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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.

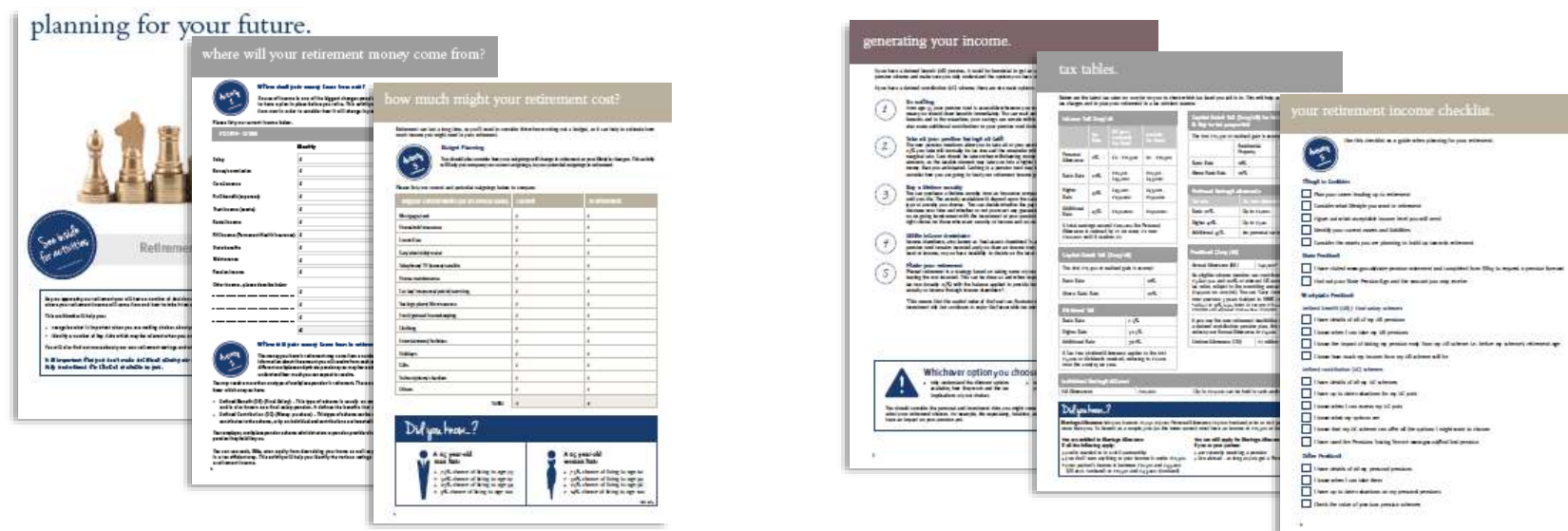
What We'll Cover Today

- 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:

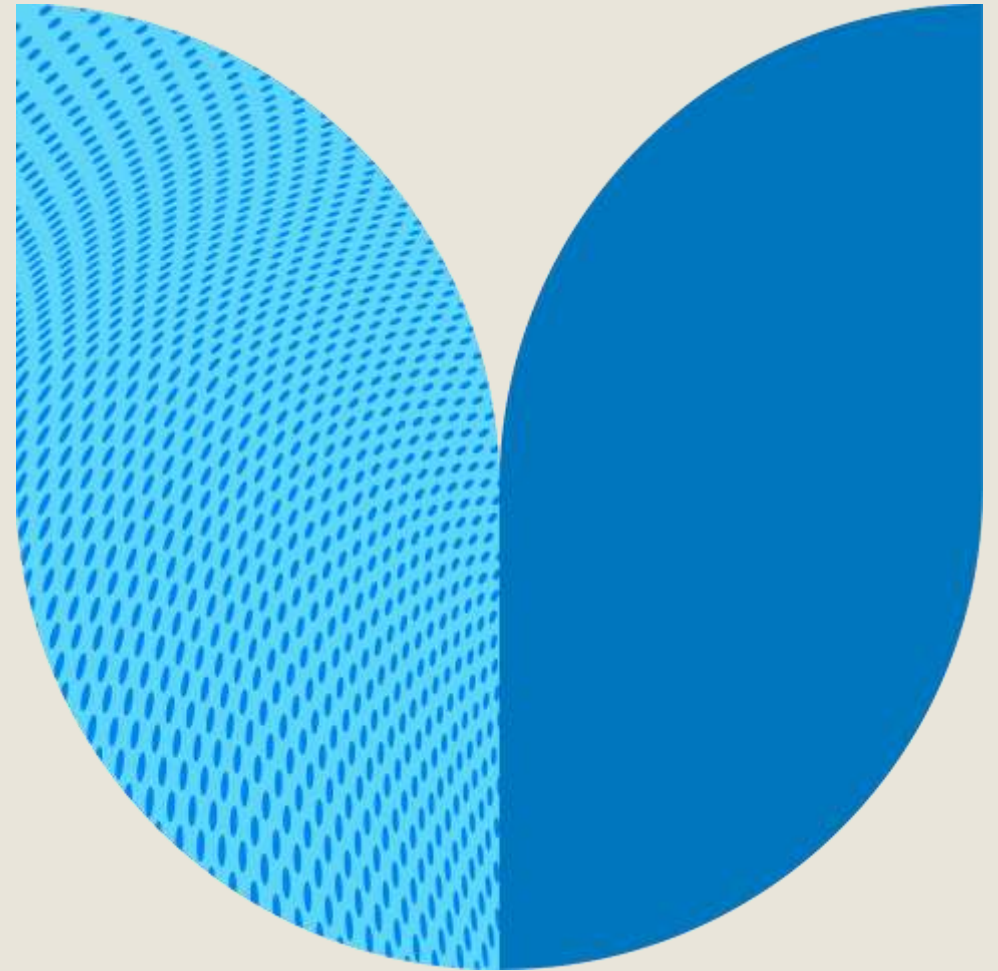
www2.wealthatwork.co.uk/bt/your-education/your-seminars/



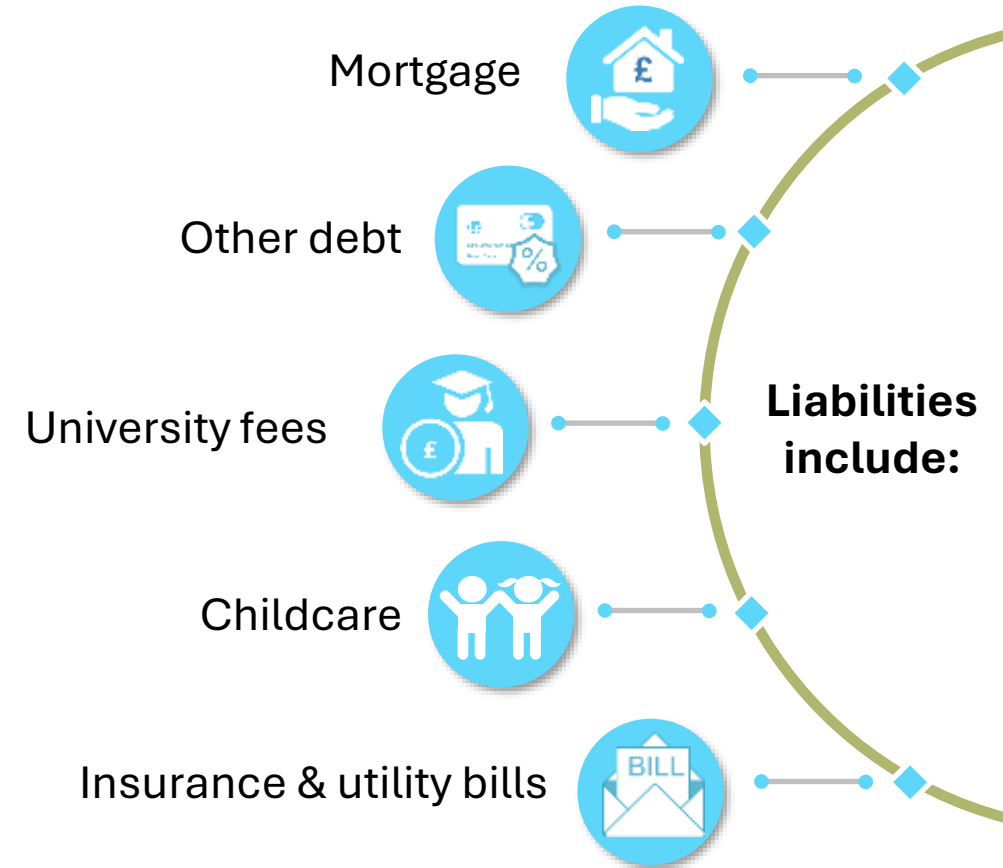
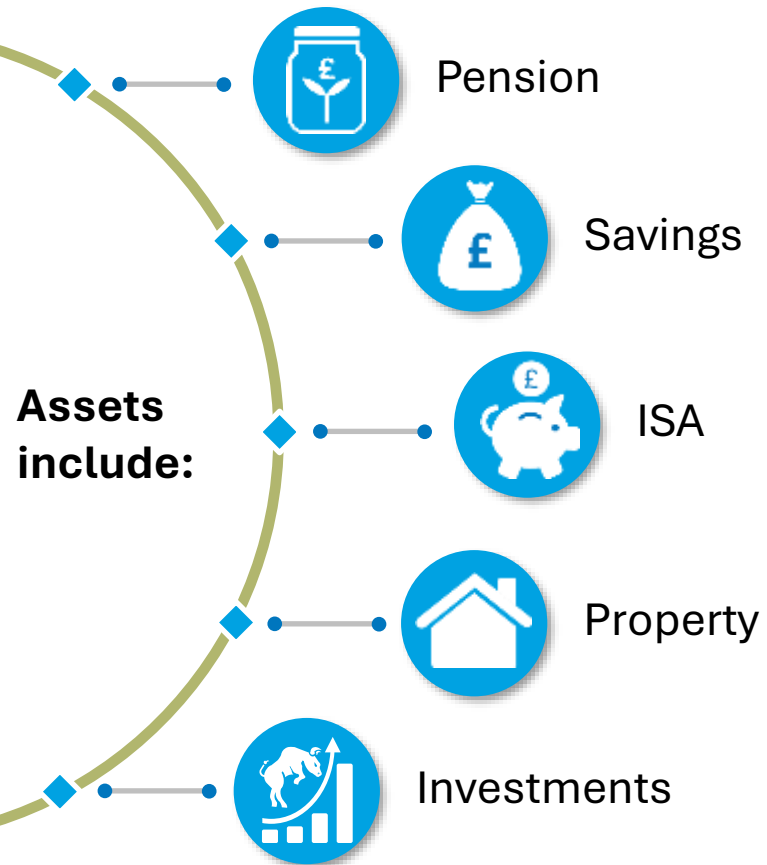
(The link will be emailed to you after this online seminar)

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



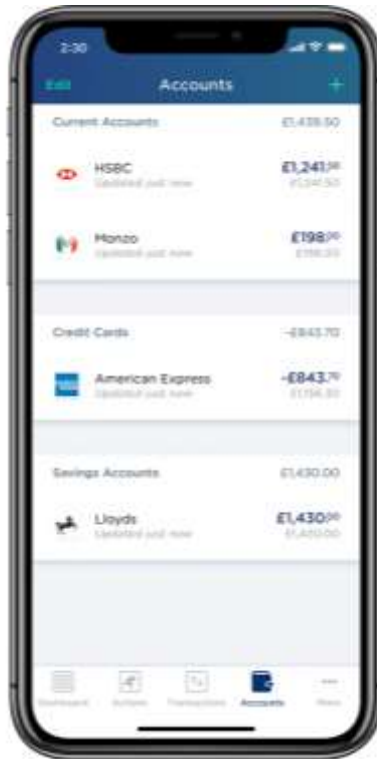
Budgeting – 4 steps



Search: 'MoneyHelper Budget Planner'

Budget planning

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



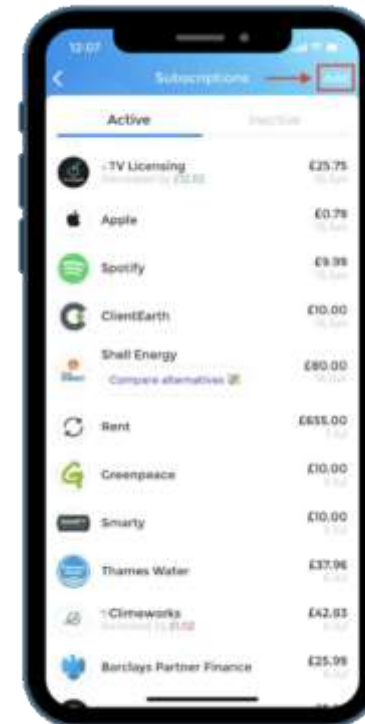
A clear overview of all accounts

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

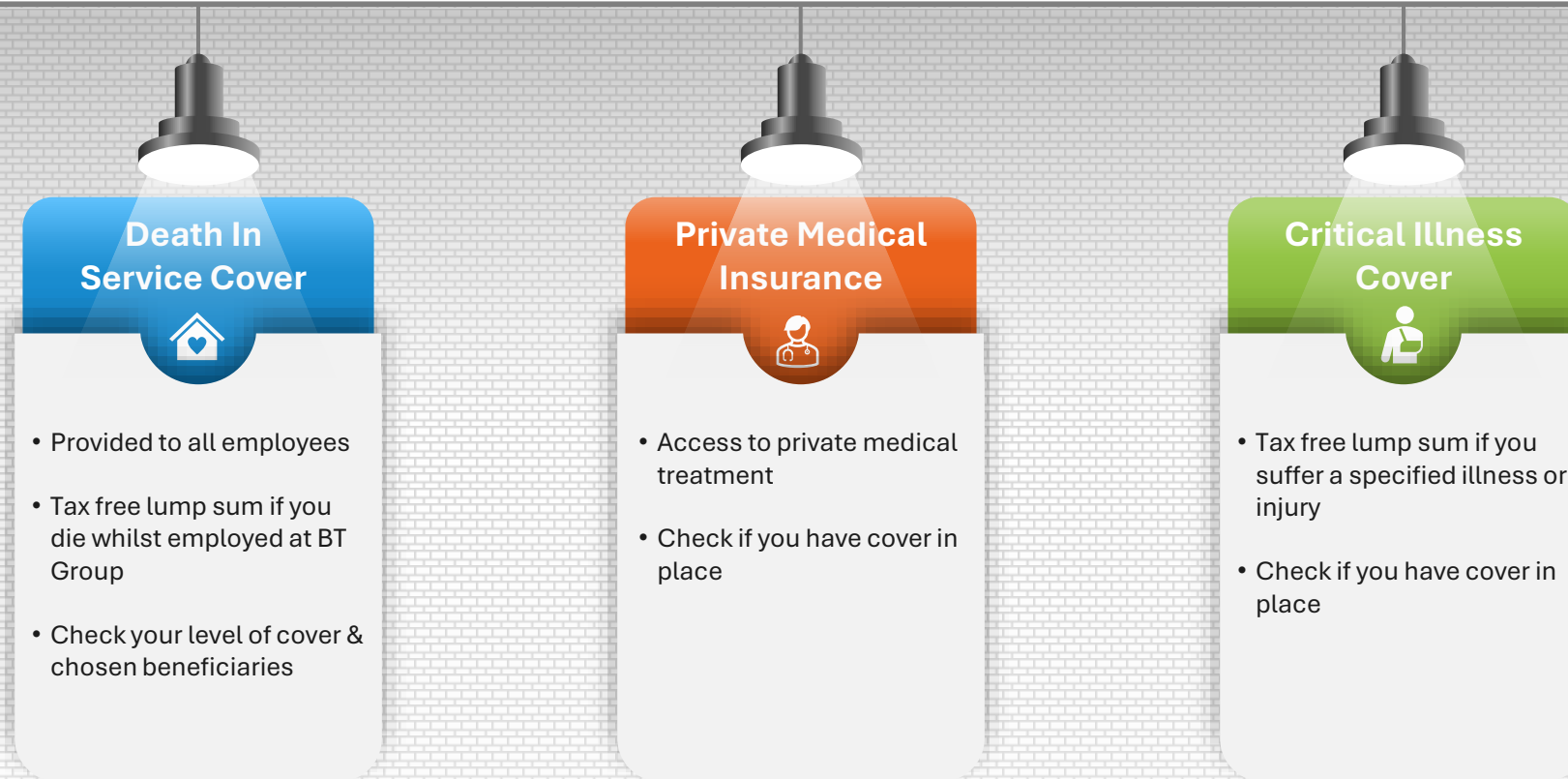
Set multiple budgets

Set multiple savings goals

Keep on track with reminders

Financial Protection

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



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

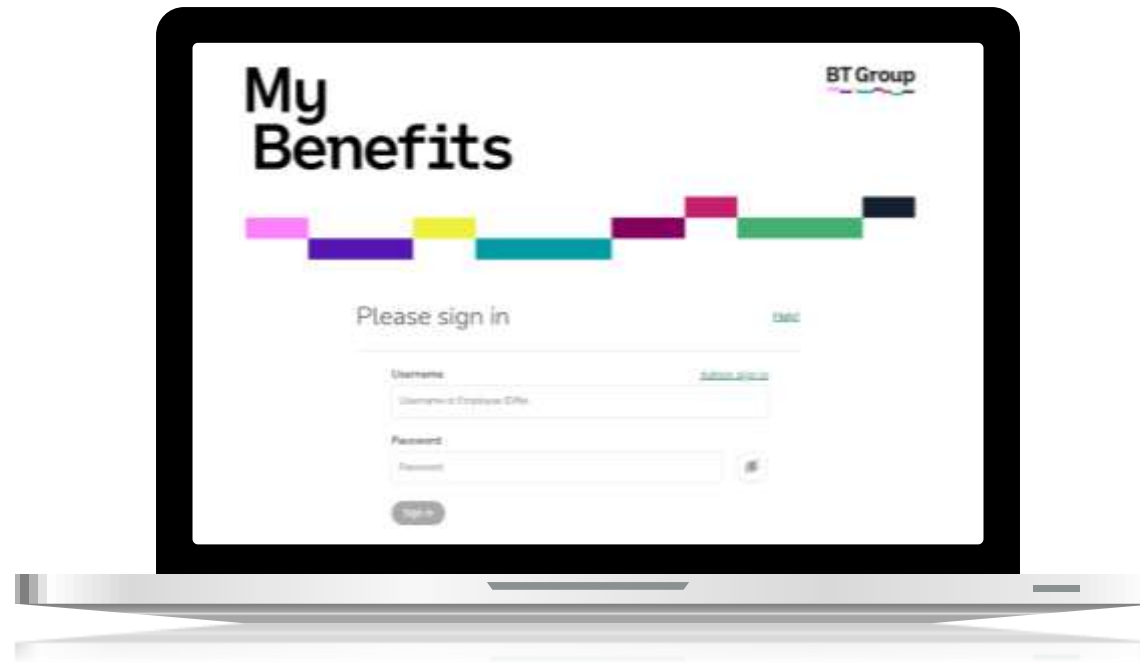
Death after age 75:

