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WEALTH KNOWLEDGE

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Help to Buy schemes benefit record numbers

The government's Help to Buy schemes have helped more than 320,000 people secure their own home.

Out of those completions, more than 90% took place outside of London where house prices are lower.

In addition, the average house price across the Help to Buy schemes was £196,092 – below the UK average of £223,257 in June 2017.

Almost 84,000 completions were made using the Help to Buy ISA, which allows individuals to save up to £200 a month towards buying a first home worth up to £250,000 (or £450,000 in London).

This scheme was used most frequently in the North West, Yorkshire and the West Midlands.

Alok Sharma, housing and planning minister, said:

"This government is committed to fixing the broken housing market and to help more people find a home of their own, with the support of a range of low cost home ownership products."

Equity loan scheme

A further 130,000 completions were made through the Help to Buy Equity Loan Scheme.

The scheme offers buyers with a 5% deposit an equity loan of 20% towards a new-build home.

Statistics by the Department for Communities and Local Government show 81% of home purchases using the scheme had been made by first-time buyers.

The government is set to invest a further £10 billion into the equity loan scheme, helping an estimated 135,000 people to purchase a home by 2021.

Contact us to discuss purchasing your first property.

One in three over-50s 'financially supporting dependants'

More than one in three (36%) workers over the age of 50 are planning to retire later to help ease the financial pressures on dependent adult children.

According to Aviva's Real Retirement Report, the financial needs of adult children were the only reason 32% of over-50s were still in work.

In addition, 12% said the only reason they were still working was to financially support their own parents or their partner's parents.

Other findings:

- 22% forfeited chances to save for retirement to put financial dependants first
- 12% stopped saving all together to support financially dependent children and parents.

Lindsey Rix, managing director of savings and retirement at Aviva, said:

“With children flying the nest later and later, many over-50s are shouldering the responsibility of putting their families’ financial needs ahead of their own for a prolonged period.

“As a result, many are facing a dilemma over delaying their retirement, while others are struggling to maintain their retirement savings habits.”

Savings options

If you’re over 50 and putting financial dependants ahead of saving for your retirement, you may wonder what you can do to top-up your pension pot at a later date.

A good place to start would be to consider increasing contributions towards your workplace pension to take advantage of any employer contributions and tax reliefs on offer.

You can also pay gaps in your national insurance record from the past six years by paying class 3 national insurance contributions, which determines how much state pension you’ll receive.

We can help with your retirement planning.

Savers lulled into false sense of security

Over half (56%) of employees are relying solely on the workplace pension as their main way of saving for retirement, according to a study.

Workplace pension provider NOW: Pensions surveyed 2,007 workers over the age of 22 and found 24% don’t know how much they are contributing to their pension.

Despite 27% of employees only making the 1% minimum contribution, 39% expect to have a comfortable retirement which includes holidays and dining out.

The average auto-enrolled worker expects to save £150,477.

If a 65-year-old was to retire with that workplace pension today, they would receive £7,537 a year or £628 per month.

Perception also differed between genders, with men expecting £184,000 in their overall pension pots compared to £102,000 for women.

But 54% of those polled admitted they didn’t know what size pension pot they would have at retirement.

Adrian Boulding, director of policy at NOW: Pensions, said:

“For the majority of auto-enrolled savers, the reality is that minimum contributions won’t be sufficient for a comfortable or secure retirement.

“For auto-enrolment to live up to savers’ expectations, government need to give careful consideration to increasing minimum contributions.”

Lifetime ISA

As an addition to saving towards retirement, the Lifetime ISA is available for those aged 18 to 40.

Individuals can put in up to £4,000 each year while the government will add a 25% bonus – worth up to £1,000 per year. Savings can be withdrawn at any time towards buying a home or from the age of 60 to form part of your retirement saving strategy.

Talk to us about your saving options.

Working carers seek further support

83% of working carers believe they should be entitled to unpaid leave and other parental policies, a study has found.

Aviva polled 1,000 working adults and found four in five people caring for older relatives, partners or children with disabilities needed to leave work or cancel arrangements at short notice.

In addition, the average working carer devotes at least 10 hours a week to support someone they care for while around one in three spend more than 10 hours caring for a loved one.

More than one in five (22%) had not told their employer about caring commitments, whereas 18% had only confided in trusted colleagues.

When asked why, 26% said they didn’t want employers to think they weren’t fulfilling their work responsibilities.

8% were concerned they would lose their job, while the same percentage of respondents were worried their carer duties would affect their career prospects.

Andy Briggs, chief executive of UK insurance and global life and health at Aviva, said:

“It’s unthinkable that some people don’t feel able to tell managers and colleagues about their caring commitments.

“We want to break this taboo and encourage workers and employers to talk openly, in the same way that people talk about parental responsibilities.”

Statutory rights

Employees are allowed reasonable time off to deal with an emergency involving a dependant, such as a spouse, partner, child, grandchild, parent or someone who depends on them for care.

Working carers can also apply for carer’s allowance, worth £62.70 a week, if caring for someone in receipt of certain benefits for at least 35 hours a week.

Get in touch to discuss flexible working.

Important information

The way in which tax charges (or tax relief, as appropriate) are applied depends on individual circumstances and may be subject to change in the future. ISA and pension eligibility depend on individual circumstances.

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