



NEWSLETTER



Chapters Financial sponsors the Guildford Grizzlies (U16 girls) at Guildford Rugby Club

Early Autumn 2025



Welcome



The (very hot!) summer is drawing to a close and much attention will now start to focus on the Budget ahead, expected in late October 2025. We will of course aim to keep you updated with any changes promptly after the announcements.

The Labour administration has now been in place in Westminster for over a year, and this will be their second Budget. The tax raising focused on businesses that was announced in the Budget of October 2024 came into sharp focus in this tax year 2025/2026 and there is much speculation that individual / personal taxation might be on this year's agenda. Time will of course tell if this is the case, although it seems to be clear that a greater tax take will be required to meet the government's objectives, particularly as overall UK GDP (gross domestic product) growth seems to have stalled.

The government did consider reducing the amount that could be added to a cash ISA, suggesting that the majority of the tax-free allowance should focus on stocks and shares investment. After some lobbying by building societies and other organisations, this plan appears to have been shelved, for now at least. With bank base rates remaining reasonably elevated, some cash fixed rate offers remain attractive. I have added a comment on base rates below.

US tariffs were deferred until August, although many markets seem to have ignored the topic and some indices (for example the FTSE 100) reached new peaks over the summer.

Inflation both in the UK and in many other countries remains stubbornly high, with central bank base rates being slow to reduce. The Bank of England reduced the UK base rate to 4.0% in August, and may make further moves later in 2025.

Regulation of the financial services industry is proposed to be somewhat lessened in the future, although we await to see how exactly how this will work in practice. We have seen significant developments and changes in regulation over our decades in the industry, most of which have been positive for advisers and clients alike and the removal of unnecessary or outdated regulation is always welcome.

We have been awaiting the results of the consultation on the application of inheritance tax to some unused pension funds starting on 06 April 2027. The Policy Paper for this was finally published on 21 July, just before Parliament's summer recess. Highlights from this paper and its future effects on unused pension funds can be found on page 5 of this newsletter.

As we reach the halfway point of the current tax year, the autumn is always a great time to review your financial planning as the seasons begin to change, and we start to head towards the end of the year.

We look forward to helping you with your financial planning over the balance of the year and beyond.

Keith Churchouse



Just vast!



I took a trip on a ship to Norway recently to see the Fjords. They are as beautiful as they first appear, and the locals seem relaxed in their general outlook and demeanour.

The seas were thankfully kind to us as we travelled to and from our destination across the North Sea. And the sea is vast, just vast! Other than the occasional dot on the horizon of the outline of a fellow ship traversing the waters, there was nothing other than sea and sky. Nothing unusual I appreciate, but just a reminder of how much space there is, and how much exploring there is to do, if you are minded and have the time. And retirement may well provide you with the time.

In many of the articles that we produce, we detail rules, regulations, options and financials to consider what monetary outcome can be achieved through financial planning at retirement. However, there are two commodities in life, and these are usually money and time, perhaps with the latter having the greater value.

And importantly, how long have you got, both in terms of longevity, and in terms of mobility, capacity, and health? At age 65, in the southeast, you might live on average to the age of 85-90 as one parameter. 20 years of no work might also seem vast, and you anticipate that the first decade might be more active than the latter.

