

Financial PLANNER

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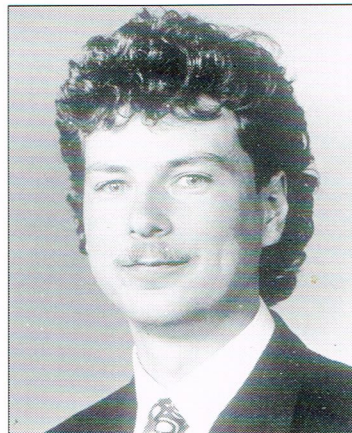
New pension age for women

Every woman now under 44 will have to work extra years before receiving a state pension. And if you are now 38 you will have to wait until you are 65 before you can claim your pension. For the government has now decided to equalise state pension ages for men and women at age 65, gradually raising the state retirement age for women between the years 2010 and 2020.

There are many important implications for women. If you want to retire at 60 or even before then, you will now need to consider increasing your own pension provision. And the sooner you start, the easier it will be to achieve your financial goals.

This move should also be seen in the context of a sustained barrage of ministerial comments about the need to cut back on the future costs of state pensions and other benefits. The government is clearly expecting people to make their own pension provision in the future to a much greater extent.

It has always been a good idea for women to contract out of the state earnings related pension scheme (SERPS) at a younger age than men. The change to a common



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retirement age alters the calculations considerably. If you are in your thirties or younger, you should be contacting me now about your contracting out decision. Do not forget the 5 April deadline for this.

Year-end tax reliefs - deadline 5 April

Make certain you review your tax and pension position before 5 April to ensure you take full advantage of the available reliefs. Don't forget, if your taxable income after allowances comes to over £23,700, you are likely to be a 40% tax payer. And there is still tax relief at up to 40% on pension contributions.

Personal pensions

If you are in a job that does not carry a pension scheme with it, or if you are self-employed, now is the time to make your personal pension contributions. You normally get the tax relief for the year in which you pay the premium; but you can backdate a claim for tax relief to the

last tax year, if you make the payment before 6 April and send in a special form to the taxman before 6 July.

The Inland Revenue allows you to invest a substantial proportion of your income into personal pensions. And the earlier you start, the more likely it is that you will have a reasonable standard of living when you stop work. Do not underestimate the fund that will be needed to replace your earnings at retirement.

If you have not invested the maximum over the last few years, I can show you how to catch up on unused tax relief for the last six years.

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Features

The Female Angle

'Women need financial planning just as much as men do'

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