



# **'Pensions Simplification: The New Rules for Doctors & Dentists'**

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**Pensions Simplification: The New Rules for Doctors & Dentists**

**2<sup>nd</sup> Edition**

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## Introduction

Thank you for requesting this Free Guide:

### **‘Pensions Simplification: The New Rules for Doctors & Dentists’.**

You’ve probably done this for any of a number of reasons:

- To be better informed when planning your own retirement
- You want peace of mind that what you’re doing now will have the potential to help you achieve your lifestyle and financial objectives

Pensions are one of the most tax-efficient and effective ways to save for retirement, but working out how much to save and deciding which type of pension is best often feels like a complicated business.

The good news is that since 6<sup>th</sup> April 2006, known as “A-Day”, life became easier for retirement savers as the government introduced in a new simplified set of rules, effectively shelving the eight previous tax frameworks for pensions.

The changeover means it ought to be easier than ever to begin calculating how much you’ll need in your pension pot by the time you retire. The new rules will also give savers far greater freedom in how and when pension benefits are taken.

Pensions have long offered attractive tax breaks. This means for higher rate taxpayers a contribution of £100 only costs £60 and for basic rate taxpayers the same contribution costs £80, with the Government providing the £40 and £20 respectively in tax relief.

Simplification ought to take some of the mystery out of pensions, but with the new flexibility come new dilemmas for would-be savers, as well as those already building up their retirement nest eggs.

The aim of this guide is to inform you of your options so that you’ll be able to make the right decisions relevant to your specific situation. We’ve split it into four sections:

- Pensions basics
- A-Day: The New Rules
- Asset allocation and deciding where to invest
- Choosing the right investment plan (Pension, ISA etc)

Our hope is that once you read this guide you will:

- Analyse the strategies that you are using now
- Understand what you need to do to make any changes

The guide has been kept as concise as possible as we're aware that you're probably busy and may not be able to set aside a lot of time to read it. It should take you no longer than 15 minutes to read. We would encourage you to take the time though, and not put it off until later. After all, knowing what action to take may save you thousands of pounds between now and your retirement.

We also suggest you print out a copy so that you can make any notes.

Please contact us on **0191 217 3340** if you have any questions or if you'd like more information about how we can help you plan towards your retirement (you can hear some client comments at <http://www.medicaldentalfs.com/client-comments> and see some published articles at <http://www.medicaldentalfs.com/mediaroom> ).

We hope you enjoy reading this as much as we did putting it together!



**Ray Prince**  
**Financial Planner**



**Graeme Urwin**  
**Financial Planner**

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# Section 1

## Pensions Basics

### Background

Most of the people reading this report will be a member of the NHS Pension Scheme, or have been at some point. As you may be aware, the Scheme is one of the best Occupational Pension Schemes available in the UK. It should be viewed as your 'bricks and mortar' retirement planning vehicle as it is backed by the Government. It is known as a final salary or defined benefits scheme.

Many doctors and dentists are also aware that they need to achieve approximately 40 years service in the Scheme in order to accrue a full NHS Pension. If you're working in a hospital it's probable that you're accruing 1/80 for every year of service (may be lower if you're part-time). Practitioners have their pension calculated on lifetime earnings. Therefore, if you earn £2million throughout your career, you'll earn a pension of 1.4% of this amount, plus a lump sum of 4.2%.

You may want to consider increasing your provision towards retirement. This is often referred to as 'topping-up' your pension. There are several choices you can make and it's important to consider them all before you make your choice. You can:

- Buy Additional Pension with the NHS Pension Scheme
- Invest into an Additional Voluntary Contribution Plan (In-house or Free Standing)
- Invest into a Personal Pension Plan
- Invest in other investment schemes, such as ISAs and investment property

The basic principle behind a personal pension or AVC is that you make payments, whether on a regular basis or as one-off amounts, to an insurance or investment company to help you fund for your retirement. These payments are invested on your behalf in a range of different investments to build up a 'pot of money' that is then used to provide an income during retirement.

These investments are commonly known as funds and most insurance companies offer a selection of funds that invest in different types of assets, for example equities (company shares) or property. The objective of most funds is to invest in assets that will increase in value over time, although this cannot be guaranteed as the value of certain assets can go down as well as up.

When you reach your selected retirement age you take the money saved up in your pension and use this to provide an income for the rest of your life by purchasing a financial product called an annuity from an insurance company. This could be from the same company that provided the pension or a different company. As well as providing an income for life, in most cases, it's possible for some of the pension pot to be taken as a tax-free lump sum before you buy an annuity.