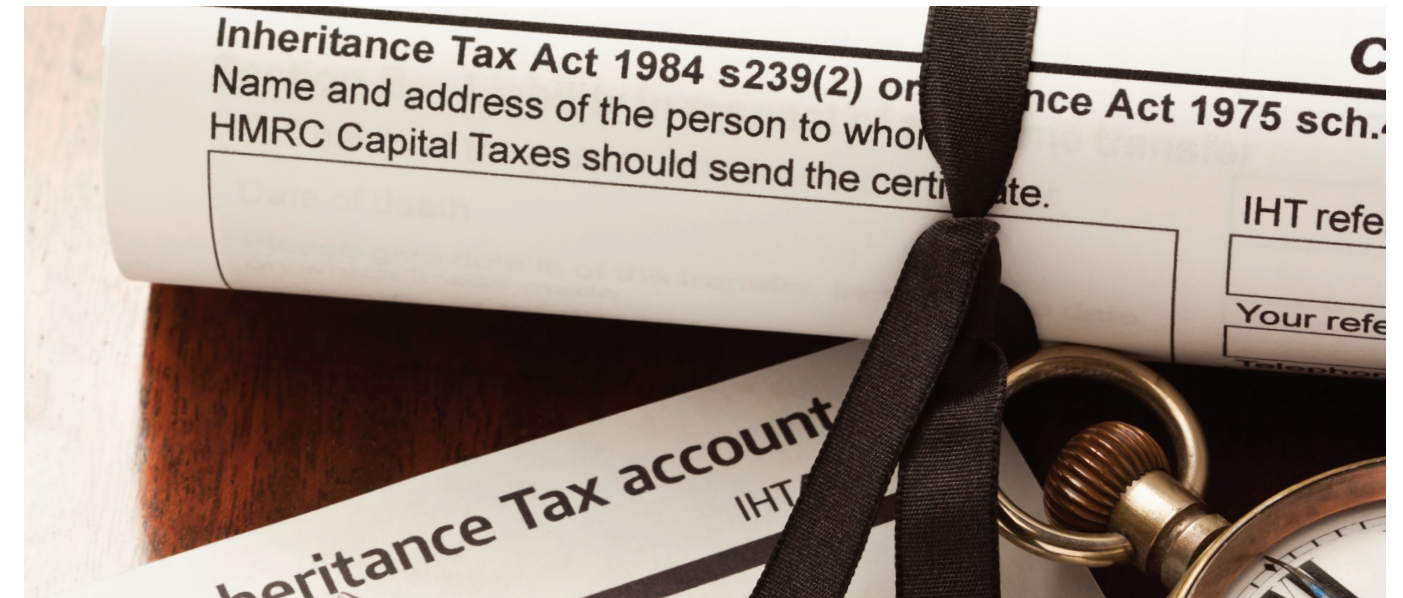
Again, something to plan for as you think about (hopefully) all the things that you have put off and want to do in the earlier years of your retirement. An interesting point mentioned by a client or two to us is that the ongoing affordability of travel insurance in older ages may be the cause of curtailed travel plans. Of course, the possible future costs of long-term care also need to be considered.

Whatever your plans are, do make sure you have a plan. You worked hard to get to retirement, and with the possibility of 20 years + ahead, make it work for you. We have had some clients note the moaning of their children 'who can never get hold of us in retirement, we are so busy'! That ultimately is as good an outcome as the financials that were established to make it work for them. It can be daunting at first when you contemplate the vast space ahead of you. You've just got to fill it in.

Plan your time ahead for retirement and enjoy...or 'Nyte' as they might say in Norway!

Please do speak to the team at Chapters Financial about your overall financial planning position, needs and aspirations for the future when thinking about your retirement, and perhaps most importantly what you plan to achieve with the time you will have available.

Inheritance Tax on unused pension funds and death benefits – update on government Policy Paper



We had been eagerly awaiting a Policy Paper to be issued by the government on the topic of the application of inheritance tax to some unused pension funds starting on 06 April 2027. This follows the announcement by the Chancellor, Rachel Reeves MP at her last Budget in October 2024, and the subsequent consultation with the pension profession.

This Policy Paper was finally issued on 21 July, just before Parliament started its summer recess on 22 July. Full details of this paper can be found at www.gov.uk but the highlights from the paper and its future effect on unused pensions from 06 April 2027 are detailed below:

- Transfers to spouses / civil partners will be exempt
- Transfers to charities will be exempt
- Payments from registered Death in Service and dependants' scheme pensions from defined contribution and defined benefits pensions will be excluded
- Pensions inherited outside the exempted / excluded detailed above where the estate is subject to inheritance tax will usually be charged at the standard rate of 40%
- It will be the personal representatives of the estate to report and pay inheritance tax and

HMRC will provide guidance and a calculator to help with working out the liability and how to pay it

As you can see, there is much to consider looking forward.

Age over 75 / Income tax on the recipient

As an additional note outside the Policy Paper, please note that inherited pension funds from a member who was over the age of 75 are also subject to income tax at their highest marginal rate of the recipient.

Planned Budget October 2025

For reference, we have another Budget expected in October 2025, and it will be interesting to see if other personal finance changes are announced. It is noteworthy that higher government borrowing was announced at the time of writing this article, and the costs of this may place extra pressure to raise more tax in the future.

Summary

We are pleased that this Policy Paper has provided the clarity sought by many as we move forward to the way pensions may be taxed in the future.

