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# Property Pensions Expert

Safeguard your own financial future by creating sustainable wealth for you, your family and future generations

**W**hat can you do about safeguarding your own financial future by creating sustainable wealth for you, your family and future generations.

Well now we all understand that the pensions clock is ticking towards some changes that are going to happen whether we like them, or agree with them, or not – so we had better get this issue sorted.

And frankly it's relatively easy to do and I KNOW you will do a better job looking after your pensions than most of the faceless pension managers, as they just don't have your personal motivation to safeguard and grow your money!

**And I know because I have been a pension fund manager!!**

Before I go on to talk about what we need to do now, I'll just go back a few steps and tell you what you SHOULD HAVE done – now this might be the painful bit for you.

What we all should do is to start saving a little towards our financial future and our retirement as soon as we're born.



Winston Churchill once said, saving is a wonderful thing, especially if your parents do it for you – and I agree.

**Long term savings are always done just like that – over the long term.**

Evidence tells us that very small amounts saved over the long term will create wealth – this is a fact and a given. I've been saving for my daughter since the day she was born and she will be 18 within a few weeks of these major pension changes coming into play in April 2015. My daughter already has a fully funded pension that frankly neither she nor I need to add to anymore – because it's enough.

From the day she was born, we invested her child allowance money that we got from the government – that's been more or less £50 per month for the 18 years – and the fund is currently sitting at just over £36k.

Now let's say we invest that £36k in fairly standard investments for the next 50 years until she's 68 – and the retirement age will certainly be much higher than that by the time she gets there - but we'll take that for now.

**Any idea what her pension pot will be worth then?**

Well it turns into a pension pot of just over a million - £1,042,171 if it's invested at a modest return of 6.75% with the income paid and reinvested monthly.

AND If it's invested at 10% on the same monthly terms then it grows into a staggering £5,233,317.

And we will address later where you can get returns of 10% on your money

But sadly I guess you didn't start saving the day you were born and that's understandable because there's only a very few people like me who know how to do

that, understand the concepts and can apply them with a set of practical action steps.

..... and that bothers me enormously. My children are going to be OK because of what I know and many children won't be OK – and all for the sake of small amounts applied over the long term.

One of my greatest ambitions is to convince any government of that fact and start setting aside small amounts of money for our future pensioners as soon as we can. But sadly that's not how the government works – as we have seen previously – the government funds today's pensions out of today's income and with money that hasn't had any chance to grow or accumulate – so it just isn't enough!!!



**But let's leave that behind for the moment and concentrate on you.**

I guess you don't want much – or maybe you do!

But let's take a very simple requirement. Let's say you want to be able to live in a standard mortgage free 3 bedroom home for 25 years of retirement. Added to that you fancy a couple of holidays per year – after all you've worked hard all your life - why not?

Sadly to fund even that level of lifestyle you should have been saving at least £1,126 per month for your entire working life and then get the full state pension as well.

### **So were you?**

It's unlikely and in fact nearly half of our population in the UK – so 44% do not currently contribute to a private pension at all.

### **Ok so let's stop beating ourselves up.**

Most people don't have adequate pensions, and haven't saved enough money for a long enough period to be able to retire comfortably, or for any decent length of time.

### **What can we do?**

Well fortunately the government has thrown us a lifeline and the changes that are due in 2015 will enable us to take control of our pension funds and take responsibility and start doing something purposeful and profitable with it – hooray!

What we need is a 7 point plan that does this:

1. Work out what we have – and where it is – most people don't even really understand that. Now although we are talking mainly about pensions here, we also need to find out what we might have outside any pensions environment as well.
2. Whatever it is, wherever it is, and however small it is, we need to take control of it and start planning.
3. Once we've done this financial stock take and worked out what we have – we now need to work out how much we've got to go forward. This part of the fact finding mission also needs to work out what tax we pay and at what rate because that makes quite a difference as to the most efficient way of accessing your pension pot.

Most people have never really done this financial fact finding – but once we have clarity on where we are now we can plan a route to where we want to be and what we want to have!

4. Now we know what we have and what we need we can start to plan a route between the two – however difficult that might seem at first and we need to start by evaluating some options on what we could do with the money.

At this stage I need to state that it is probably not going to be appropriate to empty your pension fund on day one – we need to take a measured and safe route to our planning and evaluation.

Also as part of this planning stage we need to get clear on what money we might need as regular income, what we want to leave to grow as capital for the future and so on. And don't worry about that as I have a formula to calculate that for you.

5. We then need to see what a massive impact we can have on our current and future money by investing in simple property investments in a controlled and as safe a way as possible, so that our money is safeguarded.

Now I mentioned earlier that my daughter's pension will grow from £36k to £5m, if we can get returns of 10%, and property has given returns of just over 10% for many hundreds of years in the UK. Bear in mind that not every year gives this return, some years are higher and some are lower, but over long periods of time that's what the UK property market does.

And most of us have some experience or an interest in property already so it makes sense to continue to explore there. It's a fact that many people make more money on their domestic residence or home than they do working for a living, as it rises in value over time – so let's capitalise on that fact and make our pension pot of money start working that hard too.

6. We then need a plan for if, or how, we get access to our pension money in the most tax efficient manner, and to plan our tax affairs with our new financial fund, which includes properties, so that we can choose where we leave our money, rather than letting the tax man get it all at a later date.

#### **And finally,**

7. We need to understand how to manage and control our pension ongoing, and that includes the properties that we are holding, and we need to do all that with a minimal amount of effort so that we can enjoy our retirements as we deserve!

I hope you like the sound of that and fortunately as with my daughters pension – I know exactly how to create wealth using a balanced approach that includes a sensible property portfolio – so why not come and join me and I'll show you how.

#### **Hopefully I'll meet you soon.**



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