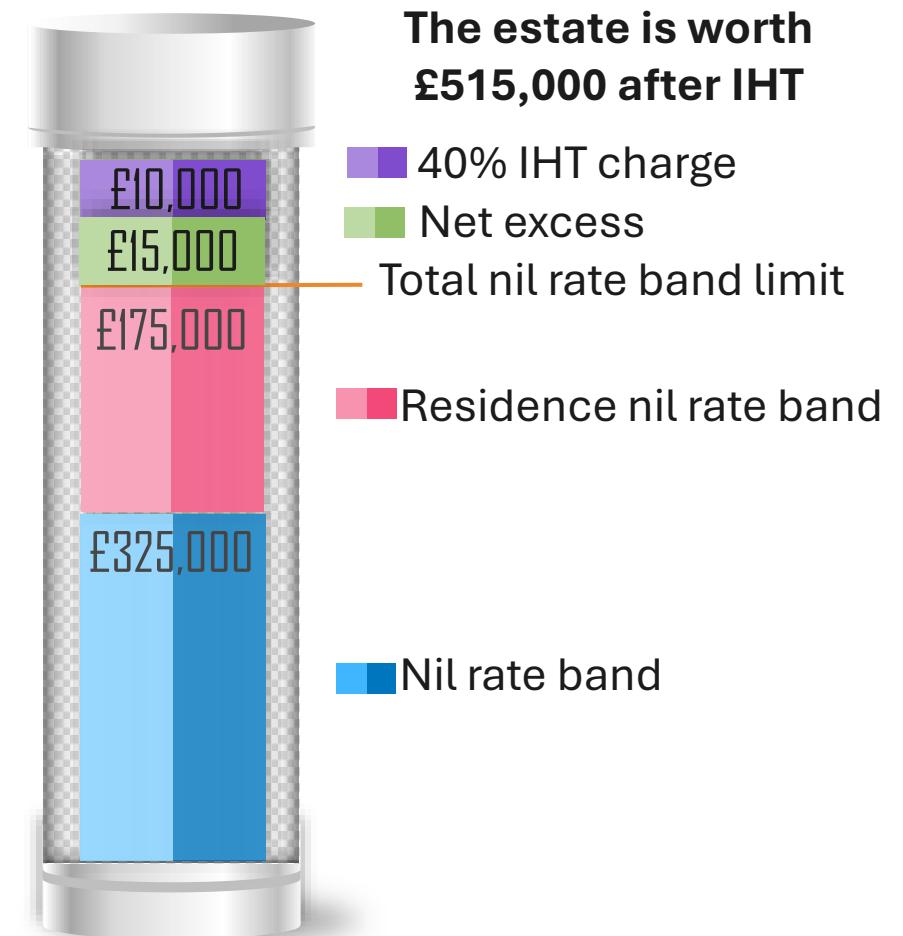
The estate is being passed to a direct descendant



Inheritance tax (IHT) - example

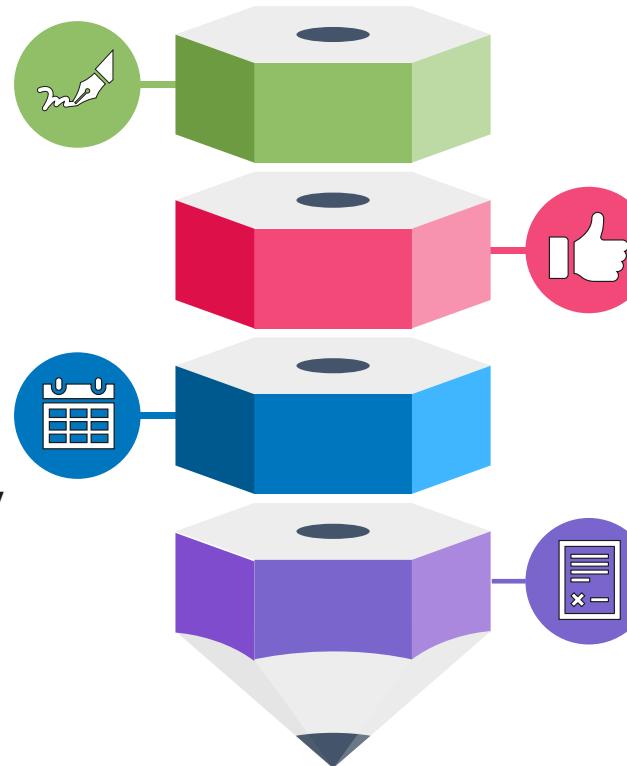


The estate is being passed to a direct descendant



Writing a will

A solicitor will write a Will that reflects your wishes or intentions



Keep your Will up to date

Divorce automatically removes any entitlement to the ex-spouse*

A Will is automatically revoked on marriage*

Only consider writing a Will yourself if you're confident that it reflects your wishes or intentions