Your pension is taxed at your beneficiaries marginal rate

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

www.btreirementsavingscheme.com

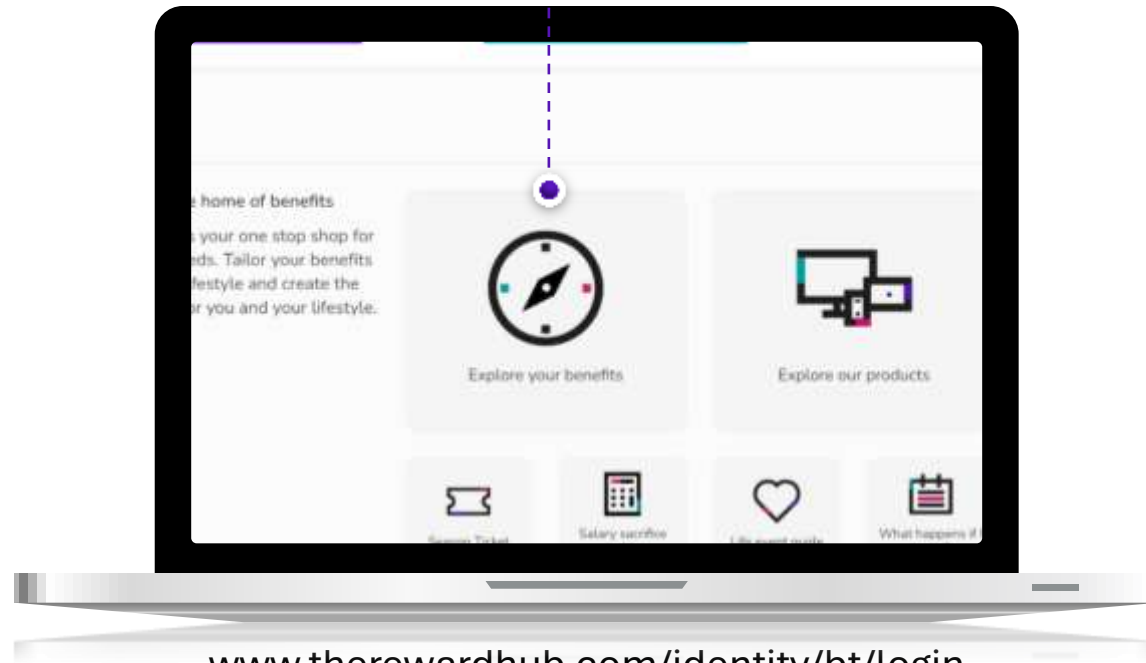
My Benefits



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

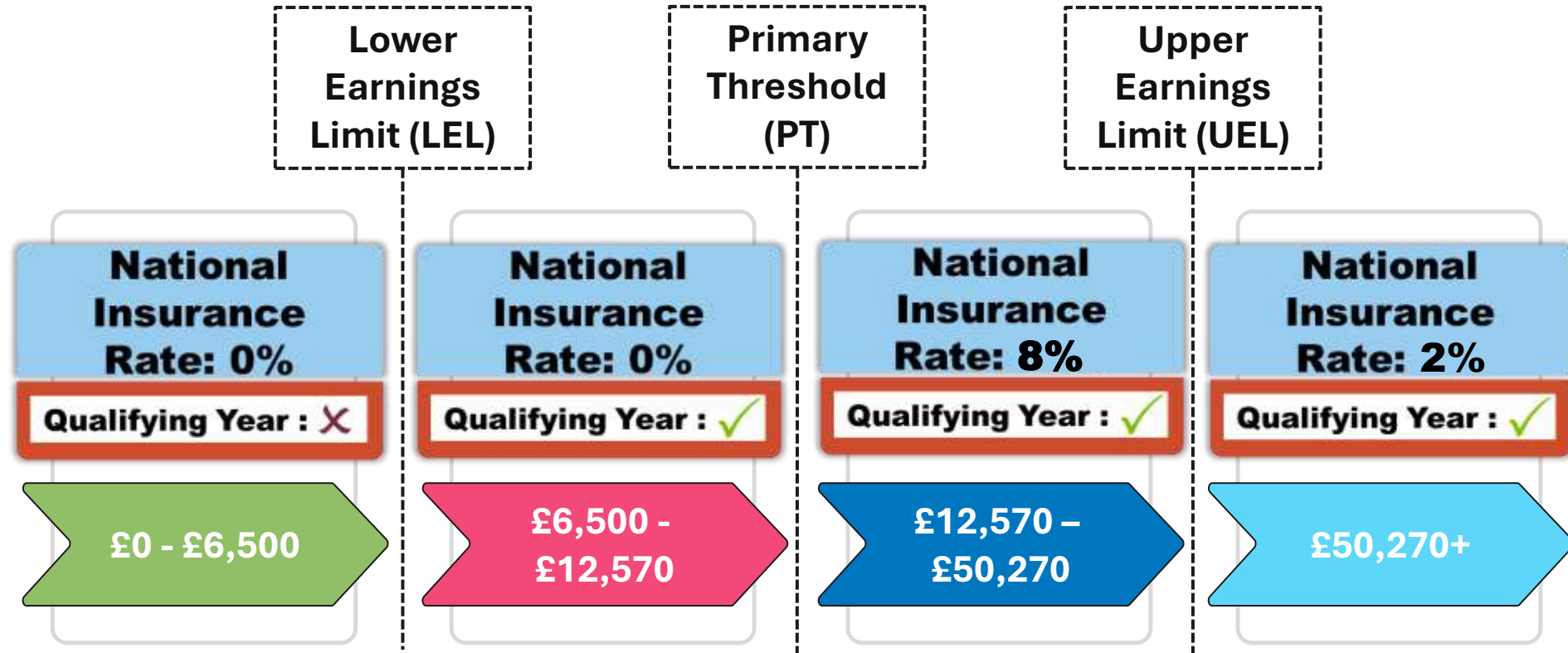


Scottish rates apply to: ✓ Earnings ✓ Pension income ✓ Rental income

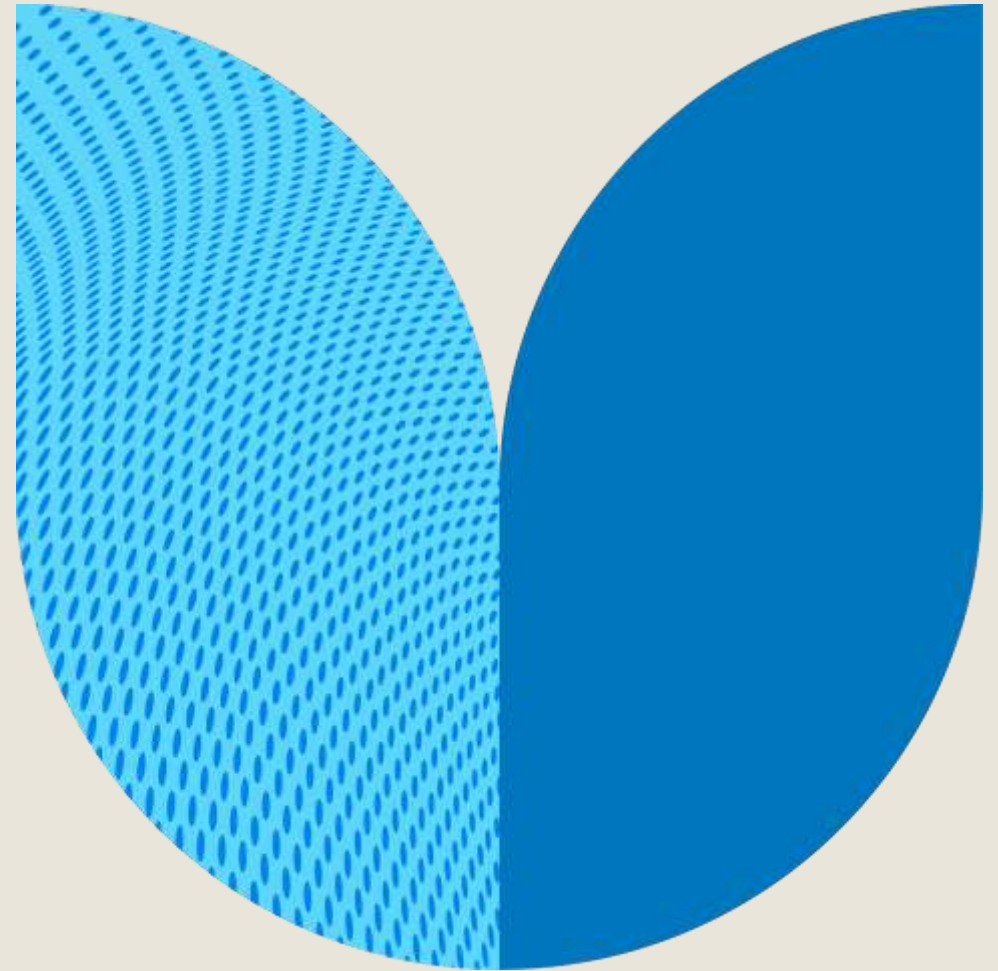
They do not apply to: ✗ Savings ✗ Dividends ✗ Capital gains tax

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

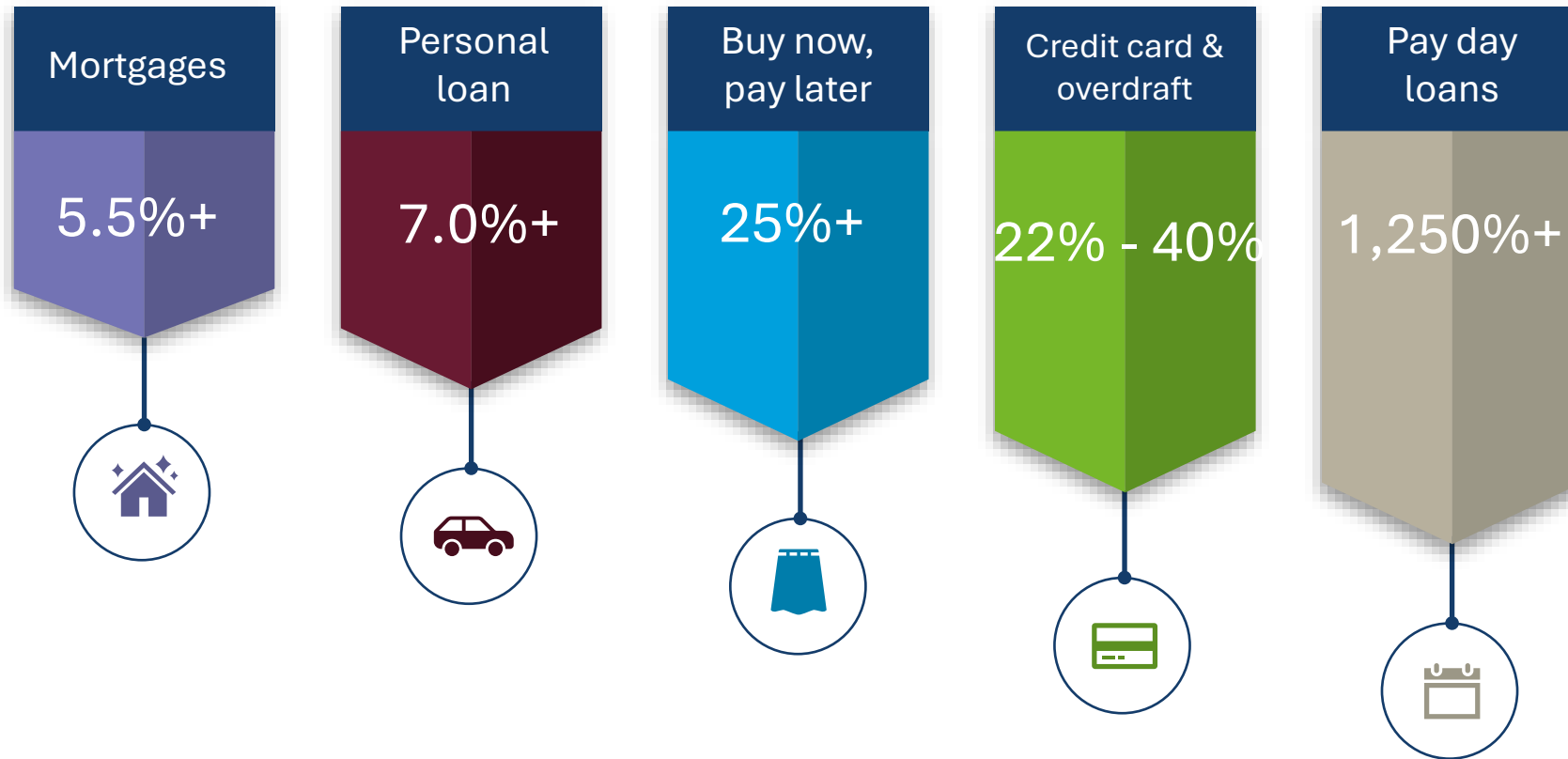
National Insurance



Debt And Mortgages



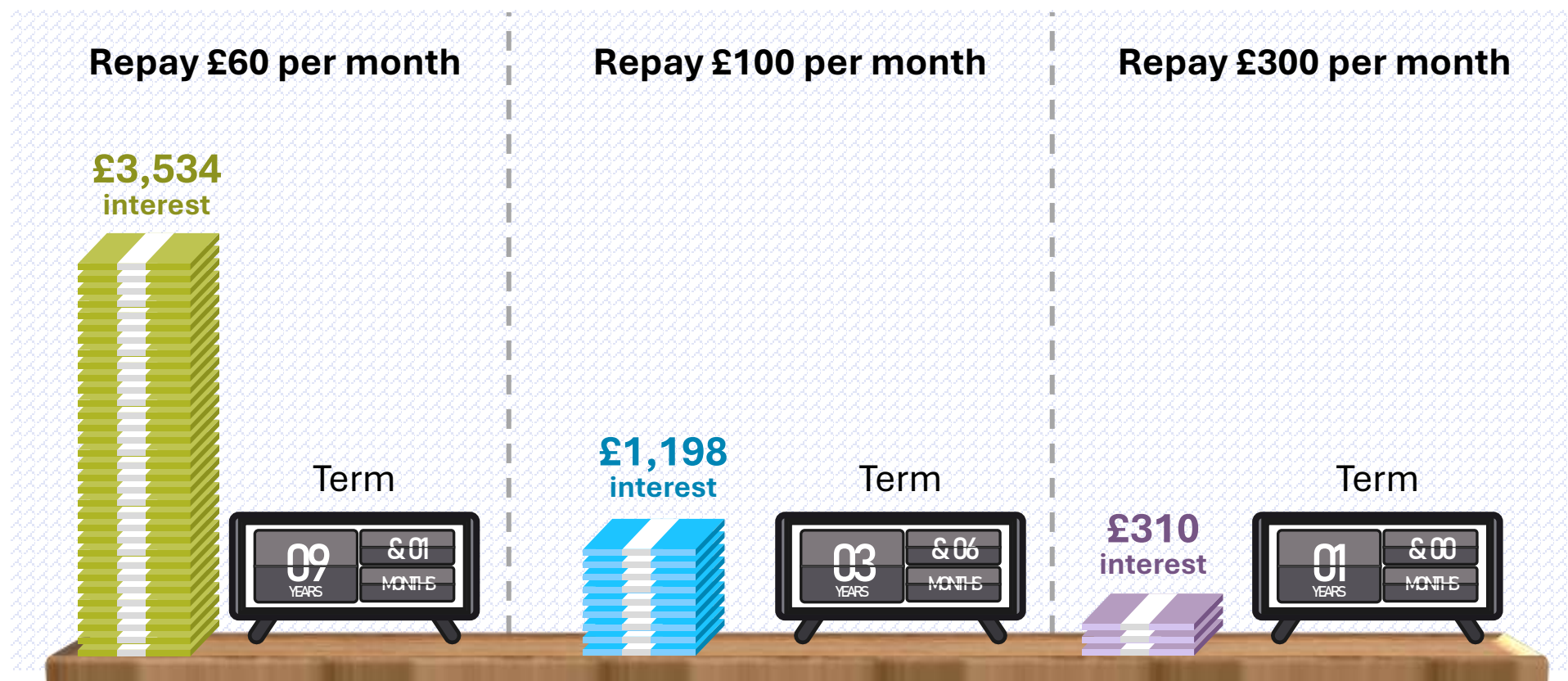
Types of debt



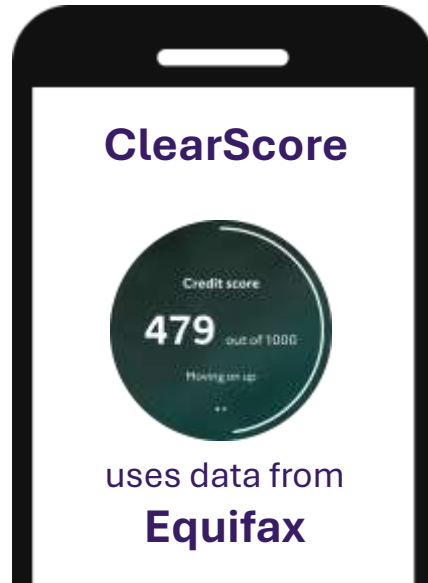
*All rates are approximate examples only.

Credit card overpayments

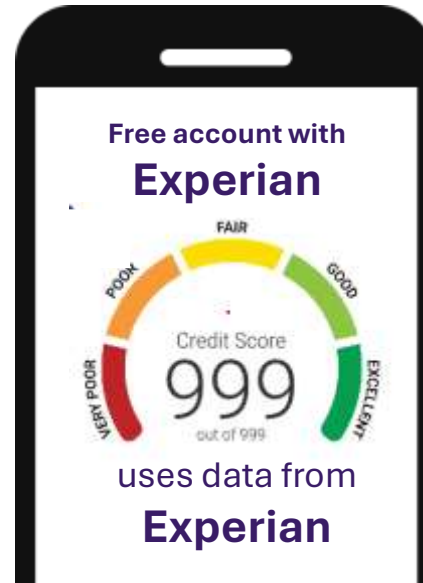
Based on a credit card debt of £3,000 and 22% APR.



