

# Financial Wellbeing Part 2 -

## Wealth Building



# Baby Steps - Recap

## BABY STEP 1

Save £1,000 for your starter emergency fund.

## BABY STEP 2

Pay off all debt (except the house) using the debt snowball.

## BABY STEP 3

Save 3–6 months of expenses in a fully funded emergency fund.

## BABY STEP 4

Invest 15% of your household income in retirement.

## BABY STEP 5

Save for your children's university fund.

## BABY STEP 6

Pay off your home early.

## BABY STEP 7

Build wealth and give



# Step 3 - The Emergency Fund

Once you have...

 Created a budget

 Paid down all debt  
(not the mortgage)

You can...

 Build a fully-funded  
emergency fund

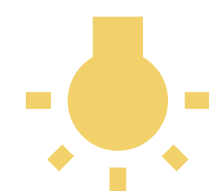
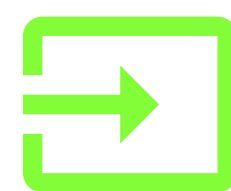
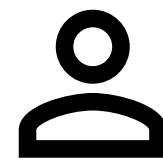
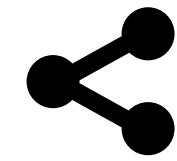
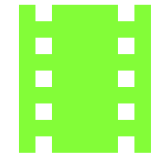
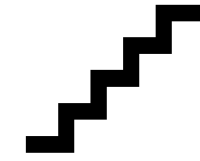
**Purpose** - to fund 3-6 months expense in the event of:-

- Home emergencies - Boiler or Roof replacement, Water damage
- Job loss - Redundancy, change in circumstances or;
- Illness - 2 weeks+