If you would like to consider your overall pension planning a stage further, then please contact the team at Chapters Financial in Guildford.



It was great to meet up with a younger client recently who really is taking seriously their future retirement and the way that this might look from a financial perspective.

Many in the accumulation phase of their working life are joined into employer auto-enrolment pension plans and this is definitely a good thing and a great success from the volumes of people now saving for their retirement. However, this is usually with minimum contributions which in reality is unlikely to give workers the capital that is needed at retirement to have a good standard of living. Sure, the State Pension will add to the overall anticipated household income in retirement when available (around age 67 but rising); however, the combination of both income sources may well still be disappointing. For reference, it should also be noted that the minimum retirement age is increasing from age 55 to 57 from April 2028.

As an aside, we are advocates of checking your State Pension forecast (through your Government Gateway or via a paper form), and this client had done just that for both himself and his spouse. In this case, the mortgage had been repaid, and the monthly mortgage cost saving was now to be focused on pension and capital accumulation for a comfortable retirement.

This leads back to the theme of fund accumulation (rather than decumulation and drawing benefits which has tended to be a focus of previous articles) and looking at the big picture and the final ‘pots’ that might be available to provide the overall flow

of cash. In our experience, there is usually more than one source of funds for retirement, creating a combination of income streams / capital pots to provide the overall position. This might be several workplace pensions (people rarely stay in one job for life), private pensions, ISAs and savings, and of course the State Pension, as examples. Some feel that they can rely on a future inheritance, although there is always a risk that long term care costs may have other plans.

Each of us is individual and there are many points to consider looking forward to effectively model a potential outcome. These factors might include:

- Funding levels both now and into the future
- Existing policy / plan / investment types
- Future inflation risk
- Attitude to investment risk (both now and in the future), along with any ethical / environmental / social / governance preferences for investment
- Health and fitness
- Children and dependant costs and capital requirements (the bank of mum and dad!)
- Debt position and anticipated earnings or future capital events (like selling a business)

You might anticipate that this example list is in theory endless, with many different answers, but each component is likely to steer us into a view of what an individual model might look like for you. Managing expectations and keeping the position under regular review is important to ensure that you stay on course. Of course, life events may well get in the way, but these can be factored in as time moves forward, with regular financial reviews.

Rule changes may affect your anticipated pension planning / Increase in minimum access age from 55 to 57 from 2028



The autumn can be a great time to look at your financial planning, both in the short term, but also into the medium and longer term.

Some may be planning for the accumulation of wealth whilst still working in the lead up to a time when the spring and summer may be freer through full, or indeed partial, retirement. In our experience, many clients phase the end of their working career by reducing their hours/days of working before stopping fully.

The timing of any retirement is very personal, hopefully planned rather than enforced (as an example through redundancy); however, there are other parameters that may affect your planning, such as when the State Pension would become available to you, and for some, the minimum retirement age.

Currently, the minimum retirement age is 55, although this is increasing to age 57 from April 2028. Therefore, someone currently aged around 52 now who was planning to access pension benefits early may be caught by this current planned rule change.

Also, the age to be able to access the State Pension has increased to 67 and is moving up further as

time goes on. We are advocates of individuals checking their State Pension forecast to make sure that they are up to the maximum benefit (accrued after 35 years of full National Insurance Contributions), and a check will also confirm the age at which you will be eligible to make your claim.

Of course, there are many factors that will affect the way that retirement benefits are generated, and the overall position is normally not created from one source, such as a pension. The options, or combination of options, also varies and more are outlined in our Retirement Options Schedule which you can find on our website chaptersfinancial.com or can be requested from us at the office.

Planning your money and finances, including any spouse or partner, is always important, particularly if you are starting to think about the approach to retirement.

Giving yourself time is important and the team at Chapters Financial is ready to help, both in the accumulation phase, and also in perhaps the more enjoyable decumulation phase. We look forward to helping you when ready.

Why doesn't that happen anymore?



There was much in the national press last month about various financial services related topics, from car loan compensation to a well-known fund manager being banned and fined, along with the Bank of England base rate decision, as examples.

The world of money does not stop for a summer holiday, and another news example was the release of up-to-date data on unclaimed prizes from National Savings & Investments Premium Bonds of just over £103M (more on this in a moment). For August, it's been busy, and perhaps not like the days of the past. The opinions expressed above are those of the author only.