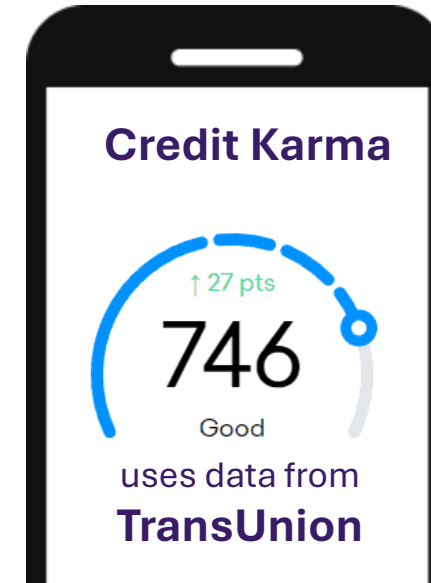
Check your credit score for free



www.clearscore.com



www.experian.co.uk

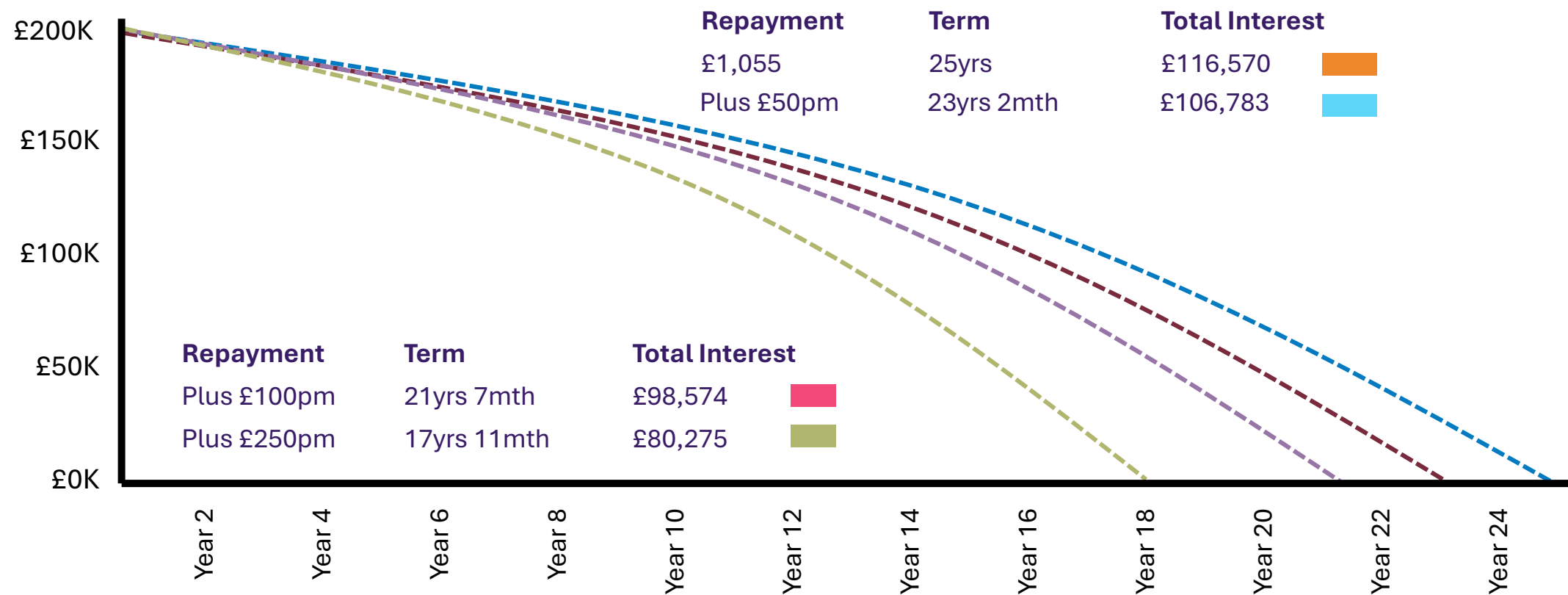


www.creditkarma.co.uk

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

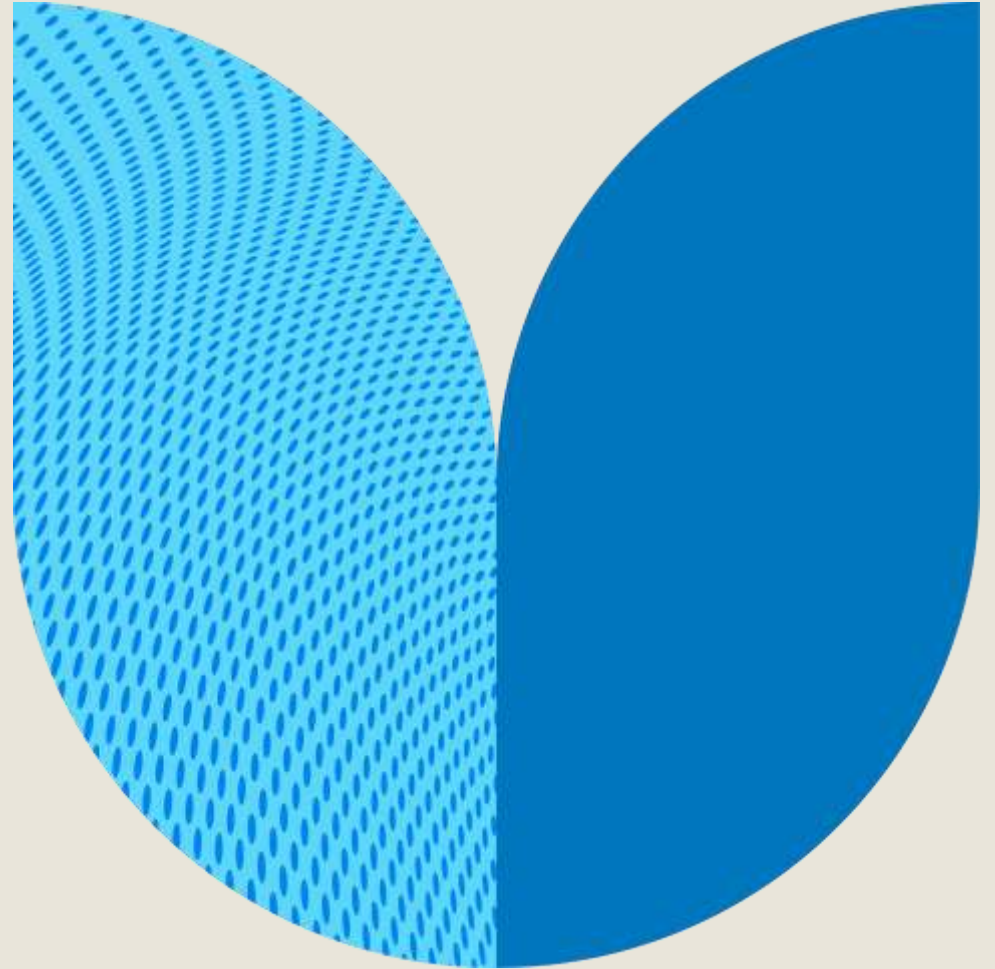
Repaying your mortgage early

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

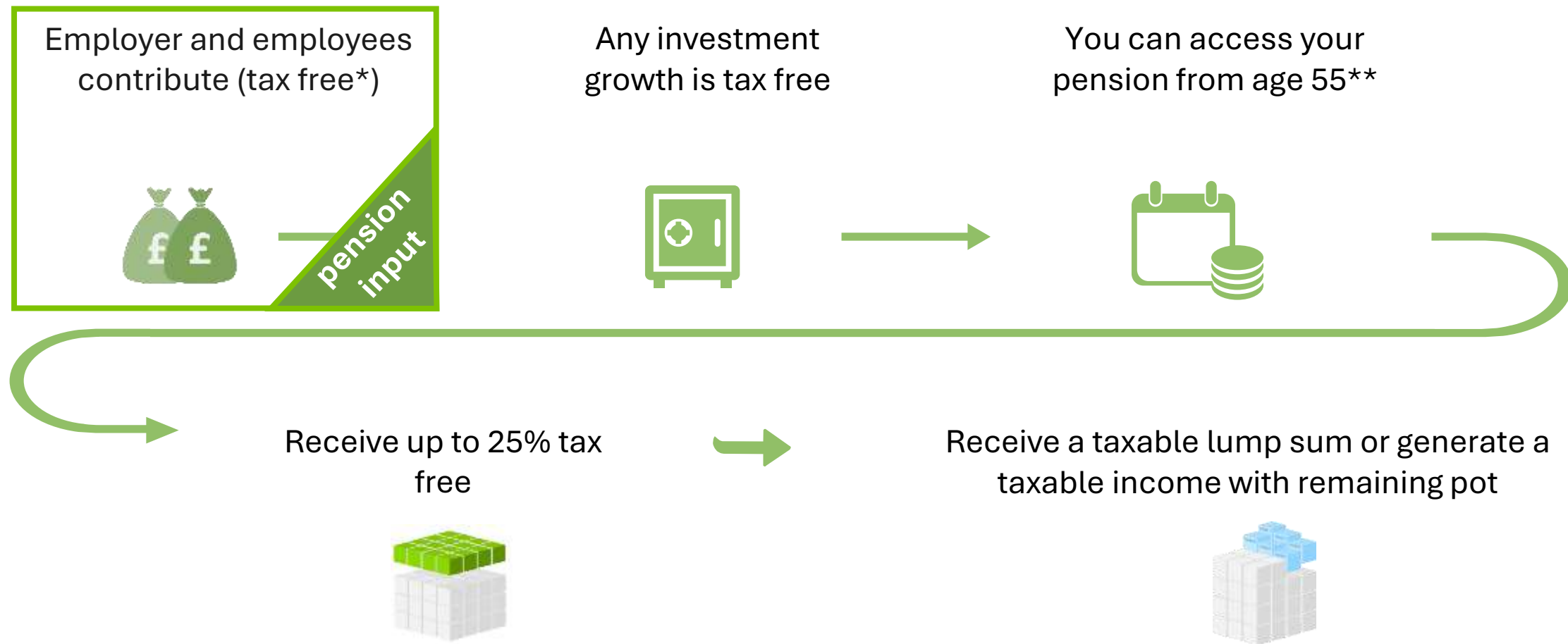


Graph shown for illustrative purposes only. Data provided by Nationwide Building Society. Any early repayment charges or changes in interest rates are not reflected in the figures shown

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%)



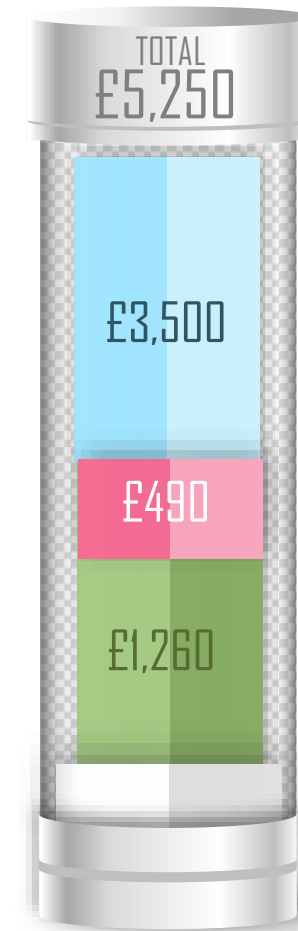
BT Group contribution (10%)



Tax & NI savings



Employee contribution (5%)

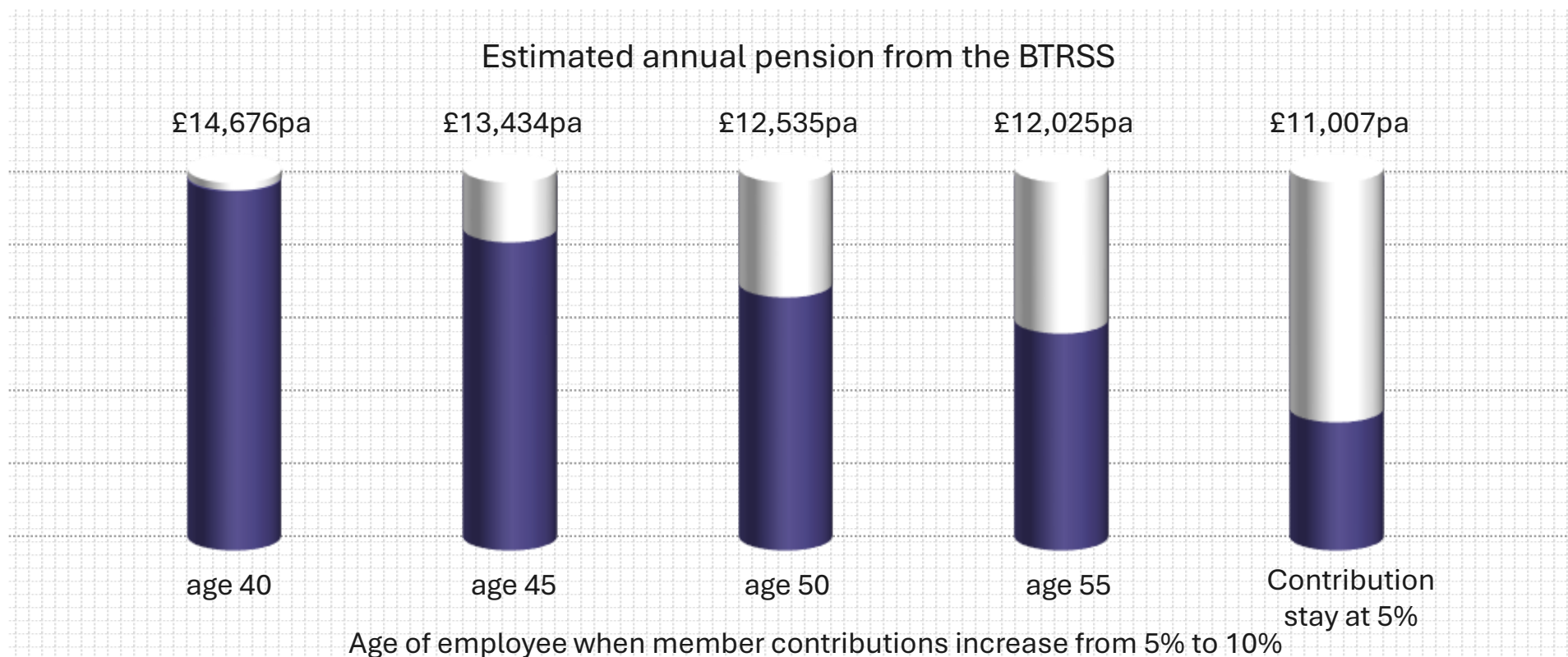


*You must contribute at least 5% and BT Group will contribute 10% of pensionable salary.

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

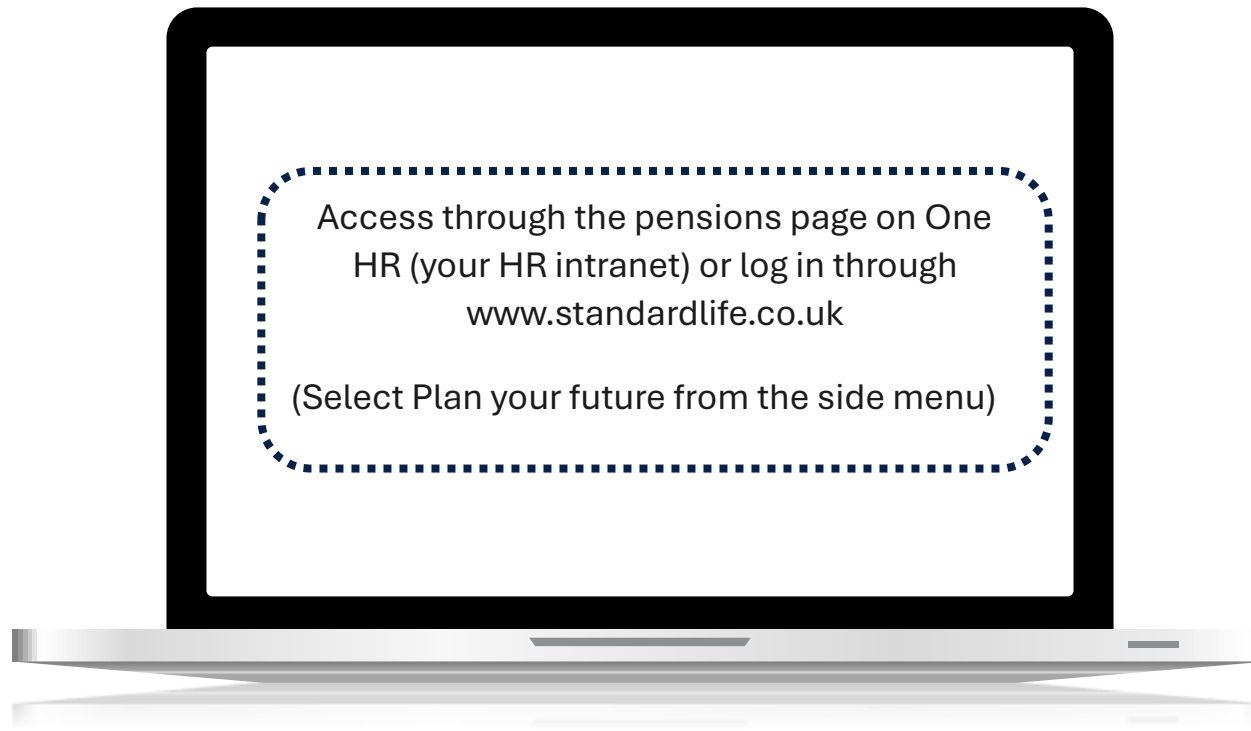


Note: pension values are estimates only and are provided by the Standard Life pension calculator.

Pension values assume an annuity is purchased at retirement.