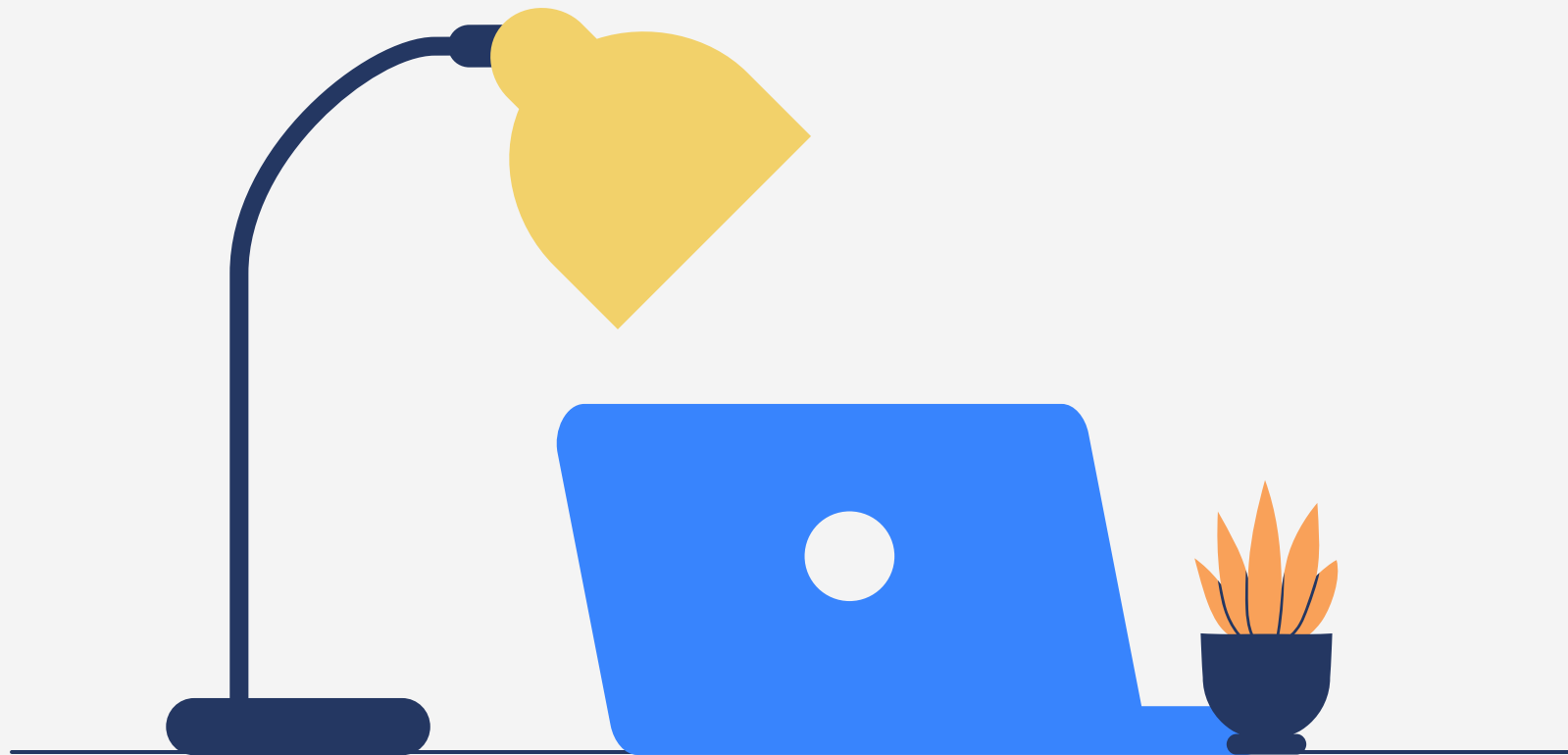


# Step 4 - Invest for Retirement

# What is Investing?



# Basics...

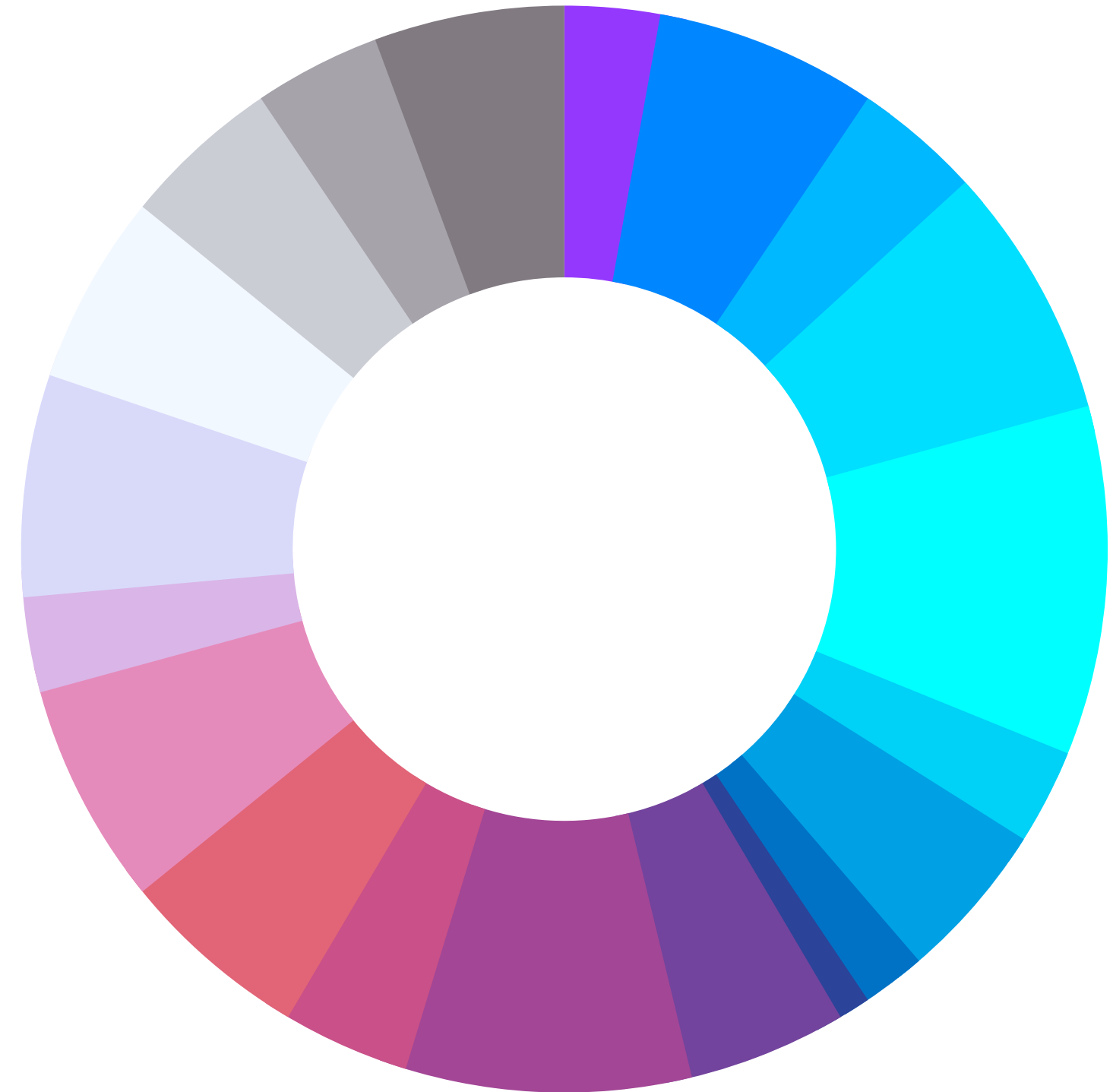


# Diversification

**Asset Classes** - Cash, Bonds, Property, Shares

**Regions** - Domestic or Global

**Sectors** - Consumer, Energy, Healthcare, Financials, Tech, Property



# Mutual Funds



**Straightforward way of  
accessing a diversified  
set of assets**



# Accounts (Tax Wrappers)



- ISA
- General Investment Account
- Pension

# Individual Savings Account (ISA)

- Maximum £20,000 per tax year
- Simple tax-free saving & investing
- Holds mutual funds
- Open on a platform