Most will remember the 'good old times!'. That period in your life when, well, it just wasn't a problem. You might have been lifted by love, by companionship, by extra money...or simply shielded from the reality of what was actually going on.

I always reach back to the mid-1970s, a time when I was about 7-9 years old, and the world for me was fun. The start of the 70s had not been easy, and the years to come after were to prove challenging (that's another story), but those middle years seemed to have everything. From the Queen's Silver Jubilee (great fun!), to football, to swimming pools, to general discovery of life. As you can guess, the world is now a very different place. Better? Hmm. More connected? Certainly. Smaller and more immediate? Yes!

And there's lots of things that seem to be more complicated than they ever were before, and I believe that is not always a good thing.

From a financial planning perspective, technology and its advances has proved valuable in providing the end user, clients, with more real-time information. Whether they choose to use that information is down to them, but it certainly allows our client responses to be quicker and more exact when looking at issues such as current allocations, fund values and performance.

Technology also allows us to achieve fund switches, sales, secure emails and changes online in many cases to make trades quicker, with confirmations also being electronic.

Paper forms are still the only option from some providers, but their days I believe are numbered and, I am sure, we will look back positively to say, 'Why doesn't that happen anymore?'.

One good (and topical) example of how technology can help clients is the online service offered by National Savings & Investments (NS&I) to help people find out whether they've won a prize on the Premium Bonds and by My Lost Account to trace a lost NS&I or other bank / building society account. Most requests of this nature can be submitted entirely online these days, and if you think you might have held Premium Bonds, or another type of NS&I account, years ago, it's certainly worth checking if these are still active.

You may have seen the headlines noting that as of early August 2025, around £103M of Premium Bond prizes remained unclaimed. If you know your Premium Bond holder's number, you can use the Prize Checker here:

www.nsandi.com/prize-checker

For lost accounts (NS&I plus other deposit takers), try My Lost Account at:

www.mylostaccount.org.uk

However you prefer to receive information on your investment and pension arrangements, and perhaps if you have not reviewed your planning for a while, talk to the team at Chapters Financial for your ongoing financial planning needs.



And finally ... Chapters Financial Out and About

Guildford Grizzlies Kit Sponsorship

Chapter Financial is proud to now be a kit sponsor for the Guildford Grizzlies. Aimed at the under 16's, along with the U14's teams, the Grizzlies are fully committed to growing girls' rugby, the fastest growing girls' sport in the UK.

The Grizzlies' ethos is to promote enjoyment of rugby to all players, whatever their ability, seeking to improve their technical skills and performance at every level, from friendlies to Surrey development squad.



We wish the Grizzlies the very best of luck for this new season which runs from September through until the end of April next year.



Experience Guildford Business Awards 2025

The Experience Guildford Business Awards celebrate the town centre's outstanding businesses and the people behind them, recognising excellence across nine categories.

Keith and Esther were honoured to be category judges for the Business of the Year Award.

They were both in attendance at the awards ceremony which took place at the Harbour Hotel on Wednesday 16 July.

Many congratulations to GLive who demonstrated a really cohesive vision of what they want to achieve both now and looking forward, to continue to be inclusive for all. They were very worthy winners of the Business of the Year Award.

Guildford in Bloom

Chapters Financial were once again sponsors of the annual Guildford in Bloom competition. Esther and Vicky were delighted to attend the 2025 award ceremony for the Guildford Schools in Bloom which took place on 01 July at Edwins Garden Centre in Clandon.

This year, Guildford in Bloom teamed up with Butterfly Conservation and 2025's theme was Saving Butterflies and Moths. Schools were encouraged to add elements to their garden which would create an attractive refuge in which butterflies and moths can thrive.

Huge congratulations to Puttenham C of E Infant school who were announced as the 2025 Overall Winner and were presented their award by The Mayor of Guildford, Howard Smith.



Summary & Review

Please do pass our details on to contacts you may have that could benefit from our service.
We are always pleased to receive referrals.

Please contact the team at Chapters Financial; Keith, Vicky, Esther, Catherine or Suzanne on 01483 578800 or by email at info@chaptersfinancial.com to discuss your requirements and to book a meeting or financial planning review.

If you would like to receive this information in email format, please let us know.



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