One of the advantages of any type of pension plan is that they attract tax relief, meaning that the UK Government help you build your retirement pot. For every £80 you contribute, the taxman will add £20 into your plan by way of this tax relief (this amount is higher if you are a higher rate taxpayer).

A personal pension (or any of the other types mentioned above) is not actually an investment. It is a tax wrapper that allows you to receive the tax rebates at either basic rate or higher rate tax.

For example, let's say you invest £300 per month into a Personal Pension Plan and the company you invest with is Clerical Medical (one of the leading providers of these types of plan). They have approximately 70 funds to choose from with their Individual Pension Plan. So, the actual **investment** that you are making is when you decide where your money will be invested. Their funds cover all types of risk (lower, medium and high); therefore the key is to only invest the money in funds that are in line with your attitude to risk (see Section 3).

### **Action Point**

If you have a Personal Pension Plan(s) or Additional Voluntary Contribution Plan(s), analyse your latest statement or policy document to see where your money is being invested.

The next step is to review the level of risk that you are comfortable with (see Section 3) and to alter the funds if necessary. With the majority of pension companies you are able to switch money from one fund to another (there may be a charge) or redirect future contributions. If the funds that your pension company is offering have poor past performance and poor prospects for future performance, you may be able to transfer to another pension company with better prospects for future performance (check for any transfer penalties). Do bear in mind though that past performance is no guide to future performance.

If you have not yet invested in a private pension and it makes sense to do so, make sure you do enough research on the pension company that you choose and check on the future prospects for performance.

*Note: Many pension companies offer access to external fund managers as well as their own. The performance of pensions funds vary and the amount*

*you receive back will depend upon the performance of the funds you select, amongst various other factors such as charges etc.*

To apply some figures to this, a male doctor or dentist aged 30, investing £300 per month to age 60 in a Clerical Medical Futureproof Personal Pension would accrue a pension fund of £251,355 based on 6% per annum fund growth (including charges of approximately 1%), invested 100% into the balanced Managed fund.

(Source: Pensions Profiler November 2005)

The same investment with a 7% growth rate would accrue a fund of £300,393. Therefore a 1% per annum increase in the growth of the fund would produce a 19.5% increase in the size of the fund! As mentioned already, past performance is no guide to future performance.

Therefore, whilst it's impossible to predict future performance you can clearly see the impact that a 1% increase in the fund performance brings.

## Section 2

### Pension Simplification: The New Rules

#### New Limits

One of the main changes that took place on 6<sup>th</sup> April 2006 was that, regardless of whatever type of pension you may have, you are now able to pay up to one annual allowance for that tax year. This amount is up to 100 per cent of your earnings and for the tax year 2008/09 this allowance is capped at £235,000, with the limit set at £3,600 for low or non-earners paying into personal and stakeholder pensions. This replaces the previous lower limits that were linked to your age. This annual allowance will increase each year.

#### More Tax Free Cash

If you have an Additional Voluntary Contribution plan, whether in-house or free standing, April 2006 brought good news. As you may be aware, when you started investing into the plan there may have been no option to take tax-free cash when it came to drawing the benefits.

After April 2006, you became able to take 25 per cent tax-free cash on the whole fund.

#### Pension Size Limits

After A-Day a new limit on the amount of money built up within your pension will be introduced. In the tax year 2008/2009 this amount is £1.65 million, with the threshold rising over the years to allow for the impact of inflation.

This is also the maximum amount that can be paid out as a tax free lump sum to your beneficiaries in the event of your death, giving much greater flexibility to provide death benefits via pensions after A-Day.

Introducing one lifetime limit for pension fund size effectively ends the sometimes complicated calculations savers could be forced to work through under the old pension rules.

A further innovation under the new rules is that the value above the lifetime limit will be subject to a new tax charge known as the lifetime allowance charge, or recovery tax, which will be charged at up to 55 per cent.

This measure is aimed at curtailing the amount of tax relief individuals can get from pensions.

The lifetime limit relates to your entire pensions savings, including any private pensions, NHS pension, free-standing additional voluntary contributions, in-house AVCs and Additional Service.

### **Protecting your fund**

In the run-up to April 6<sup>th</sup> 2006 some pension savers who had already broken the £1.5 million pension threshold were be able to shield their savings from the lifetime allowance charge or, alternatively, maximise tax breaks under the current rules.

It's possible to register your pension fund value built up before this date to protect it against the lifetime allowance charge and you have until April 2009 to do this, although the sooner you understand your options the better you can plan accordingly.

The first thing you may want to consider if you are at or near the lifetime limit is getting a valuation of your entire pension savings, before considering putting certain protective measures in place, which will protect the fund from the lifetime allowance charge.