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

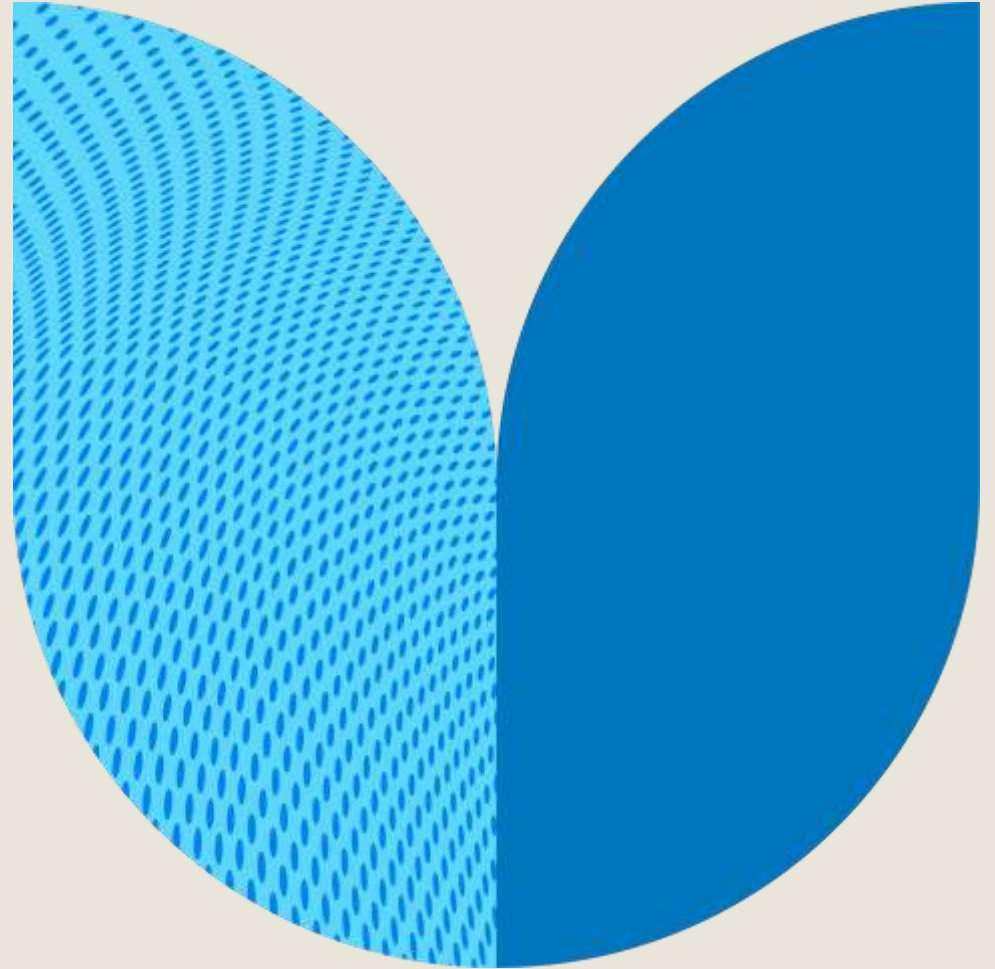
- Lump Sum Allowance (LSA): The maximum tax-free cash is limited to 25% of the pension value, subject to a total cap of £268,275 (which is set to be frozen)
- Lump Sum and Death Benefits Allowance (LSDBA): The maximum amount of non-taxable lump sums that can be taken from a pension, set at £1,073,100.
- 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

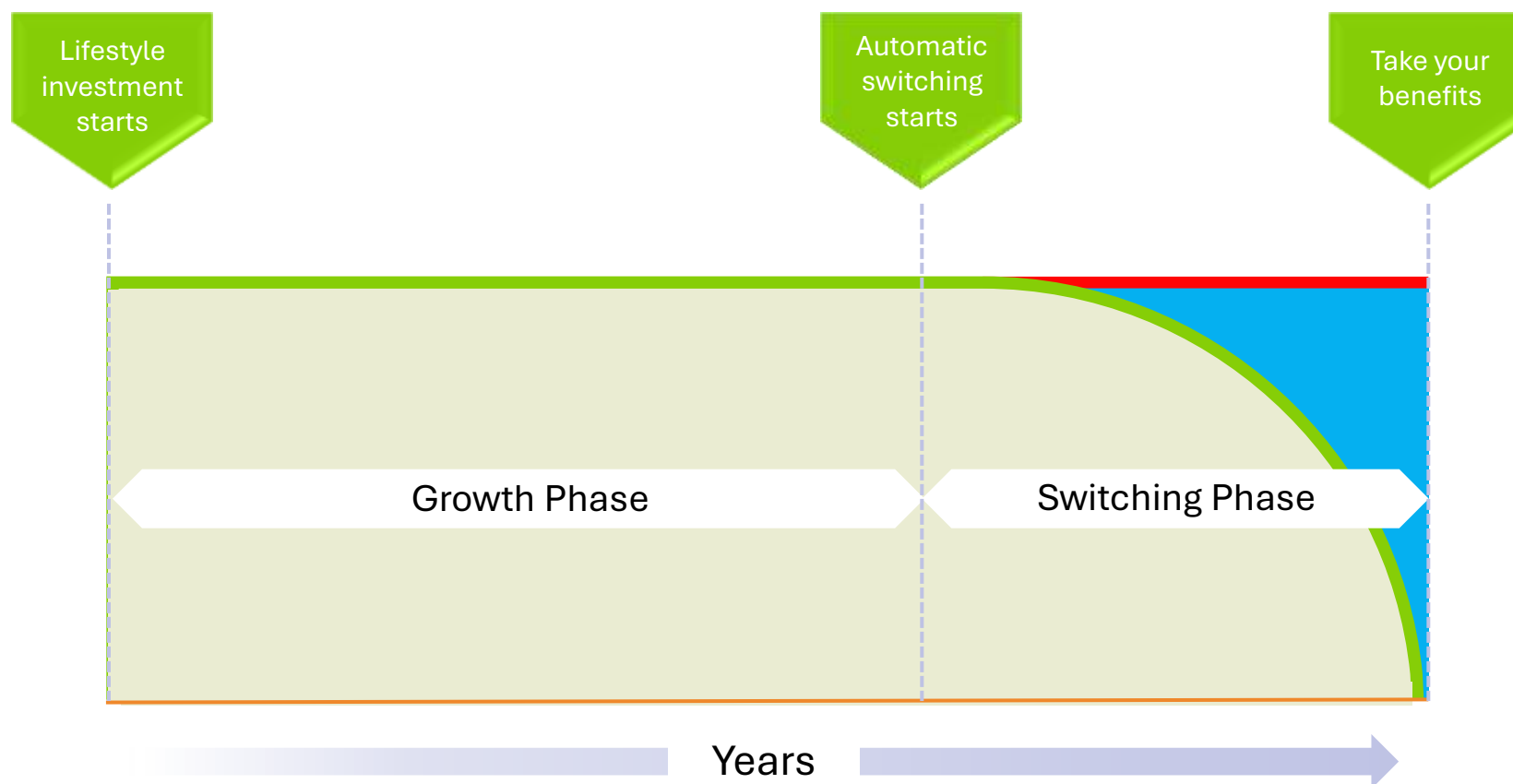


Your Investment Options

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



Lifestyle funds



Your Selected Retirement Date

The screenshot displays the 'Plan information' tab of a Standard Life account. The left sidebar contains navigation links: Home >, Your pension >, Plan your retirement >, Combine your pensions >, Your details > (highlighted with a red circle), Mailbox >, Help >, Guides >, and Logout >. The main content area has three tabs: Personal details, Plan information (highlighted with a red circle), and Preferences. Under the 'Plan information' tab, there is a 'Plan retirement date' section with 'Cancel' and 'Save' buttons. Below this, a text line states: 'The date you have chosen to start taking your retirement benefits.' The 'Retirement date' is set to '19 February 2050' using dropdown menus. A link for 'Important information about changing your retirement date' is provided. A light blue box contains 'Important information' regarding investment risks and tax rules. At the bottom, a yellow wavy line separates the footer text 'There's a lot to look forward to' from 'Connect with us'.

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 [Cancel] [Save]

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

Retirement date

Plan retirement date:
19 February 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



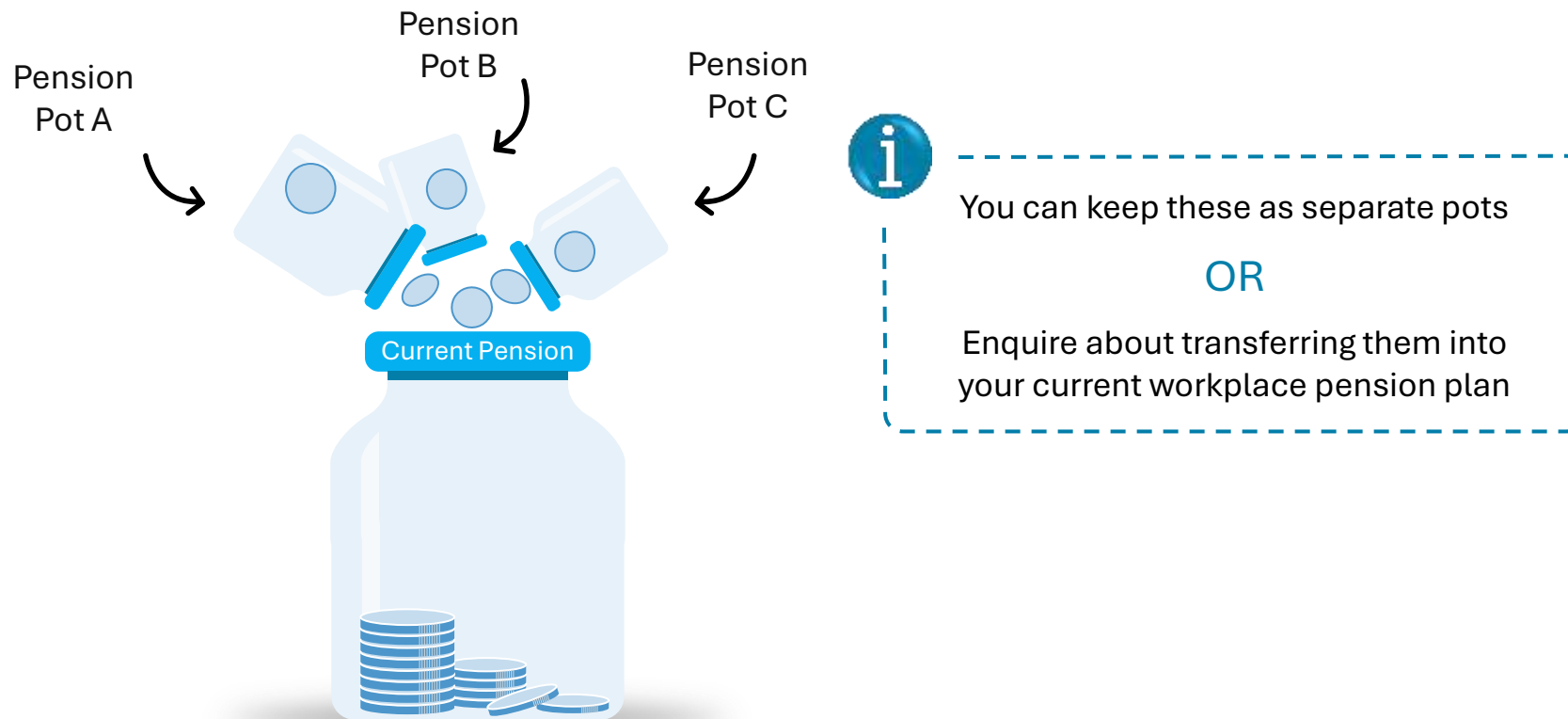
You can manage your
exposure to risk as you
approach retirement



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:



Penalty charges



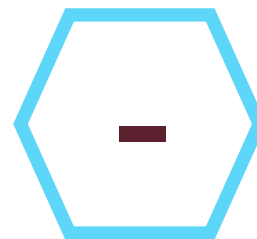
Protected retirement age



Any link to a defined benefit pension



Any guaranteed benefits or added benefits



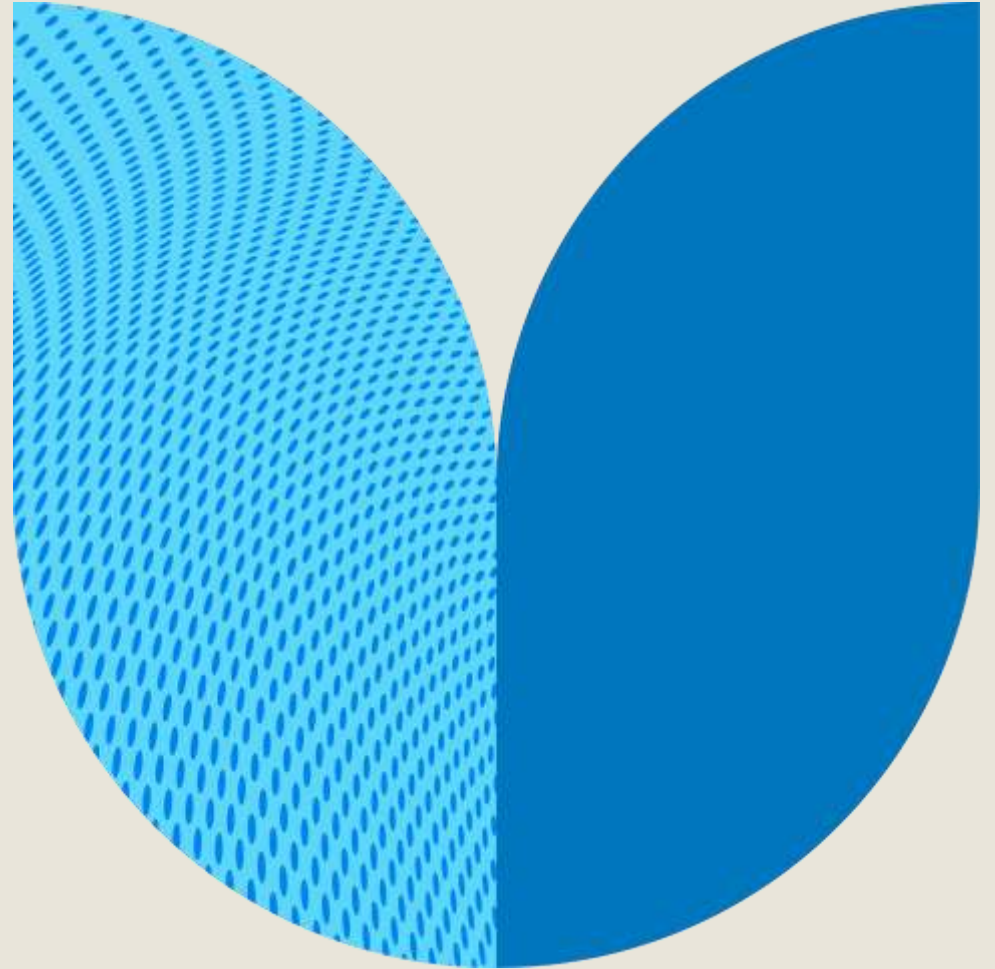
If you are unsure, you should always seek regulated advice before transferring a pension



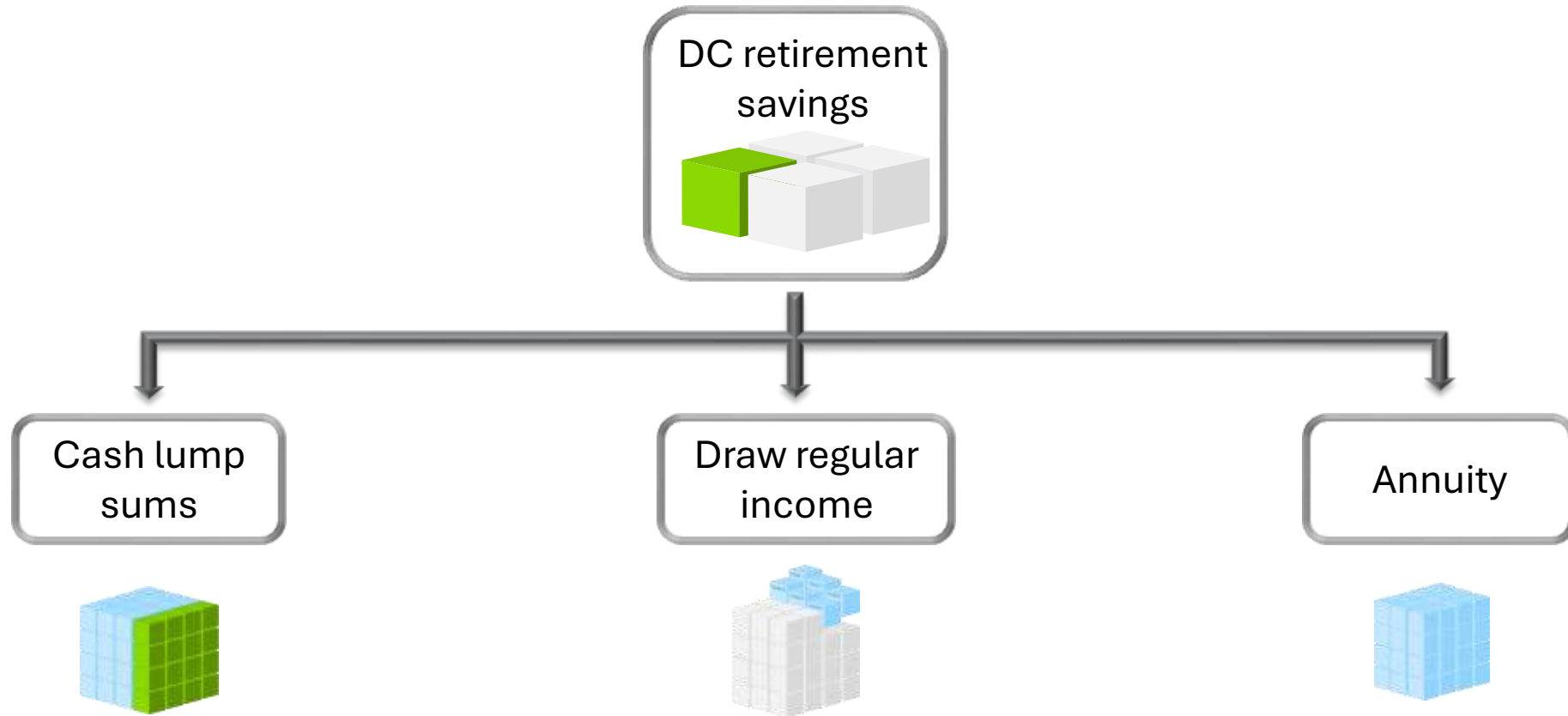
finding lost pensions:

