

Client Scenario

Peter and Mary want managed investment portfolio services

Family Pension Trust

Structured to open new opportunities in retirement and wealth planning

- Scheme structure widens investment opportunities and benefit payment options.
- You do not have to have a large pension fund to become a scheme member.
- Groups of like-minded individuals can join together under a single pension arrangement.
- Investments can be made by individual members, or by group(s) of members pooling in common investment fund(s).
- Multiple common investment funds can be established, to access new investment opportunities, or new investment partnerships with other scheme members.
- Different attitudes to risk can be catered for.
- Succession planning opportunities for investments and death benefits.
- Comprehensive, flexible benefit options enable retirement income to be phased.
- Administration is of a truly bespoke nature and each scheme has a dedicated administrator.

By consolidating their pension funds in a single Rowanmoor Family Pension Trust and combining them in a common investment fund, this couple has sufficient value in their pension fund to benefit from managed investment portfolio services offered by a discretionary fund manager.

- Husband and wife in their 40s.
- Both consider their existing pension funds personal wealth they would like to control.
- Aspirational; they wish to use a discretionary fund manager.
- Their individual funds are insufficient to access the discretionary fund management services of their choice.

Funding

Member	Transfer
Peter	£ 76,000
Peter	£ 15,000
Peter	£ 24,000
Mary	£ 55,000
Mary	£ 35,000
Total	£ 205,000

Investment

Common Investment Fund

Discretionary Fund Management	£ 205,500
Member	Investment
Peter	£ 115,000
Mary	£ 90,000

Meet Peter and Mary . . .

Peter is 45 and has worked since he left school. His career path has led to the build up of several pension funds, with different employers. Peter is currently working on a self-employed basis and is starting to earn a substantial income as an accountant.

Mary, Peter's wife, currently works part time as an assistant editor of the local newspaper. Before they were married Mary worked as a freelance journalist and contributed to a personal pension for fifteen years. Although raising a family, their careers are important to them.

Heavily mortgaged, they have minimal liquid savings but are interested in money matters and regularly keep an eye on financial issues in the media. They would like to exercise more control over their pension funds, and access the professionally managed investment portfolio services of a discretionary fund manager. Unfortunately, their individual funds are insufficient to meet the minimum requirements of the companies they have looked at.

Following a visit to their local financial adviser, and after the usual fact find, the couple discovers that by consolidating their pension funds into a single Family Pension Trust and combining them into a common investment fund they will have sufficient value to benefit from a discretionary fund manager's services.

This will allow a professional investment manager to manage their investment portfolio, according to their attitude to risk.

The Family Pension Trust also offers Peter and Mary the opportunity of bringing their children into the scheme when they get older. Once their financial situation becomes healthier they can start to build up useful pension benefits for each child by contributing up to £2,880 net a year, which when tax relief is added amounts to £3,600.

In the event of the death of Peter or Mary, funds can be passed onto the survivor or their children. This way pension wealth can be retained in the scheme for multiple generations of nominated beneficiaries until capital lump sums or income are required; particularly useful for a family scheme. Any funds passed on this way, by a member who dies before age 75, will be paid tax-free to nominated beneficiaries, or their successors, when they are taken. This offers succession planning and keeps funds within a tax-efficient environment to provide ongoing financial security.

This scenario illustrates some of the features of a Rowanmoor Family Pension Trust. It is based upon our understanding of current pensions law and taxation and is correct at the time of publishing. Professional advice from a suitably qualified adviser should always be sought when considering retirement planning.

For more information on Rowanmoor's products and services please visit our website www.rowanmoor.co.uk, call 03445 440 550, or email enquiries@rowanmoor.co.uk.

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