There are two levels of protection available.

'Primary protection' is available to pension funds over the £1.5 million lifetime limit on A-Day,

Going for primary protection will shield the value of the pension you have already built up and can potentially allow it to continue to grow in line with the increases in the lifetime limit without triggering the recovery tax charge.

'Enhanced protection' is available to any fund regardless of its size. Roughly speaking, this shelters not just the current value of pension savings, but also the full value of future investment returns, without incurring a tax penalty. This is provided that no further contributions are made or, if you are a member of the NHS Pension, that your benefits do not increase above certain limits and no new benefits are built up in respect of your employment after A-Day.

Most experts agree that ensuring you have a plan in place to protect your savings in preparation for pension simplification is an area where you will almost certainly need advice and struggle to do-it-yourself. Anyone with a pension pot worth more than £1 million will almost certainly need guidance.

### **Covering both bases**

You can actually apply for both Primary and Enhanced Protection at the same time.

The purpose of doing this will be that people who go for 'enhanced' protection (and were already over the lifetime allowance at 5th April 2006) may want to give up on 'enhanced protection' one day and not want to drop back to 'no protection'. By applying for both 'primary' and 'enhanced' on A-Day they will be able to drop back to 'primary' protection if they ever need to. A sort of fall back position if you like, but only available to people who are well-informed enough on A-Day to apply for both 'primary' and 'enhanced' even though they only really want 'enhanced' protection to start with. Undoing 'enhanced protection' can be a bit tricky too and if it's not done properly can lead to a £3,000 fine.

### Example

A private Principal dentist is considering retiring and has the following pension portfolio:

	Value Now	A-Day Value
NHS Pension	£30,000 pa	£600,000
NHS Tax Free Cash	£90,000	£90,000
AVC Fund	£125,000	£125,000
Personal Pension Fund	£750,000	£750,000
TOTAL		£1,565,000

Note: The NHS Pension A-Day value is calculated at 20x pension.

As the fund has exceeded the £1.5m limit, it makes sense for the dentist to opt for enhanced protection (no protection would result in a £35,750 tax charge) as this will allow him/her to continue to get the value of future investment returns without paying tax on them as well. This is better than the 'primary' approach where you're only protected up to the level of prescribed Government increases.

### Taking your pension benefits

If you have any AVC or personal pension funds (including Self Invested Personal Pensions), then when you come to retire your income is normally secured by the purchase of an annuity.

An annuity is effectively a promise to pay you an income for the rest of your life and is sometimes described as 'insurance against living too long', because with an annuity, your income from it lasts as long as you do.

Since 5<sup>th</sup> April 2006 individuals are still compelled to take benefits from their pensions by age 75 as they are now. However, the new pensions rules offer far greater flexibility over how benefits are taken

For example, A-Day will allow the introduction of new types of annuity.

'Limited period annuities' permit you to buy annuities in smaller chunks, each spanning a five year term, while the rest of your fund can be left invested. This will give individuals more choice on when to buy annuities and also allows them to maintain more control over their pension fund.

New 'value-protected annuities' respond to one of the key criticisms of annuity, that is, if you die very shortly after buying an annuity, your family loses out on your life's savings because the money is absorbed by the collective fund of an insurance company's annuity policyholders.

If you die 'early' your money is effectively absorbed and re-distributed among those who live longer.

Roughly speaking, under value protected annuities, if on death the money used to purchase the annuity has not been used up by an individual and they are under age 75, the balance can be paid to the policyholder's estate after a tax charge of 35 per cent has been deducted.

However, it's essential to stress this potential benefit will be reflected in the rates for protected value annuities, which could be notably lower than on regular annuities.

### **Additional Options**

'Unsecured pensions' were also introduced after A-Day. This is similar to income drawdown under the old rules, where investors do not buy an annuity, but can take the tax-free cash sum and leave the remaining fund invested and income is taken from the invested fund and returns. Unsecured pensions can be used up to age 75 and policyholders can take up to a maximum amount up to 120 per cent of the annual income payable from a single life, level annuity. There is no minimum amount.

Under the new pension rules, once you reach age 75 you will have to purchase an annuity, if you have not already done so, or go for a new option called an 'alternatively secured pension' (ASP).

Although less attractive to pension members who need to rely on their pension income, for some people ASPs can work as a 'family' pension plan with your spouse, children and yourself as members, providing the facility to pass pension assets to your children's pensions, for example.

Under ASPs, your spouse or dependants can either buy an annuity or continue to draw an income from your fund after you die. If there is no spouse or no dependants, the pension value or assets can be paid to another member of the pension scheme, less a tax charge, or a charity.