gov.uk/find-pension-contact-details

Receiving Your Pension At Retirement

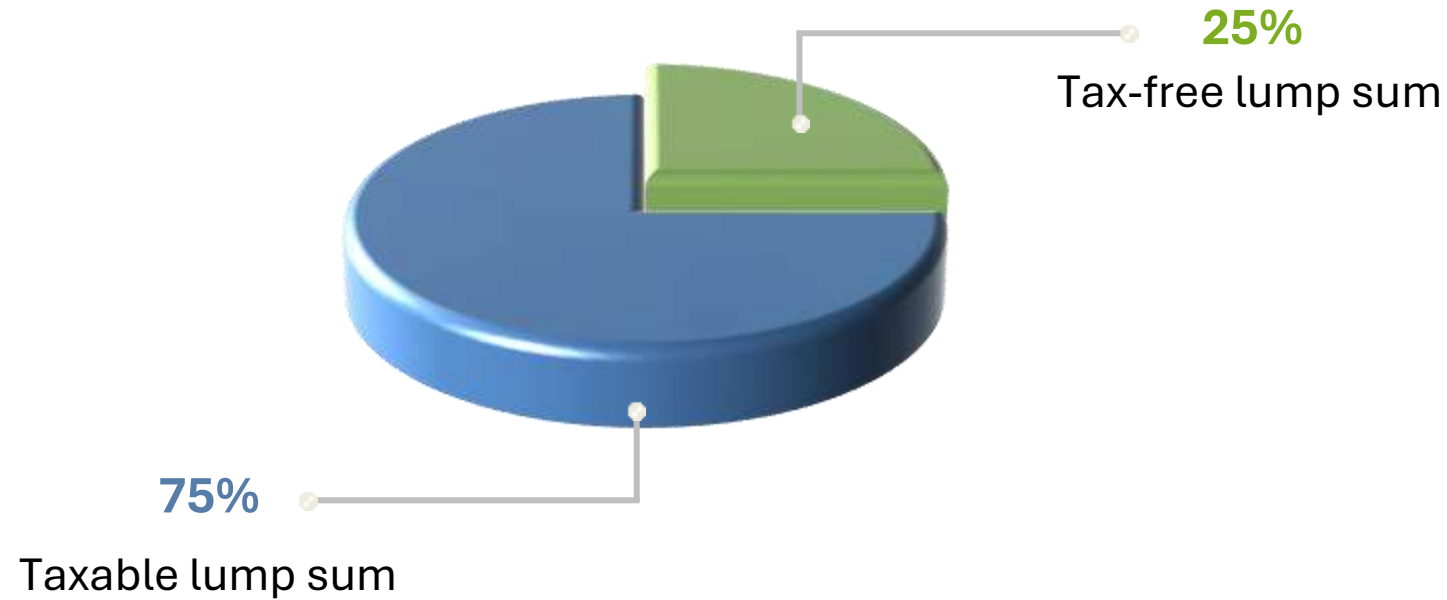


Defined contribution income options



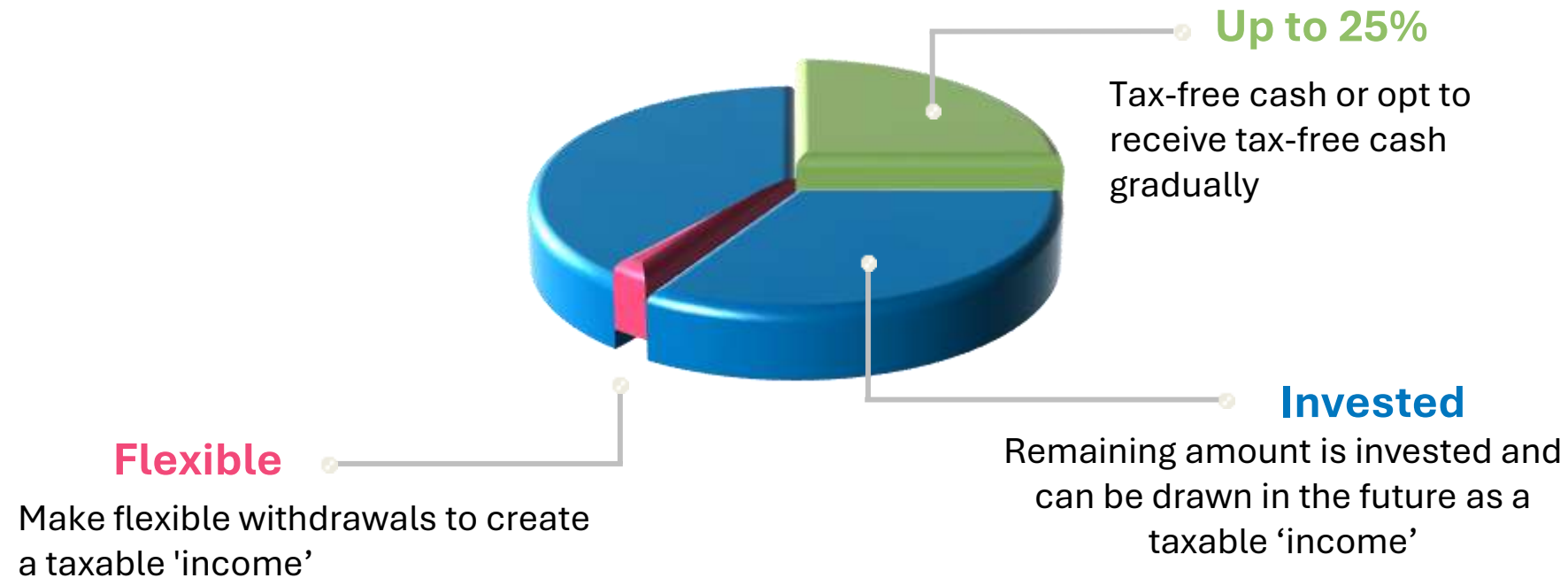
You may need to transfer your benefits to an alternative arrangement to access your chosen income route

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

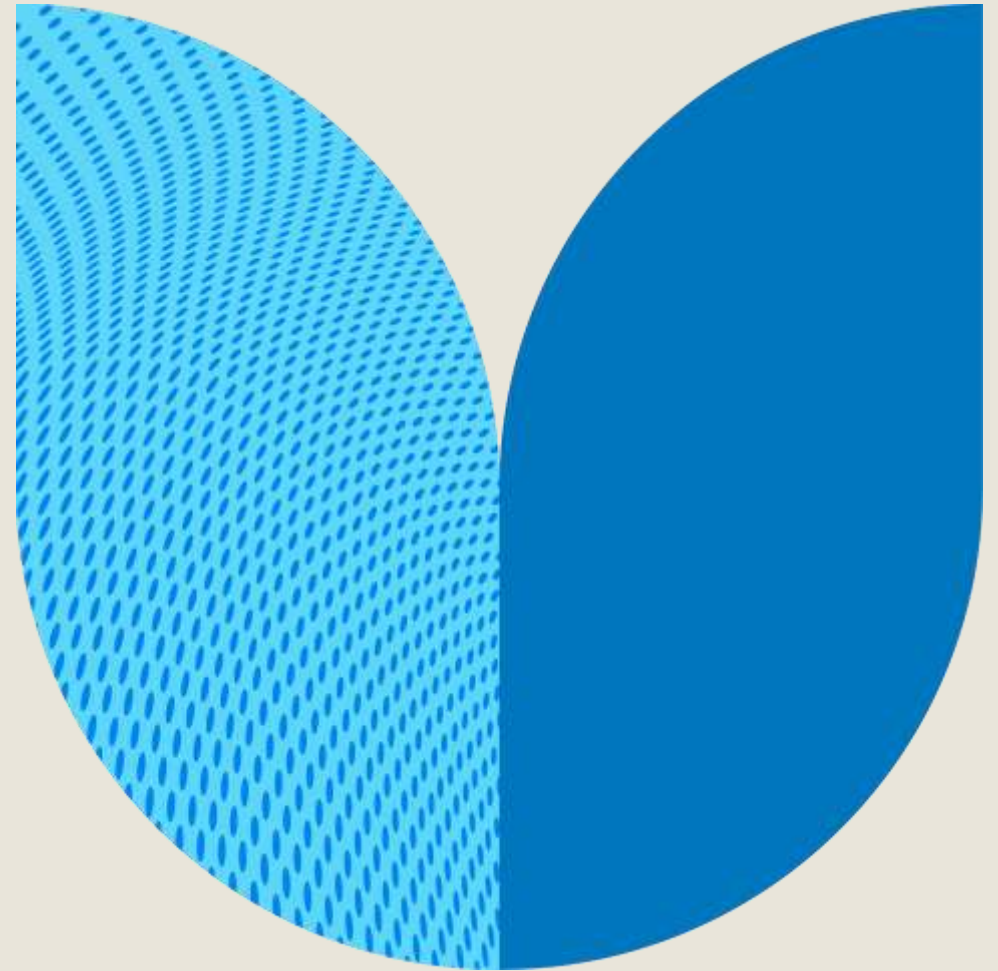
Buy an annuity with the remainder

The income level is determined by your circumstances

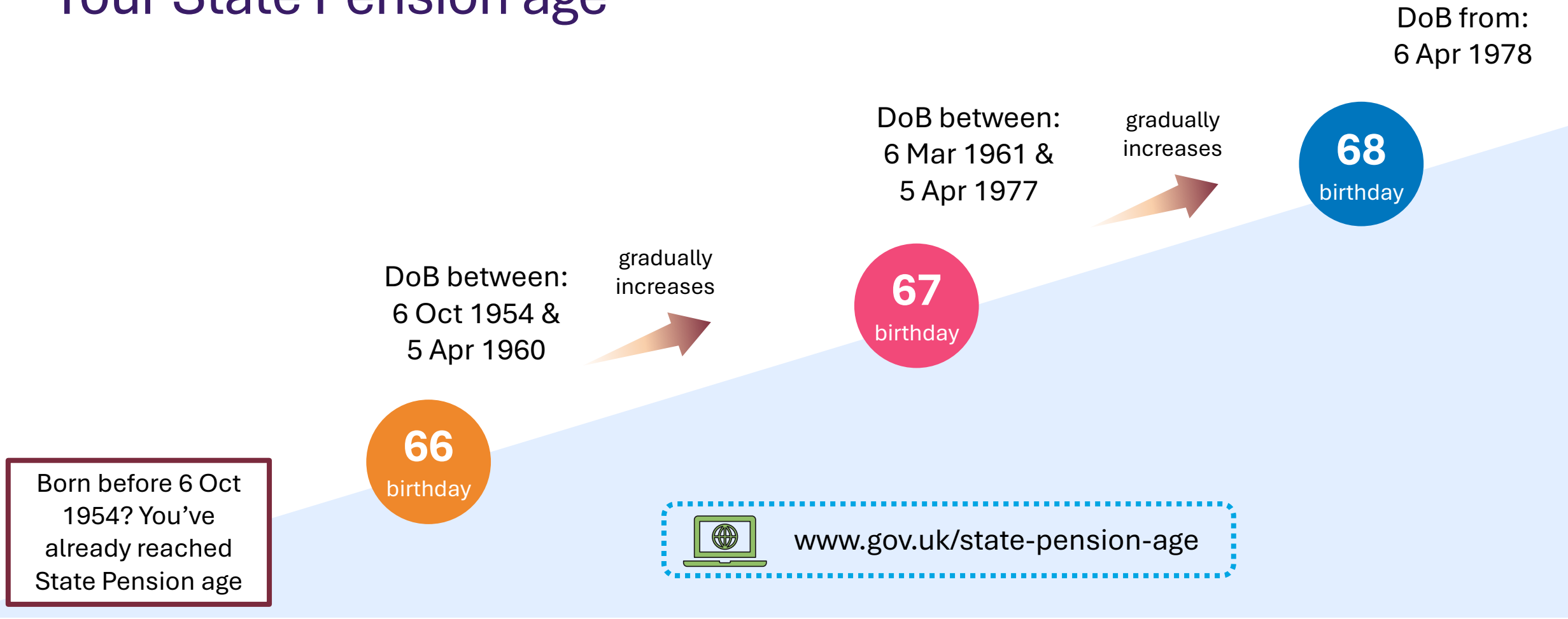
Provides a secure income throughout your retirement



The State Pension



Your State Pension age



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

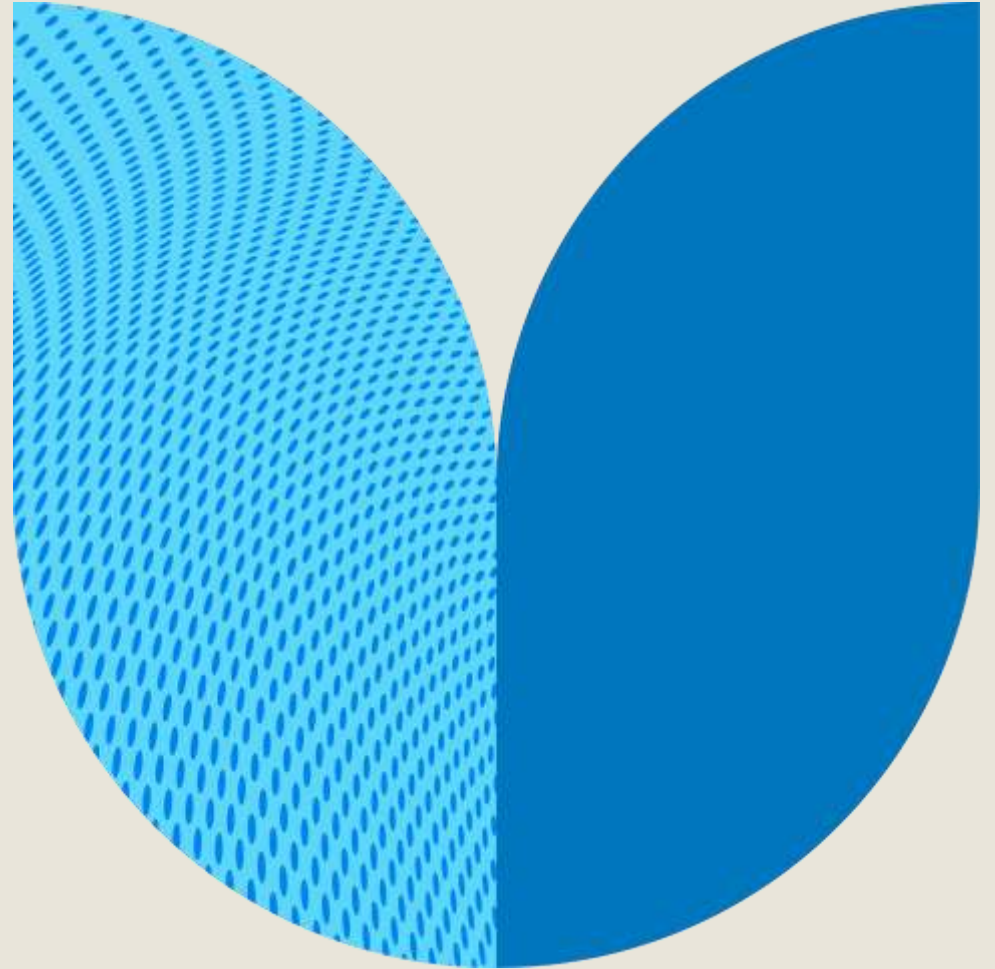
Forecast if you contribute another 7 years before 5 April 2036

£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

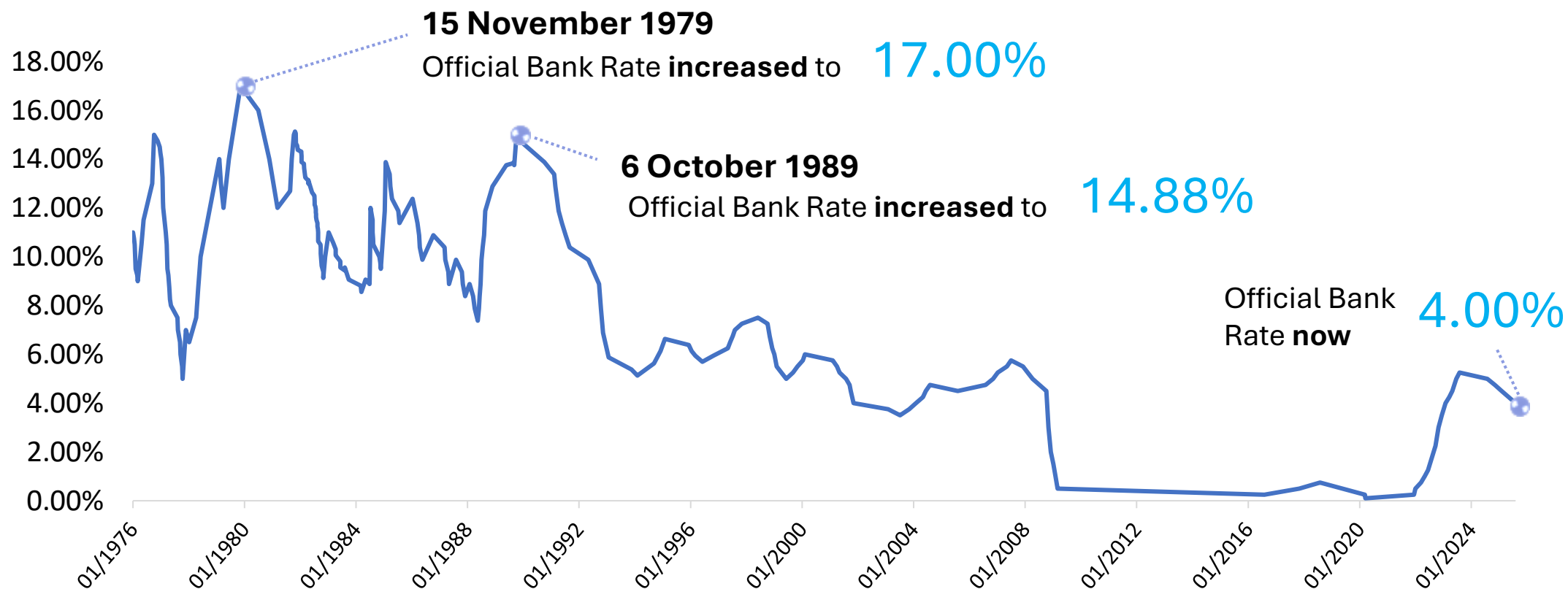


Long Term

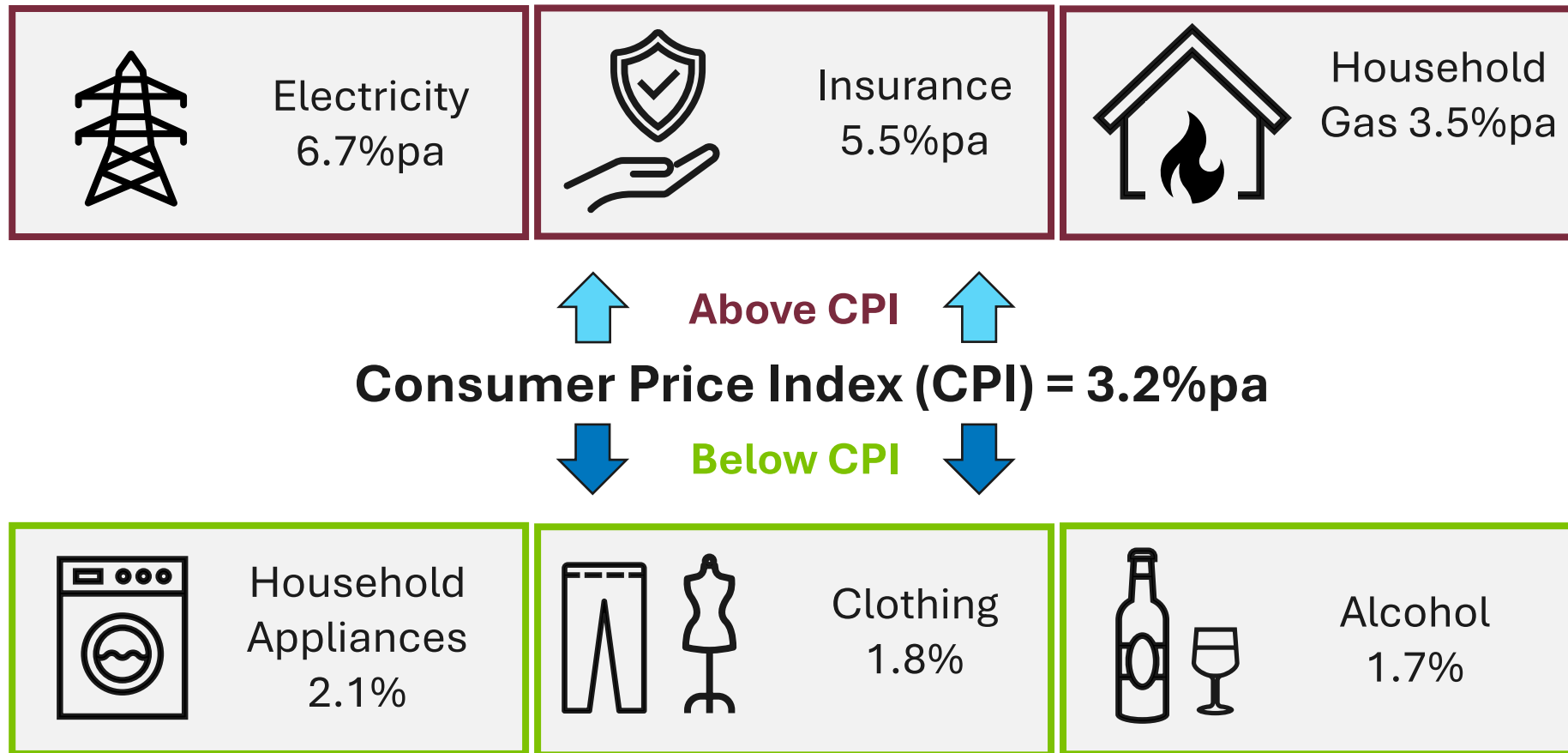
- More than 15 years
- Consider your retirement approach

