

THE AUTUMN STATEMENT: WHAT IT MEANS

Despite the usual leaks prior to the Autumn Statement, George Osborne did manage to announce several changes that surprised many people. Amongst them were the increase in the Annual ISA allowance from £15,000 to £15,240 from April 2015.

More significantly, the announcement stated that, in future, spouses and civil partners will be able to inherit their deceased partner's ISA fund and retain the tax advantages of the wrapper. There will be no impact on the spouse's/civil partner's own ISA annual allowance as a result of this. ISA accounts left to a spouse or civil partner will of course continue to pass Inheritance Tax (IHT) free as before, the transfer itself being covered by the spousal exemption. The big difference is that the continuing returns on a deceased partner's savings will be tax free, although the process is not automatic.

Pensions have already undergone very significant changes of late, but the announcement provided further clarification. For defined contribution schemes, such as personal pensions, the death benefits situation has been confirmed: For anyone dying before age 75, the death benefit will be paid tax free within the Lifetime Allowance (LTA). In a change from the original proposals, this will now apply to survivors' annuities and pension guarantee payments, as well as inherited drawdown pots.

On death at 75 years of age onwards, death benefits will be taxed as the recipient's income when they draw the funds. For 2015/16 only, non-drawdown lump sums will be taxed at a flat rate of 45% - but income tax will apply to all post-75 death benefits from 2016/17 onwards.

Particularly interesting is the option of passing wealth down via pension plans and avoiding IHT. Any individual beneficiary of a flexible pension can choose to keep their inherited pension pot within what is known as the drawdown wrapper and decide when (or if) they draw down on it.

These changes transform the wealth transfer planning equation and places flexible pensions at the heart of inheritance planning going forward, opening up exciting new advice opportunities. As always great care should be taken when planning to draw pension benefits, so as to ensure that they are drawn as tax efficiently as possible.

One final eye-catching item was the reform to Stamp Duty tax which is now due to be taxed on a tiered basis. Whilst this looks fairer on paper, the impact on house prices is such that this may actually lead to a degree of house price inflation, and may not be as attractive as first appears.

Wishing You a Safe and Merry Christmas



We hope you have a wonderful Christmas, full of cheer. But we do urge you to be careful as Christmas Day is the worst day of the year for fire claims – 150% higher than normal. Accidents with cooking, candles and all those Christmas lights are usually to blame. To help make sure your Christmas is a merry one, we've provided these simple fire safety tips:

Choose a fresh tree, that isn't shredding needles, and stand it in a large, stable container away from doors, fireplaces and heat sources. Water it regularly, and, if possible, spray it with flame retardant.

Only use fairy lights marked with British Standard BSEN60598 2-20 and the Kitemark. Also, when you get them out of the box, check they're in good condition with no exposed wiring.

Having a working smoke and carbon monoxide alarms is also highly recommended – they could save your life.

And as well as being one of the busiest times of the year for the Fire Brigade, Christmas is also a busy time for thieves. Make sure presents can't be seen from outside your homes, so you're less likely to be the target of a break-in. And, if you don't already have a sensor light outside your house, think about installing one.

All the staff at Sabre would like to wish you a very Merry Christmas and a very Happy New Year.

Staying Safe On The Roads

Winter often brings us ice and snow on the roads, making driving conditions difficult. Taking a few minutes to prepare your car could save you a lot of time and trouble when the bad weather hits – and reduce your chances of being involved in an accident or breaking down.

Check your car is in good working order before setting off, particularly the lights, and make sure there's enough fuel for the journey. Also check your tyre treads – less than 1.6mm is illegal, but the deeper the better for keeping control on snow and ice.

Fill your washers with a high grade screen wash to avoid freezing – never try to defrost your windscreen with hot water as you could crack it – and check your oil and water. Stock up with a few winter driving essentials, such as de-icer, ice scraper, blanket, torch, coat and gloves, boots, old carpet/car mat and a shovel. It's also a good idea to take a hot flask, too.

When you're actually on the road, always leave plenty of space between you and the car in front – stopping in snow and ice can take up to ten times the usual distance. And drive gently. To avoid spinning, accelerate very gently and if you start to skid, pump your brakes to stop the wheels locking. Ultimately, if the forecast or conditions are bad, only drive if your journey is absolutely necessary.



Autumn Statement Tips: New Tax Planning Opportunities

Anyone following the recent Autumn Statement may have picked out two particular areas which offer help in protecting savings. The first is the announcement that spouses and civil partners will be able to inherit their deceased partner's ISA fund and retain the tax advantages of the wrapper.

The second announcement is confirmation that going forward, pension funds will have the ability to be passed down the generations and serve as family inheritance tax planning vehicles. Please contact Shaun & Stuart on 01548-856444 if you would like further information on these areas.

Staff News

Sabre's Stuart Read has been recognised as a Top Rated Independent Financial Adviser on VouchedFor.co.uk. Being Top Rated signifies that Stuart from Sabre Financial is in the top 0.5% * of advisers in the UK making Stuart a great resource for local residents to have on the doorstep.

"Being a Top Rated adviser means a great deal and I'd like to thank all the people who have helped me to achieve it," Stuart commented. "So many people in the South West region would be better off if they sought advice on their finances but often people don't know who to trust with their hard earned savings. I'm pleased every time that I have the opportunity to help somebody to achieve their goals and it's great to know that my clients are satisfied too."

Stuart achieved Top Rated status as a result of having a number of positive client reviews on VouchedFor.co.uk, the independent website which helps people to find a trusted Independent Financial

Adviser, Mortgage Adviser or Solicitor. Advisers are then listed based on client reviews giving those seeking advice confidence the adviser can be trusted.

"I am reassured about being Top Rated," Stuart continued. "As well as the feel good factor it is very helpful to receive honest and open feedback about the things that we do well and the areas that we might seek to improve on. It's great to be recognised for all of my hard work and that of my Sabre colleagues and I just wanted to say thank you to all of my clients."

Any client of a local Solicitor, Independent Financial Adviser or Mortgage Adviser can review them on VouchedFor.co.uk. Reviews help others to find quality advisers like Stuart.

* Based on there being a maximum of 420 Top Rated Advisers in the UK. Latest figures from the Financial Conduct Authority state 21,258 advisers in the UK (as of 31.07.13).



Stuart Read
Pension Specialist