### **Action Point**

There are a number of steps you can take to work out if you're going to fund your pension(s) in excess of the lifetime limit. You can write to the NHS Pension Agency at Fleetwood and ask them for a forecast of your pension benefits. Their address is:

NHS Pensions Agency  
Hesketh House  
200-220 Broadway  
Fleetwood  
Lancashire  
FY7 8LG

01253 774774

The next step is to request a value of any other pension funds that you hold.

When you've got all the figures, refer back to the example in this section to work out where you stand.

## Section 3

### Making the Right Investment Decisions

#### Background

As mentioned in section one, a personal pension plan is not actually an investment. It is a tax wrapper that allows you to receive the tax rebates at either basic rate or higher rate tax.

It's therefore crucial to understand where you're investing your money.

There are four common areas in which you can invest your money:

- Cash
- Bonds
- Property
- Equities (shares)

Where you choose to invest will depend upon a number of factors, such as the length of the investment, your attitude to risk, your current level of investment knowledge and your confidence in your decisions.

Asset allocation is an investment portfolio technique that aims to balance risk and create diversification by dividing assets among the major categories (as above). Each asset class has different levels of return and risk, so each is likely to behave quite differently over time.

For instance, while one asset category increases in value, another may be decreasing or not increasing as much. Some critics see this balance as a settlement for mediocrity, but for most investors it's the best protection against major loss should one investment class underperform.

**The consensus is that asset allocation is one of the most important decisions that investors make.**

In other words your selection of actual shares or bonds is secondary to the way you allocate your assets to high and low-risk shares, to short and long-term bonds, and to cash and property.

The aim of asset allocation is to reduce risk by diversifying the portfolio. For example, if all of a portfolio's assets are concentrated in one area, such as

shares, it's likely to be more risky than a portfolio whose assets are spread out among diverse investment categories.

An asset allocation appropriate to your goals and time horizon provides the best chance that you will meet your financial goals. In addition, you should examine your overall financial resources and personal ability to tolerate risk when making asset allocation decisions.

### **The Problem**

Many investors are either unaware of asset allocation, or have heard of it but may be put off understanding it fully as it does take some time to appreciate the benefits that it can bring. Alternatively, they may be using the services of a financial adviser that does not use the process of asset allocation. We believe asset allocation is crucial. When we meet prospective clients, many have never heard of it and their existing portfolios do not show evidence that it is being used.

### **Diversification**

Most investors are concerned about the risks associated with financial markets; namely, that their investments will lose money or will not grow enough over time to outpace inflation. Diversification is an important strategy used by investors to help reduce this risk.

Because the markets for shares, bonds, property and cash do not all move in the same direction or to the same degree, an investor's portfolio that combines these asset classes should be less risky than one that includes only one type of investment.

A diversified portfolio has historically produced better returns than one that has concentrated in more conservative asset classes, such as short-term bonds or cash. A diversified portfolio is also less likely to experience stomach-churning volatility than one concentrated in the most aggressive investments.

You can also try to reduce your exposure to risk by diversifying your exposure by asset class as well as your holdings within an asset class (for example, equities holdings may be diversified among large-cap shares and small-cap shares).

### **Investment goals and time horizons**

All investment goals have a time horizon, which is the length of time between the investment and when the money being invested will be required. For example, if you are saving for retirement, you may have a long-term time horizon of about 25 years. Over time, of course, long-term goals such as retirement or funding your child's education will become medium and short-

term goals. As your time horizon shifts, your asset allocation may need to alter accordingly.

Typically, investments offering the greatest growth potential also pose the greatest risk. An investor with a short time horizon might want to minimise or avoid higher risk investments such as shares or investment funds because the growth potential offered by these investments over time can be offset by short-term volatility (risk).

If your time horizon is sufficiently short, say three to five years, you may wish to concentrate on more stable investments such as bond funds, or even cash accounts. While bond funds offer no guaranteed rate of return, they are generally less volatile than shares and usually offer greater returns than cash.

Those with a longer time horizon can generally afford to invest more aggressively because short-term volatility will usually be overcome by long-term growth. For long-term investors, the growth potential offered by shares tends to offset the effects of inflation.

### **Action Point**

So what can you do to make sure your investment strategy has the right asset allocation?

A starting point is to follow these simple steps:

- Look at where your existing investments are spread (all your investments, not just your pensions)
- Complete a risk profile questionnaire. Ask your Financial Planner or search for an online tool
- Decide your time horizons
- Set your asset allocation
- Review at least annually

## Section 4

### Choosing the Right Investment Plan

#### Background

One of the main aspects to get right when planning your retirement is choosing the correct, or a mixture of, investment plans. Many investors get confused when it comes to actually making these crucial decisions.