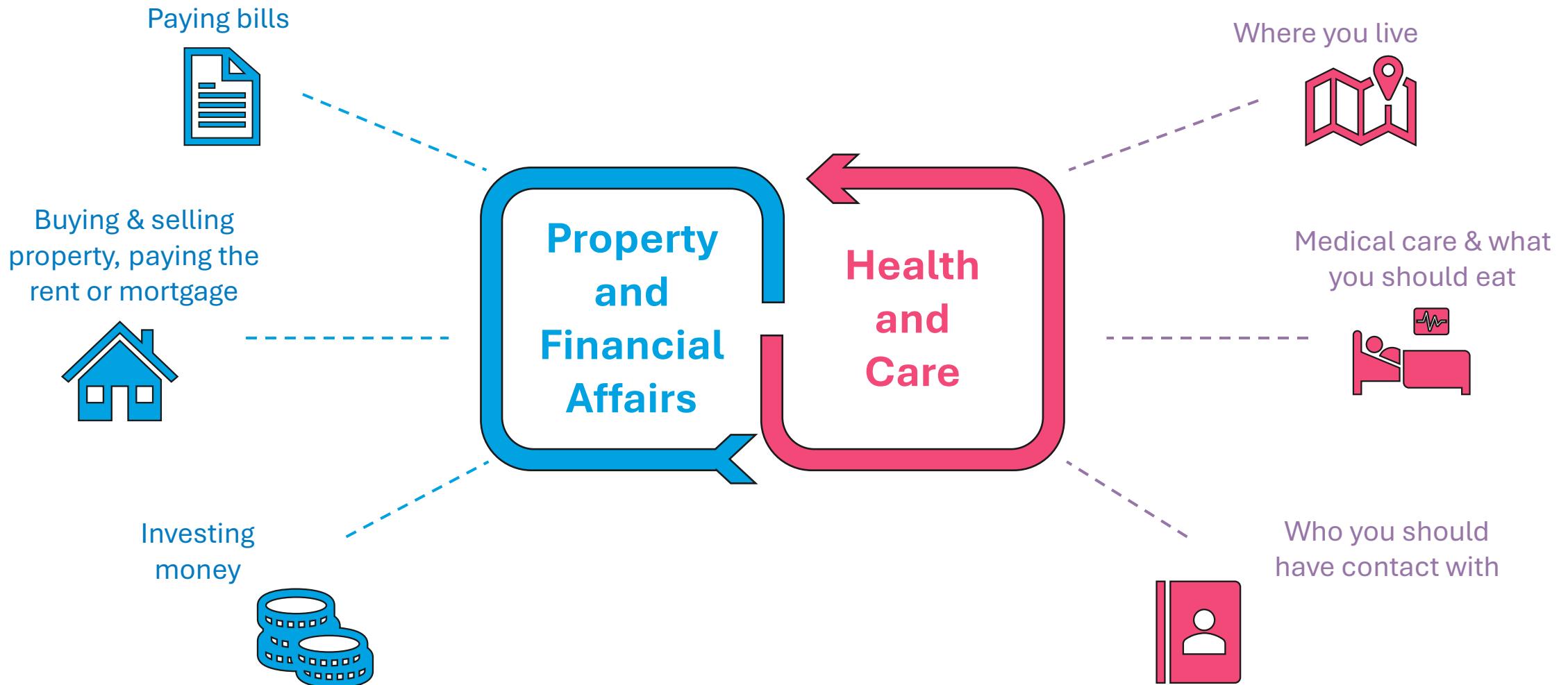
Regularly review your nomination forms for life assurance and pensions

Writing A Will - Red Apple Law

A will writing service is available from Red Apple Law through My Benefit provided by BT Group



