



ST. JAMES'S PLACE
WEALTH MANAGEMENT

Corcillium Wealth Management

Associate Partner Practice of St. James's Place
Wealth Management

Providing specialist financial advice

SPRING NEWSLETTER | ISSUE 5

Welcome to Issue 5 of my newsletter



Welcome to issue five of our Newsletter. In light of the Coronavirus, several articles are available on my website www.corcilliumwm.co.uk; at the top of the page click Insights and then go to the in the investment section.

If you would like any further information on the topics discussed within this newsletter, or, if you would like to register your interest in being invited to future briefing events, please do contact us on the number below.

We hope you enjoy this edition and welcome your feedback.

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Refer a friend

As a client, you know that my Practice is built on trust and personal word of mouth recommendations.

I always appreciate being referred to like-minded friends and colleagues of my clients.

The role and responsibilities of a trustee

The role and responsibilities of a trustee should not be undertaken lightly. If you have been chosen as a trustee, the settlor feels you can be trusted to act in accordance with their intentions and in the best interests of the beneficiaries, and are suited to dealing with this important element of their affairs. The trustees must ensure the trust assets are registered in their ownership and deal with any aspect of these assets as directed by the terms of the trust.

Trustees must exercise such care and skill in making investments as is reasonable in the circumstances. Trustees should not put themselves in a position where there is a conflict between their own personal interests and the interests of the trust and its beneficiaries. Plan proceeds may become available before distribution is desirable. Under such circumstances, trustees should invest the monies in a suitable investment, other than land, as if they were absolutely entitled to the assets of the trust.

There are some differences between English, Scots and Northern Irish trust law and the information is, therefore, in summary form. In addition, law and practice in this area may change from time to time.

Trustees' duties

Trustees' general duties, established largely through case law, are:

- To exercise their powers in the best interests of the beneficiaries.
- To invest the trust funds without profiting from their office and without causing loss to the trust.
- To act impartially and treat all classes of beneficiary fairly.

The Trustee Act 2000 in England and Wales introduced a statutory duty of care whereby trustees must exercise such care and skill as is reasonable in the circumstances, having regard to any special knowledge or experience they have or hold themselves out to have. This Act also introduced a number of statutory duties relating to the investment of trust funds, for example dealing with the

suitability of investments and diversification. If you are a trustee looking to invest trust funds (for example, because the sum assured under a life assurance plan has been

paid to you but it is not appropriate to distribute the funds, perhaps because the beneficiaries are young children).

There are equivalent provisions in Scots law and the law of Northern Ireland.

In addition to the above, trustees have a number of administrative duties:

- To keep proper trust accounts and records
- To register the trust with HMRC if required
- To complete the Trust and Estate Tax Return if required
- To pay all relevant taxes, such as income tax, capital gains tax, inheritance tax etc.
- To comply with IHT reporting requirements when required (e.g. on 10-year anniversaries or when assets are paid to beneficiaries of discretionary trusts).

Some of the above requirements will only be relevant if the trust assets produce taxable income or capital gains so will not be relevant if the only trust asset is a life assurance plan. Some of the requirements will depend on the type of trust. I am able to advise you on the taxation aspects of your Trust and which reporting requirements, if any, apply to it.

The most common Trust we deal with on a very regular basis is The Asset Preservation Trust, which is designed to receive any proceeds payable under a pension scheme and hold them for a range of the scheme member's beneficiaries. The principal advantage of such an arrangement is that, while benefits can be paid to the member's surviving spouse or registered civil partner, the value of the trust is not aggregated with the survivor's estate for IHT purposes. These Trusts are most commonly associated with Pension policies.

If you need any advice or support in this area, please do contact me.

Get to grips with your pension this year

Now could be the perfect time to do the pension admin tasks you have been putting off.

The new year is a chance to refresh and make plans to improve your retirement prospects. Here are six suggestions to get you started.

Track down any lost pensions

If you have moved jobs frequently, or your address has changed, you may have pensions that you have lost track of.

Research suggests there are around 1.6 million unclaimed pots worth £19.4 billion – the equivalent of nearly £13,000 per pot.¹

Tracking down a lost pension can be as simple as making sure any old pension providers have a current address for you. If you have recently moved house, you should write to the pension company, tell them your new address and ask for a statement.

If you're trying to track down a lost workplace pension, you could try contacting the company you used to work for. However, you may find that your old employer doesn't exist anymore, or you're trying to trace an old personal pension and you don't have any contact details.

In this case, you can get help from the government-backed Pension Tracing Service, either online or by calling 0800 731 0193.

Existing pensions

If you have several pension pots, it may be an idea to review how they are performing.

Check your State Pension

It's very hard to plan your retirement without a full view of your State Pension. It's therefore a good idea to check how much State Pension you could get and when you could get it. You can do this online at www.gov.uk/check-state-pension. It's very hard to plan your retirement without a full view of your State Pension.

You will also be able to see your National Insurance record, and whether you can improve it. You might be able to fill gaps by claiming National Insurance credits, or making voluntary National Insurance contributions.

See if you can pay in more

Think about boosting your personal pension now, so that you can benefit from current rates of tax relief and potentially enjoy a higher income when you stop work.

If you have surplus cash that is not earmarked for other purposes and you haven't used all your 2019/20 pension allowances, making a one-off pension contribution can be a smart way to get nearer that retirement goal.

Check your investments

Ensuring that your retirement fund is appropriately invested and sufficiently diversified is crucial. Therefore, asset allocation should be reviewed regularly to ensure it still reflects your attitude to risk.

Portfolios have a tendency to deviate from the initial weightings over time. For example, more volatile assets can perform better over

the longer term and therefore make up an increasing proportion of the overall portfolio. This can make your portfolio unbalanced and riskier than initially intended.

A financial adviser can rebalance your investment portfolio and get your target asset allocation back on track. They can also help to ensure your financial plan remains appropriate and is on course to achieve its goals.

Nominate beneficiaries

Most pension schemes allow anyone to inherit your pension savings – they don't have to be your spouse or civil partner. There's no limit to the number of people you can nominate. Passing on pensions is done through completion of an 'expression of wish' form. This tells the trustees of the pension scheme to whom they should pay death benefits. It's important to keep this updated, ideally at least annually, but also when either your own circumstances or those of your proposed beneficiaries change.

The new year could be an ideal time to get this form updated. If you need any help completing it, speak with your financial adviser.

The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and may fall as well as rise. You may get back less than the amount invested. The levels and bases of taxation, and reliefs from taxation, can change at any time and are dependent on individual circumstances.

¹ The Pensions Policy Institute, October 2018.



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The title 'Partner Practice' is the marketing term used to describe St. James's Place representatives.