Changing interest rates

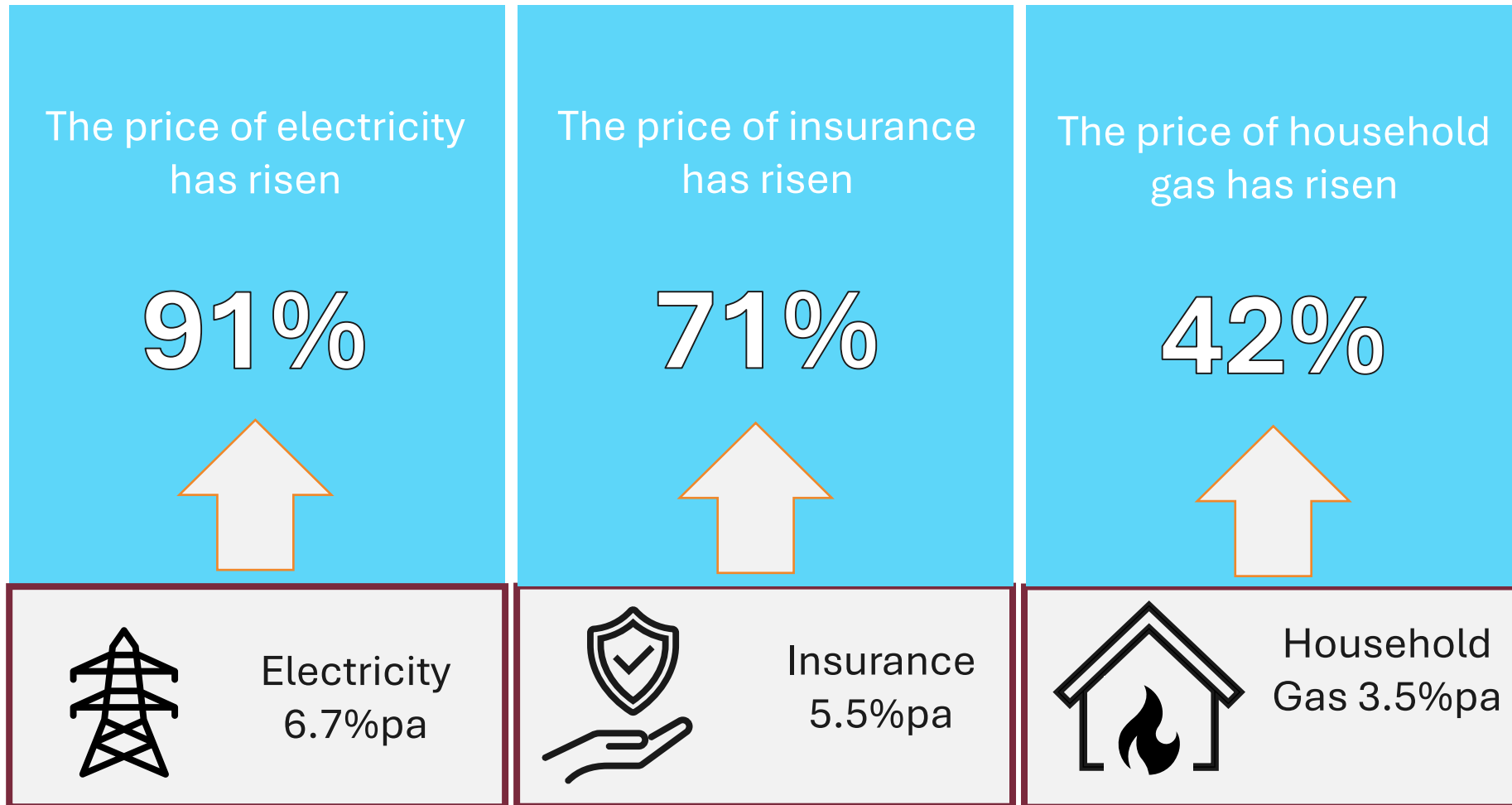
If you have longer term savings you may consider investments rather than cash.



Inflation: average over 10 years

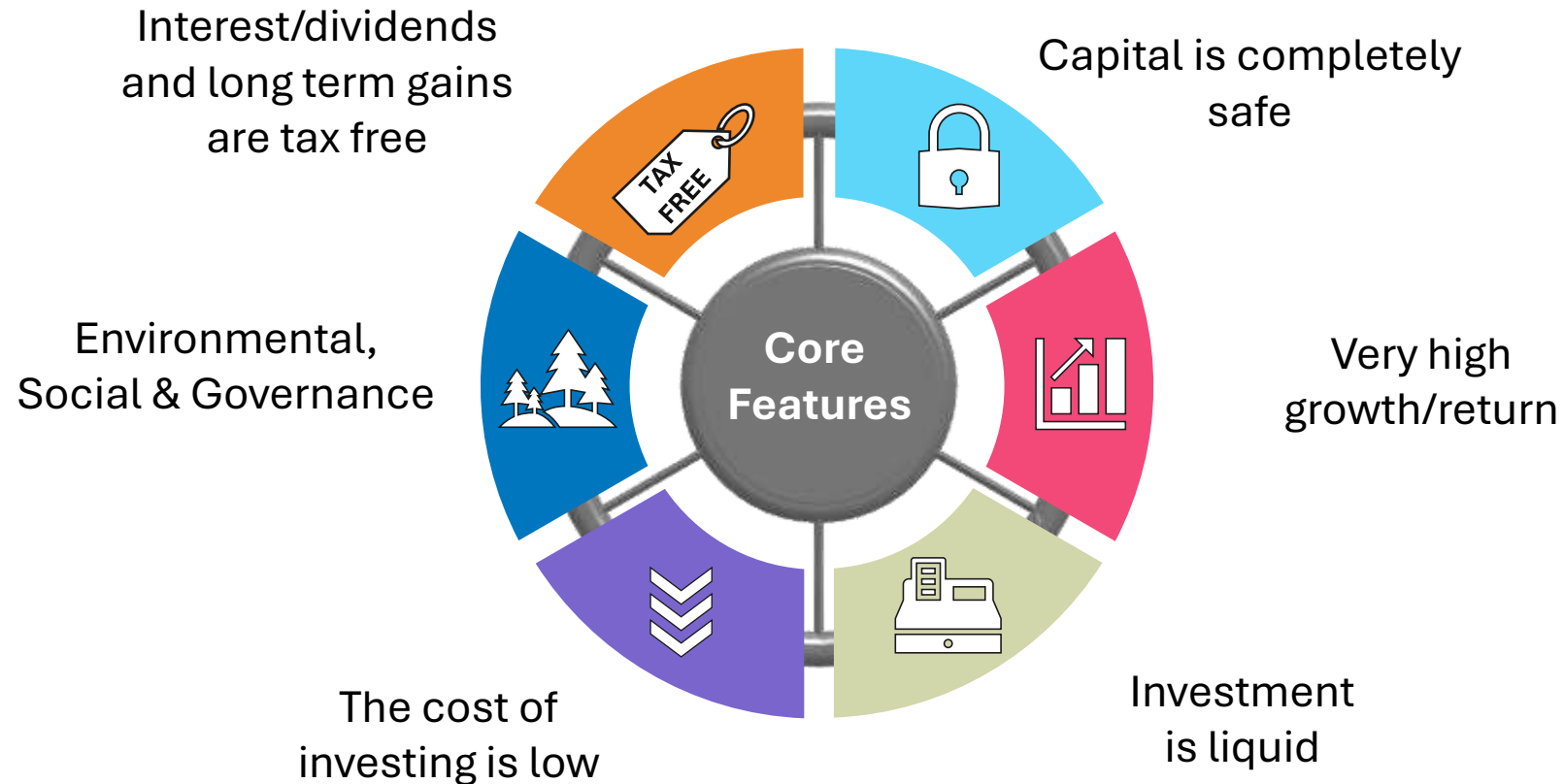


Inflation: over 10 years



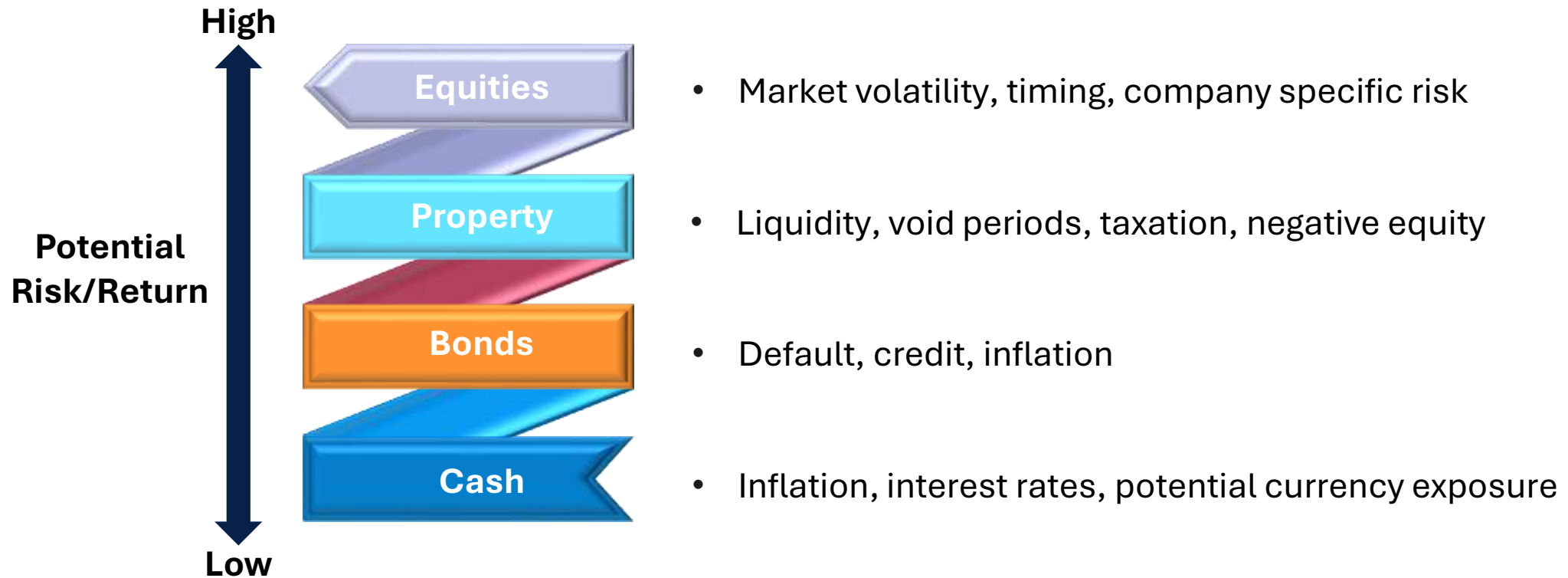
Source: Office for National Statistics – January 2015 vs January 2025

Investment principles



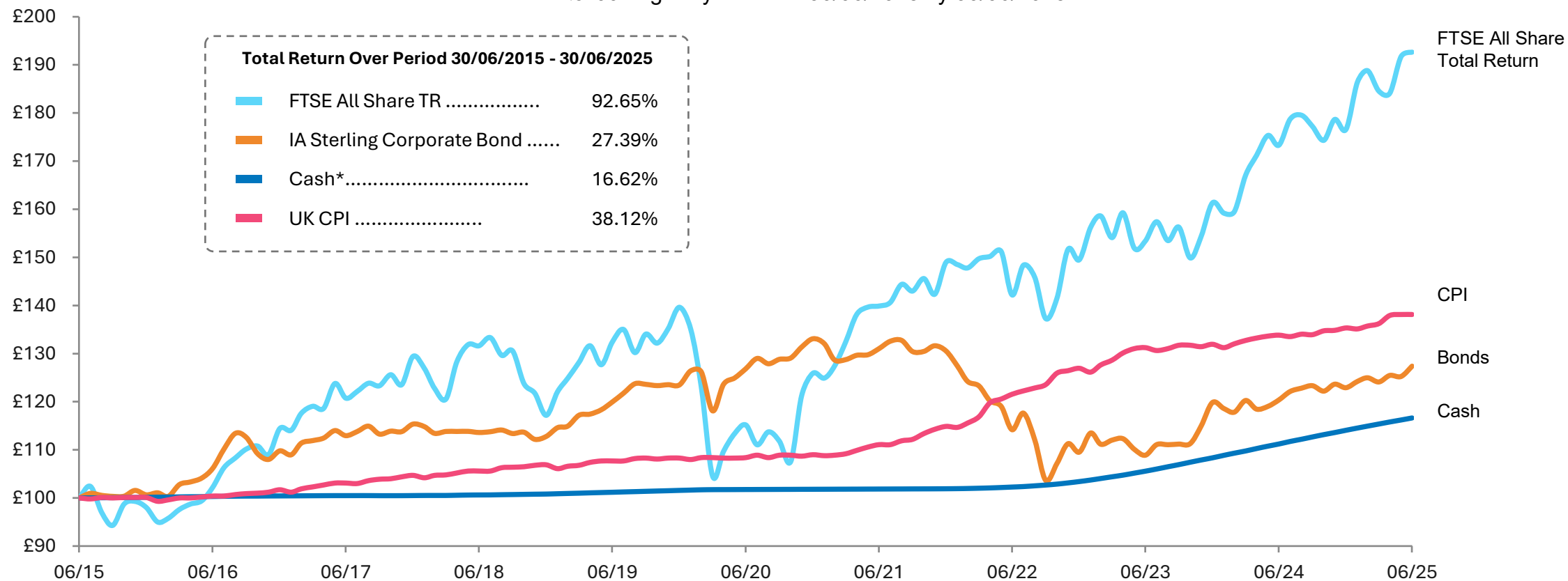
Investment risk and returns

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



Risk and returns: the real world

The value of £100 originally invested 30/06/2015 by 30/06/2025



This chart shows past performance which is not a reliable guide to the future

Source: Financial Express & Bloomberg

*Cash is calculated using: FE FER Cash Proxy from 30/06/2015 to 31/12/2018 and the UK Bank of England Base rate from 31/12/2018 to 30/06/2025.