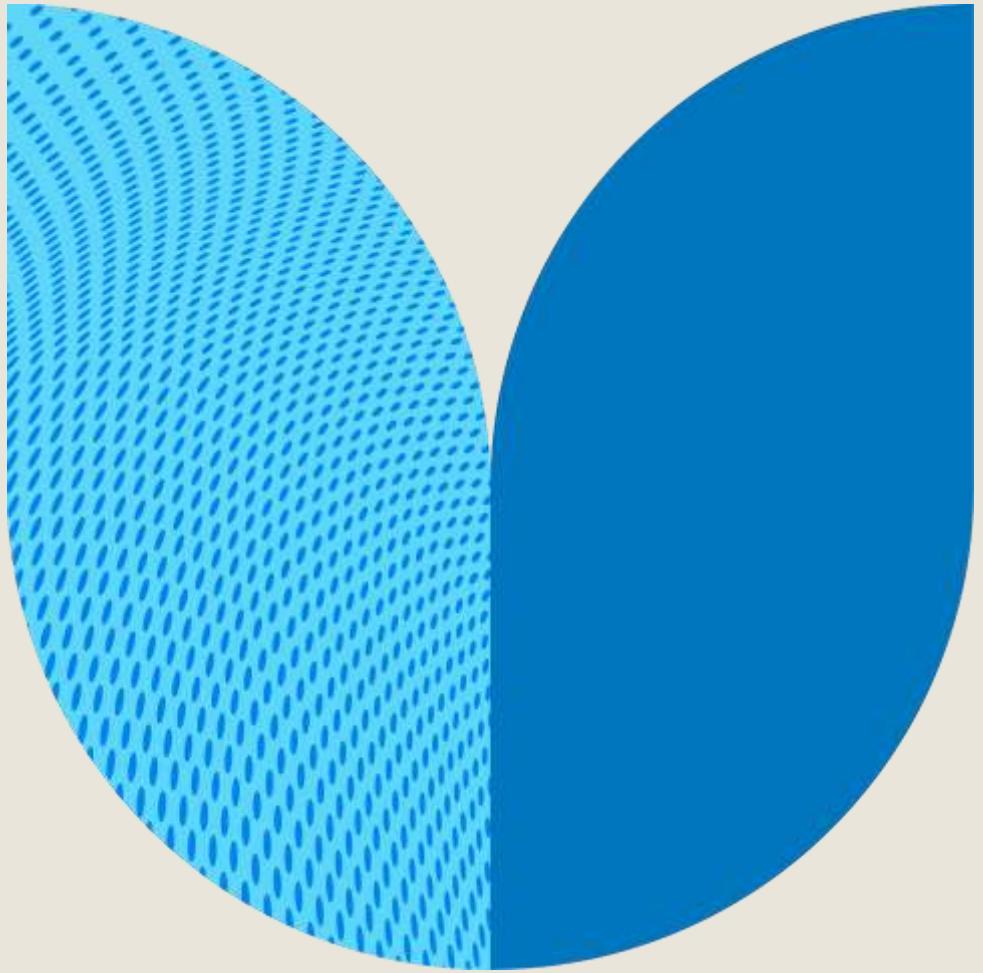
Lasting power of attorney



Taking Action

1. Carry out a budget plan and look for where you could reduce costs
2. Check that you have sufficient financial protection
3. Review any debt you have and consider making overpayments
4. Check the value of your pensions savings and consider increasing contributions
5. Review the way your BTRSS is invested
6. Check your State Pension entitlement
7. Consider if DirectShare could be part of your other savings and investments
8. Check your IHT position and make sure your DIS and pension nomination forms are up to date

Next Steps



Useful Contacts

01**BT Retirement Saving Scheme (BTRSS)**www.btretirementsavingscheme.com**02****Money Helper pension calculator**www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/pension-calculator**03****Money Helper credit card calculator**www.moneyhelper.org.uk/en/everyday-money/credit-and-purchases/credit-card-calculator**04****General tax and National Insurance information**www.hmrc.gov.uk**05****Pension Tracing Service**www.gov.uk/find-pension-contact-details

Seeking advice

An adviser will assess your circumstances, objectives and risk profile and provide you with a personal recommendation to meet your objectives.

All regulated firms are listed on the Financial Services Register, this provides confirmation that the firm is authorised, the specific services they are authorised to provide and details of the advisers who work for them.

Financial Services Register link:

- <https://register.fca.org.uk>

Contact us

We provide a telephone helpline and a regulated investment advice service through **my wealth** - a trading name of Wealth at Work Limited which is part of the Wealth at Work group.

It helps individuals to understand their personal financial situation especially when selecting their retirement income options.

- Telephone **0800 028 3200**

Thank you

0800 028 3200

www.wealthatwork.co.uk/mywealth