# General Investment Account (GIA)

- Taxable investment accounts (subject to capital gains in excess of £12,300 allowance)
- Good for investing in excess of ISA limit
- No limitations on contribution amounts
- Simple to manage
- Holds mutual funds
- Open on a platform



# Pension

- Tax-relief on contributions (varies depending on tax rate)
- Optimal vehicle for retirement saving
- Contribution limit - Lower of gross salary or £40,000pa
- Great for legacy planning - Outside estate for IHT
- Open on a platform
- Holds mutual funds

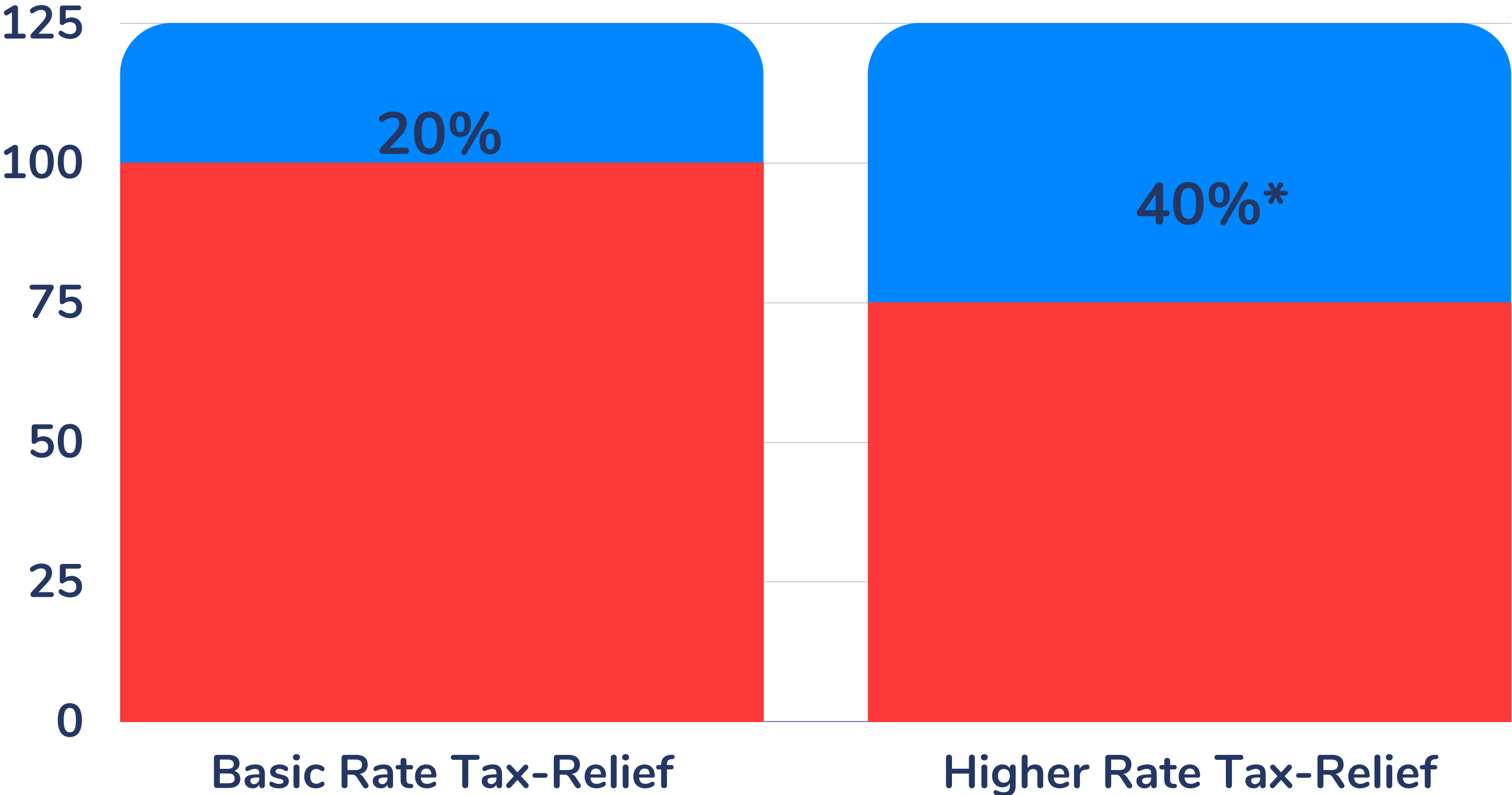


# Workplace Pensions

- Tax-relief on contributions (claimed through payroll)
- Great for retirement saving - Beneficial given mandatory employer contributions
- Auto-enrolment means easy access and no need for specific investment selection
- Low-cost
- Contributions increase with salary (in majority of cases)
- Salary sacrifice - Saves you and your boss NI contributions



# Pension Tax Relief



\*Additional TR claimed through Self-Assessment depending on contribution method

# Q&A ?



Over to you...

Thanks for joining us!