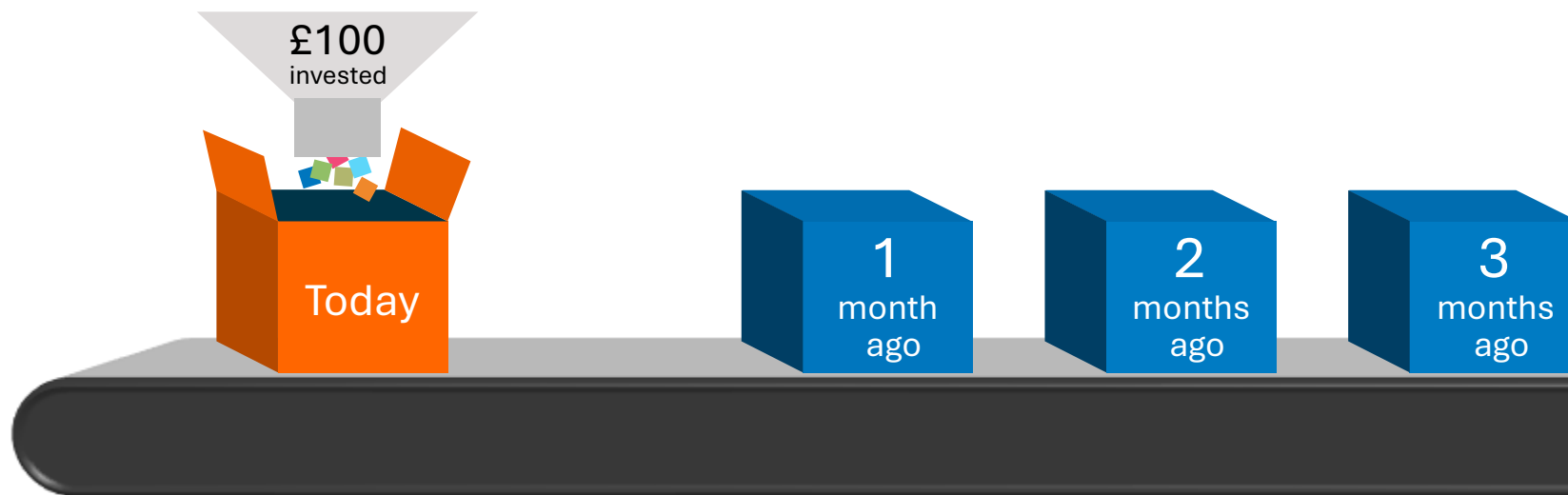
Directshare

- 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

£72 or £58
(basic rate / higher rate)
Personal cost

£28 or £42 tax and NI saving
(28% basic rate / 42% higher rate)
Tax and NI saving



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

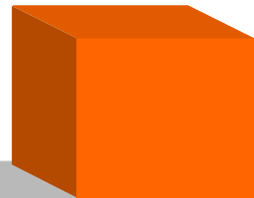
Directshare



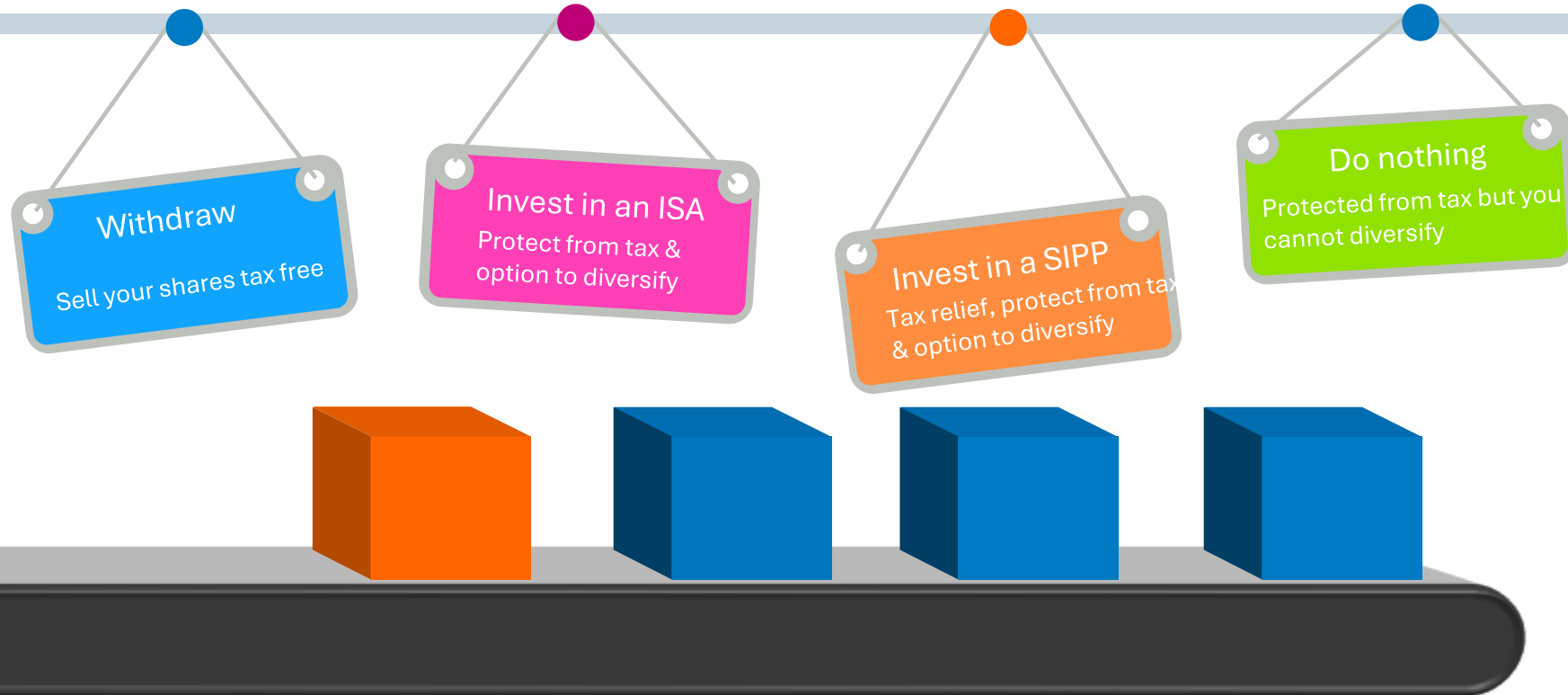
Directshare

After 5 years...

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

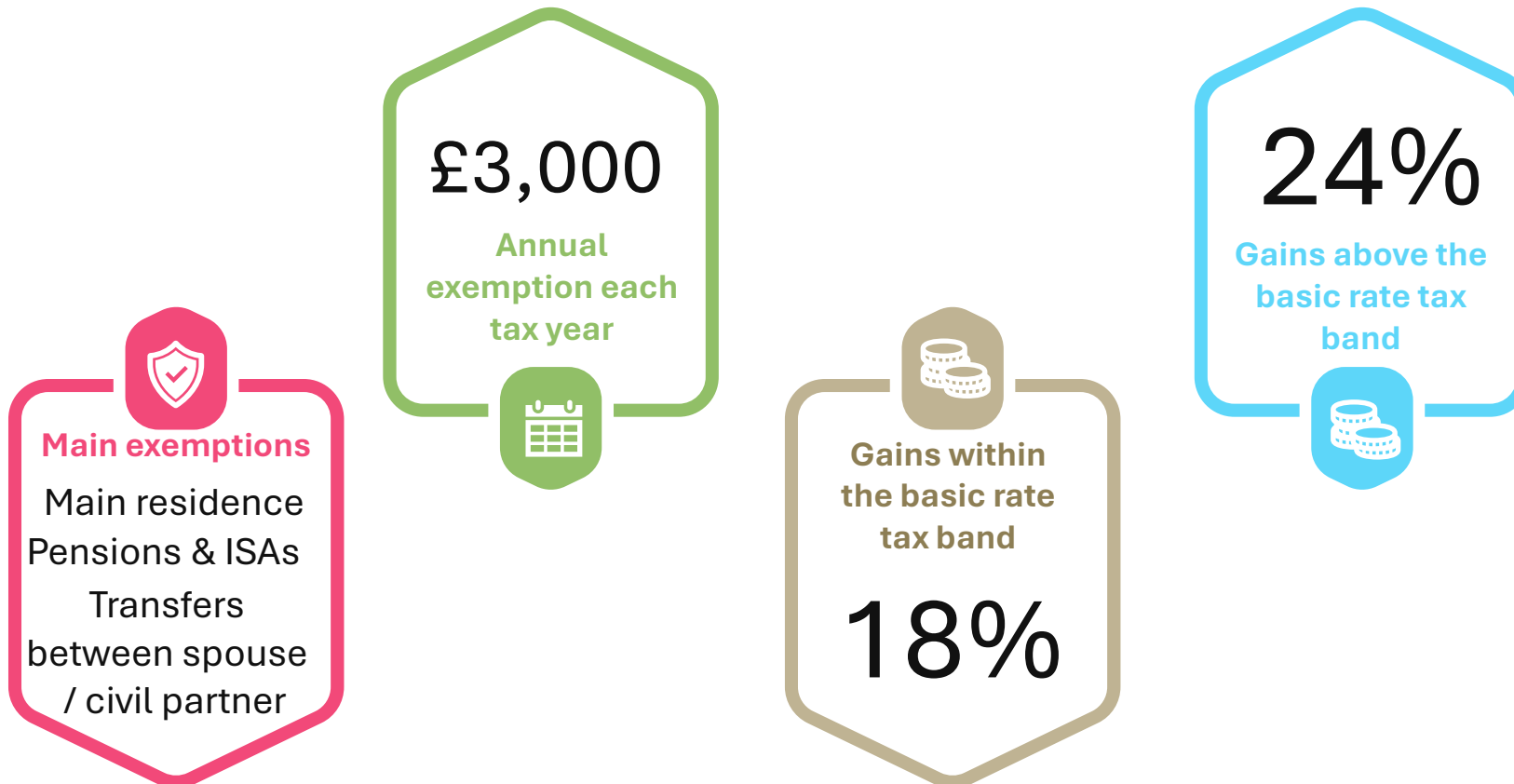


Directshare



Capital gains tax (CGT)

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

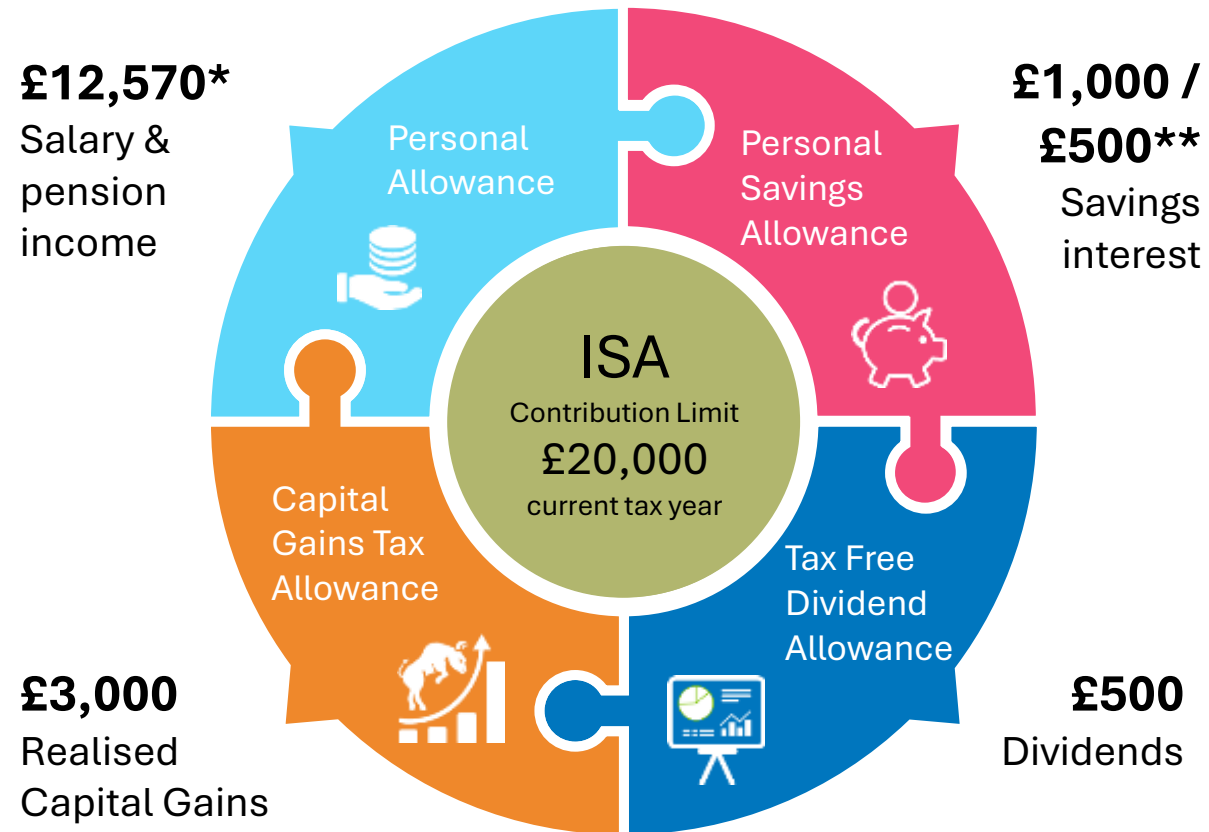


Individual savings accounts (ISAs)

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



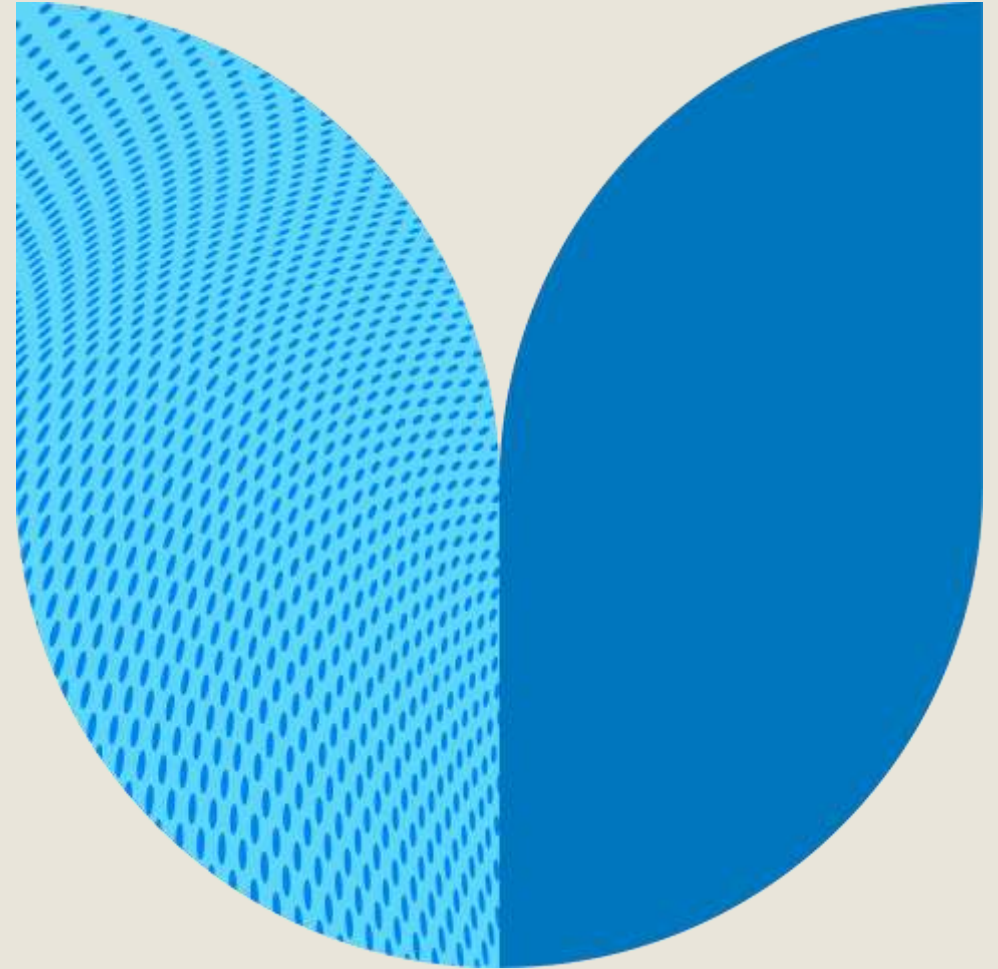
Tax allowances summary



*Reduced for those with income over £100,000

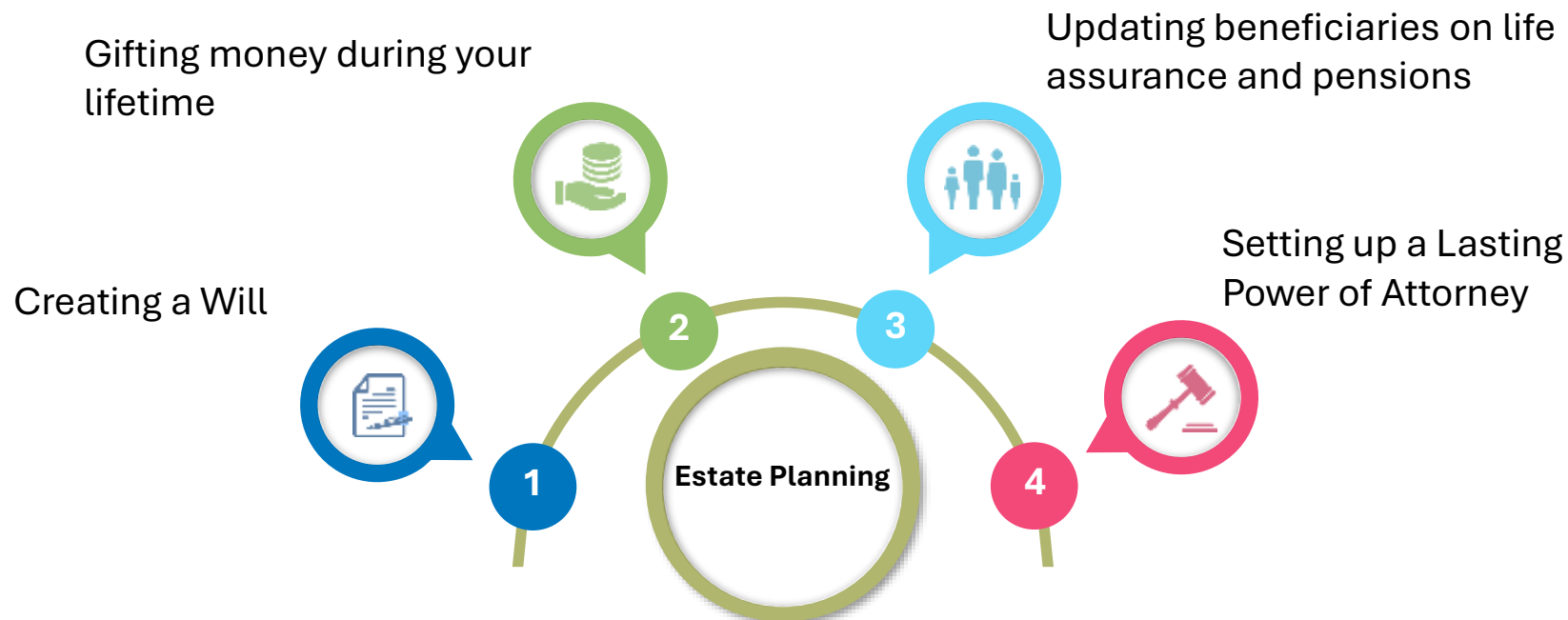
**£1,000 for basic rate and £500 for higher rate taxpayers. Additional rate taxpayers do not have a Personal Savings Allowance

Estate Planning

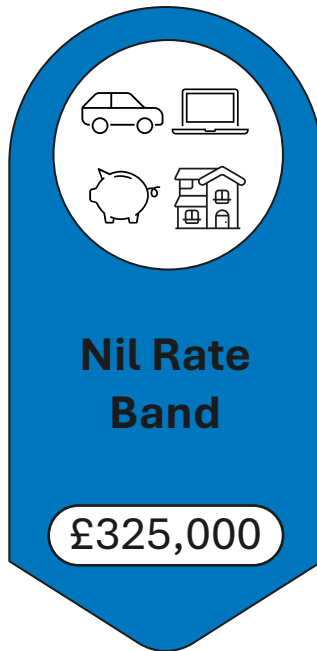


Estate planning

- 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:



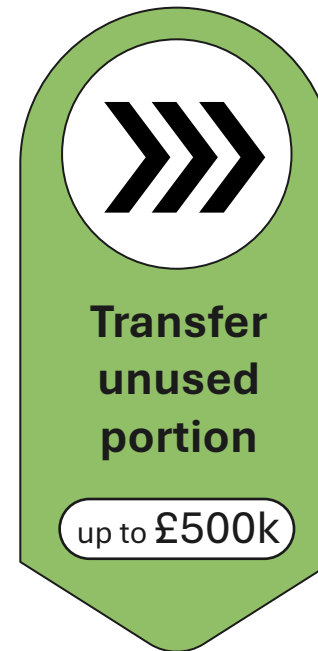
Inheritance tax (IHT)



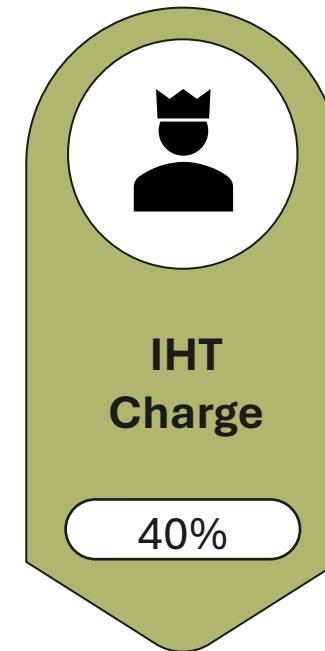
Applied to any part of an estate that is chargeable to IHT



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

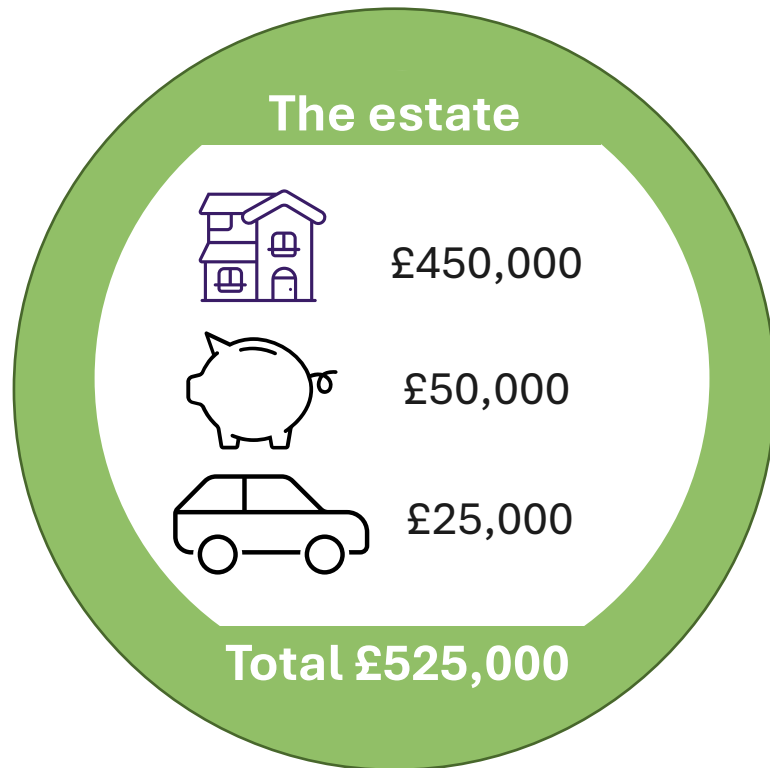


A couple could potentially pass on up to £1m before IHT becomes due*

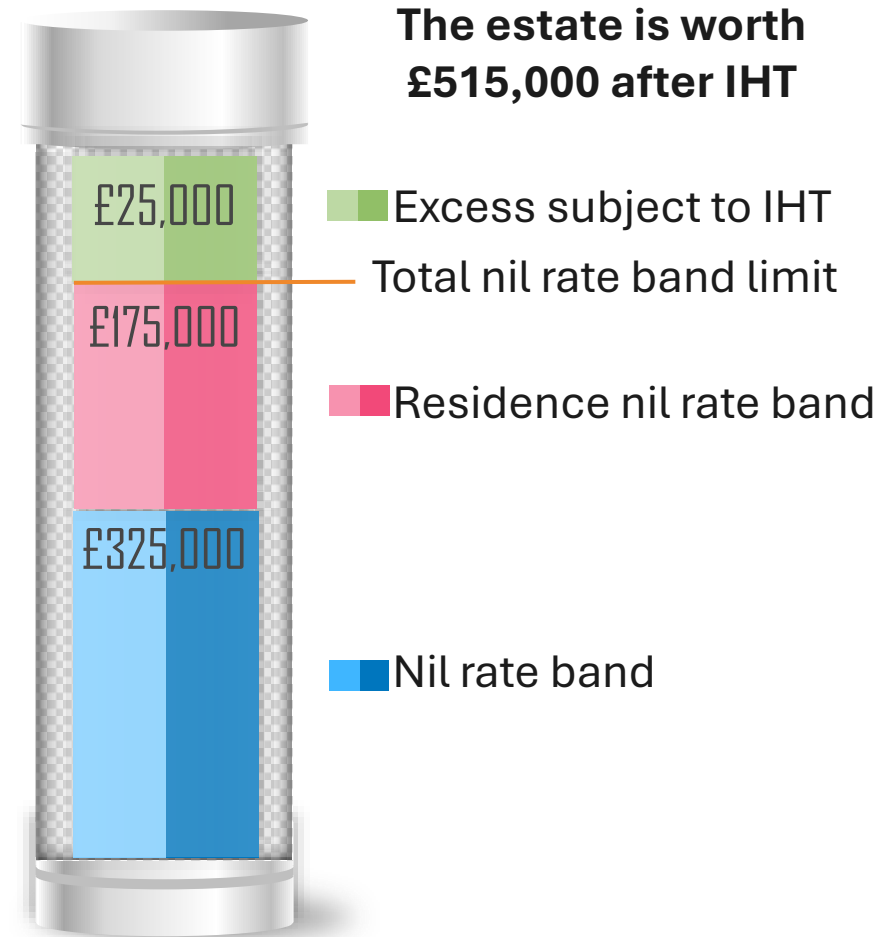


*A couple in this context is a spouse or civil partner

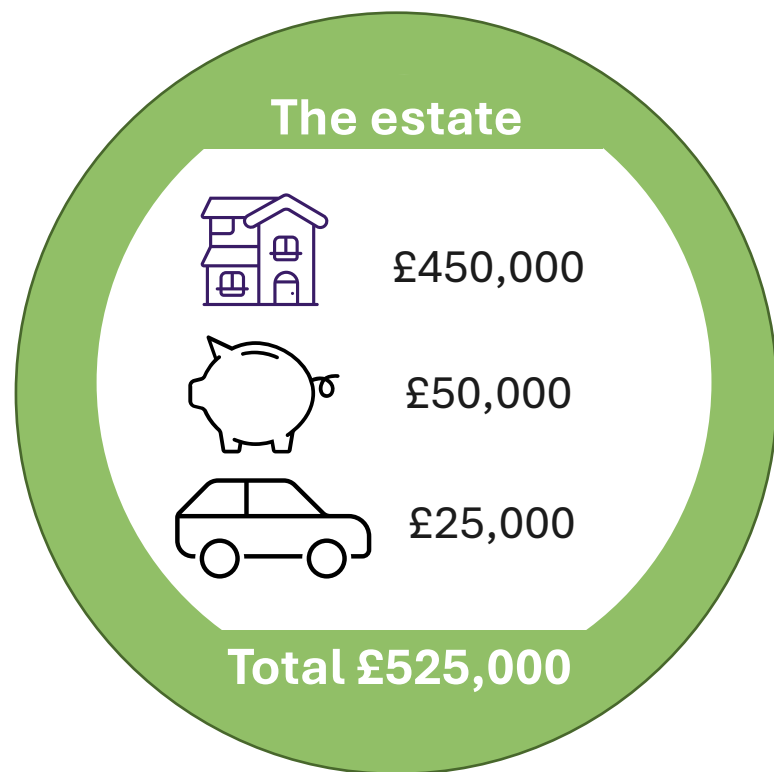
Inheritance tax (IHT) - example



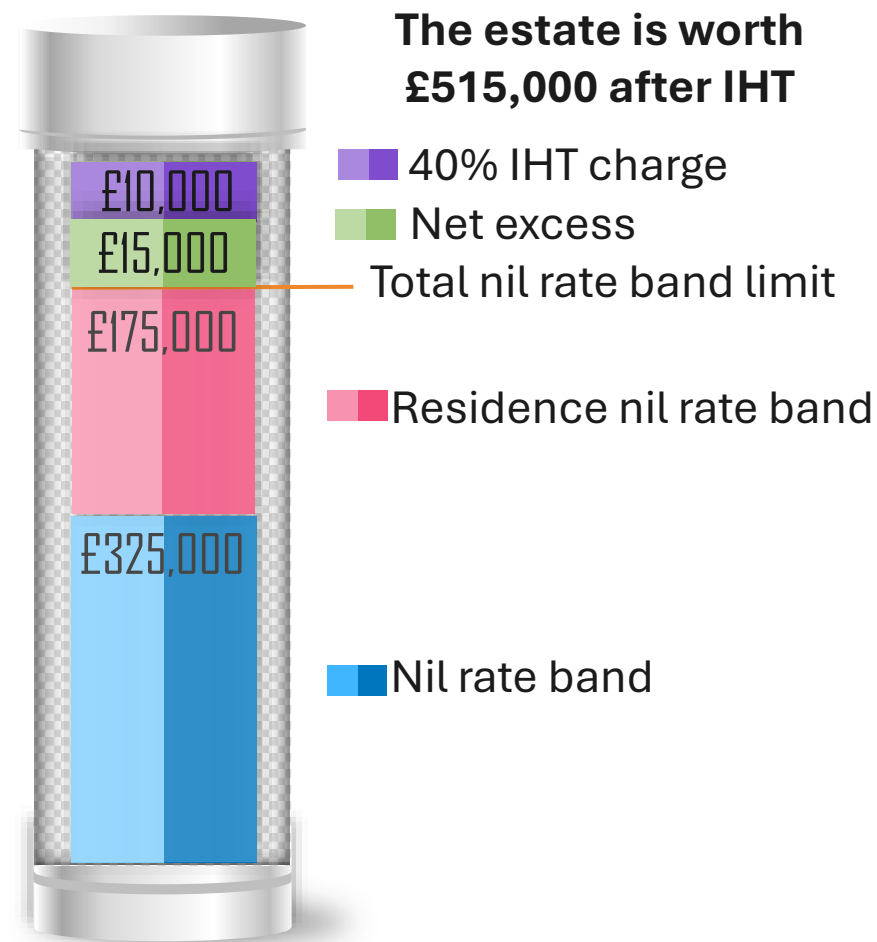
The estate is being passed to a direct descendant



Inheritance tax (IHT) - example

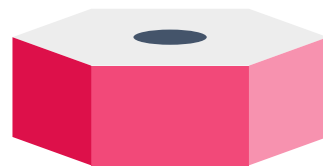
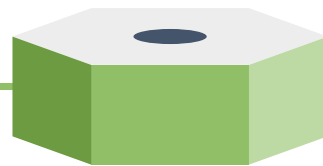
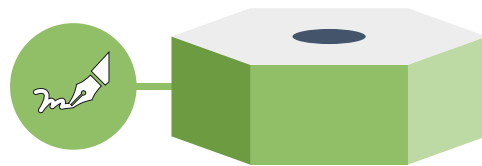


The estate is being passed to a direct descendant



Writing a will

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

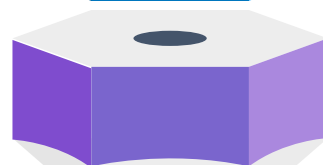
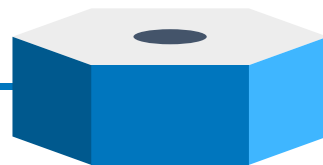


Only consider writing a Will yourself if you're confident that it reflects your wishes or intentions

Keep your Will up to date

Divorce automatically removes any entitlement to the ex-spouse*

A Will is automatically revoked on marriage*



Regularly review your nomination forms for life assurance and pensions

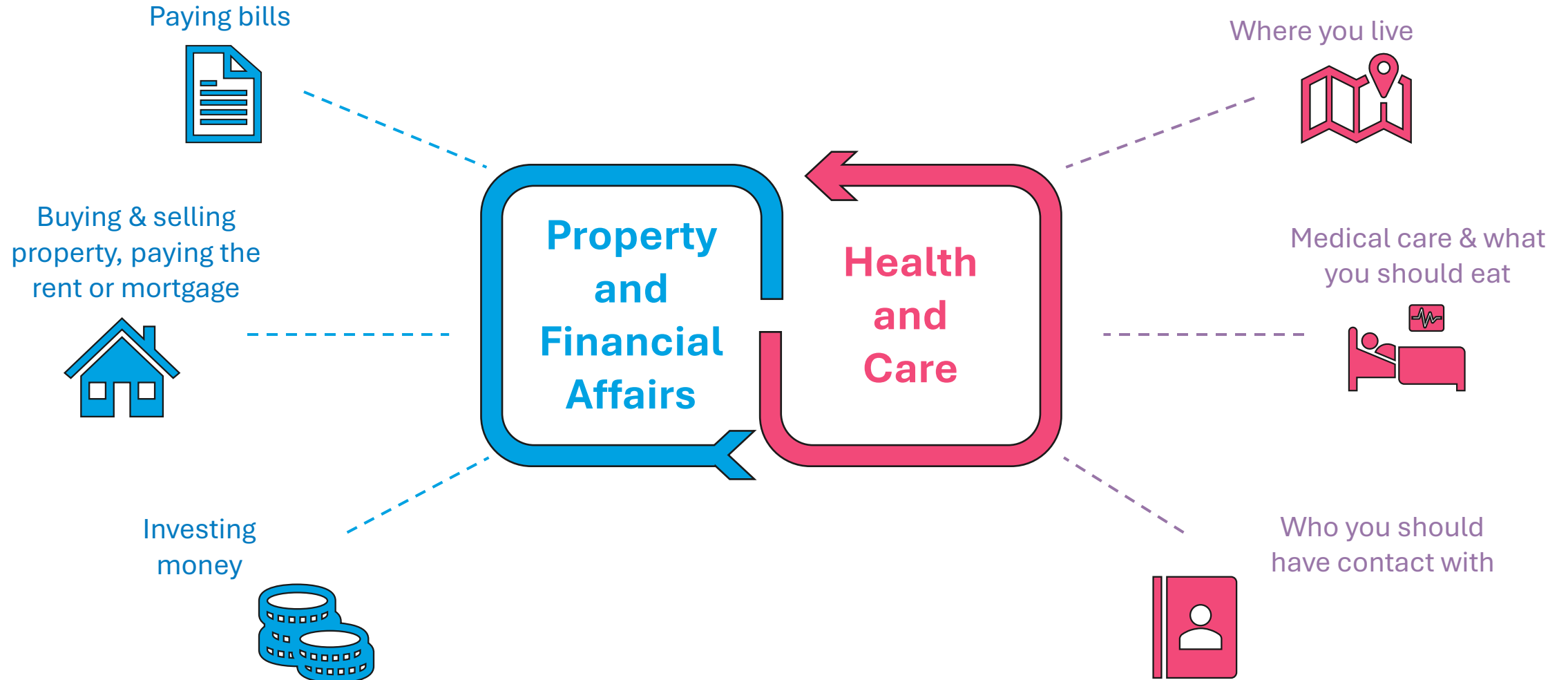
*Unless your Will specifically states otherwise

Writing A Will - Red Apple Law

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



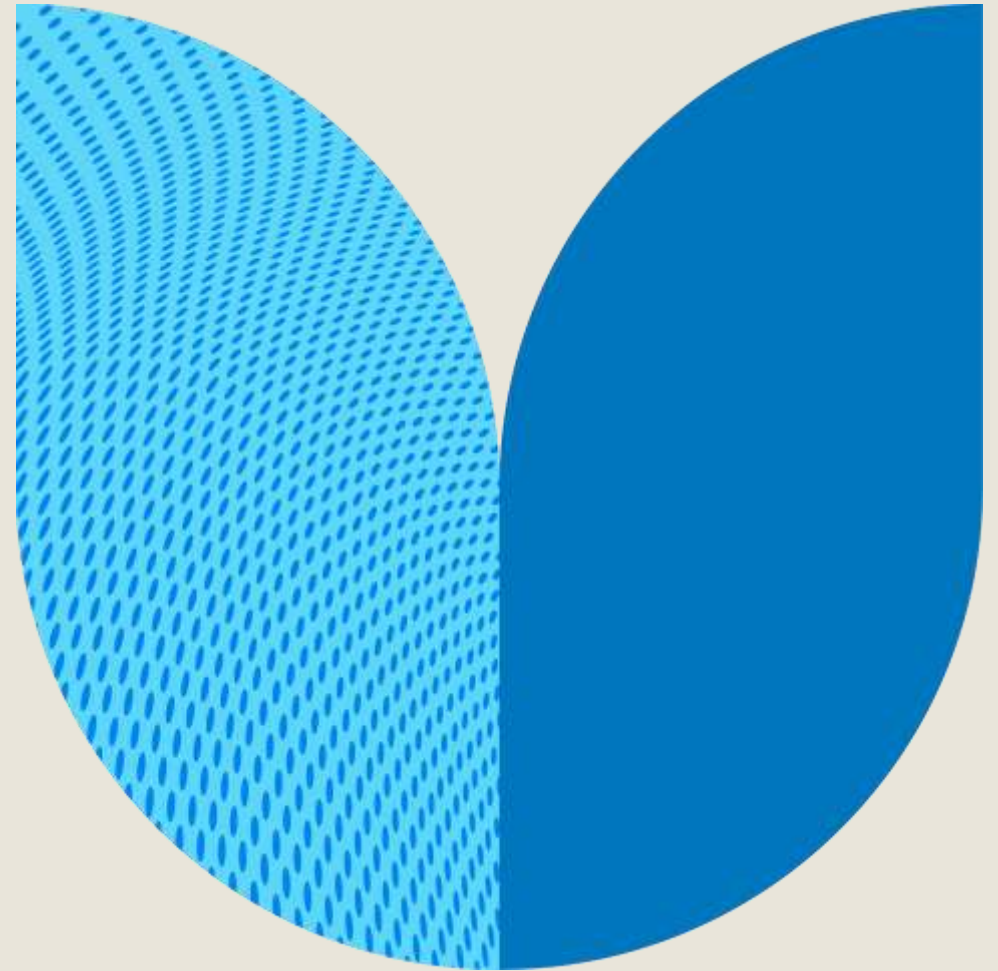
Lasting power of attorney



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**

WEALTH at work

part of the Wealth at Work group

Thank you

0800 028 3200

www.wealthatwork.co.uk/mywealth