When we work with clients we follow a simple process:

- What outcome do you want?
- Are you investing for future income or to build up a lump sum?
- What is your tolerance to risk?
- What assets do you have now?

Once you've gone through these steps, it's fairly simple to decide which investment vehicle(s) will be the most appropriate.

Let's look at your main choices.

#### Pension Plan

There are many ways in which you can ensure that you have sufficient income in retirement, such as investments and property. However, by paying into a pension the government will reward you financially. Pensions are long-term investments and attract tax advantages depending on how much you pay into them:

- Your pension fund will invest the money you save (including the tax relief amount) in your pension. Your pension fund growth may be free of tax.
- Any rise in the value of the scheme's assets between what you put in and what it is worth at the end is called capital gains and is tax-free.
- When you come to take benefits you may be able to draw out up to a quarter of the value of your stakeholder or personal pension fund as a tax-free lump sum. Your pension provider will be able to tell you whether or not you will be able to do this.

Just because you receive tax relief does not necessarily mean that investing in a pension scheme is the best course of action. We meet many new clients that are investing large contributions into their own private pensions.

However, when we forecast the likely income that the pension will produce and analyse what the client's future income requirements are, it's sometimes clear that the money should not be invested in a pension wrapper as it places too many restrictions on how the money can be used (typically 25% of the fund can be taken as a tax free lump sum, with the remaining 75% being used to purchase an income).

We recommend that you know what outcome you are aiming for before you invest any more money in a private pension, or any other investment plan (such as ISAs). Otherwise, you could end up investing into a private pension for 20 years, when you could have been investing in a vehicle that is more appropriate for your needs and future plans.

Now let's take a look at other investment options:

### **Buying property to let**

Over time, property can offer the greatest return on investment. The home you purchased ten years ago is likely to have risen in value above the normal rate of inflation, with some places now fetching three or more times their original value.

Owning more than one home, therefore, can be a worthwhile investment, and renting the property in the meantime should ensure that you are able to keep up the repayments on your additional mortgage.

The trend towards renting rather than buying also means that you shouldn't have much trouble finding tenants. However, check beforehand that you're not purchasing a property in an area that already has more places to let than those looking to rent.

In addition, changes in the 1988 Housing Act have given landlords more power over troublesome tenants - a factor that has dissuaded many prospective landlords in the past - with the facility to evict repeat offenders now more easily available.

#### *What you want out of it*

Essentially, purchasing an additional property is an investment, which means you must decide whether you want to help that investment to grow or use it as an income.

If growth is your primary aim then city centre locations can offer high levels of return. However, the majority of rental property is concentrated in these areas and competition for tenants will be high.

If you're looking to use your rental property as a mode of income, then suburban areas are worth greater consideration. Whilst properties will generally be cheaper and the rent lower, the relative returns are likely to be greater over the long term.

The Association of Residential Letting Agents (ARLA) estimate that, as a landlord, you should be able to claim gross rent equivalent to between 130% and 150% of the property's mortgage repayments (interest only).

### *Preparing for the risks*

There is no doubt that buying a property to let can be a worthwhile investment option. However, it's important to remember that buy-to-let also comes with risks attached.

Your main concern is ensuring that you can fund the mortgage that the property demands. You must consider the possibility of having no tenants for any period of time, with mortgage payments still being required.

The state of your property is also worth careful consideration. Places that need renovation, or those in run-down areas, may be cheap to buy but they could be expensive to refurbish. In addition, when you look to sell the property in the future, you may not get the return on investment you expected.

The key to getting the most out of a buy-to-let property, as with most investments, is in long term plans. Housing markets constantly fluctuate as the economy changes, but the trend has always been with growth. By taking the right advice and making the right choices, the property you buy-to-let now should provide strong returns in the future.

### **Buying property to develop and sell**

The other option with property is to purchase properties that require refurbishing. The basic premise is that you purchase a property that may have been neglected by the previous owners. Your job is to modernise the property for today's market.

It's common that you'll be able to purchase the property at a lower price than the market rate. Once the property is modernised / refurbished you put it back on the market. Your aim is to make a profit on the project. This type of investment requires project management and financial skills. No doubt you've seen the property development programmes on TV. Just make sure you do as much research as you can!

## Individual Savings Accounts

An ISA (Individual Savings Account) is a tax-efficient annual investment allowance launched in 1999 to replace the PEP and TESSA allowances. When you put your savings, shares or life insurance into an ISA account, the income and gains from the investments are sheltered from capital gains tax and the growth is free from income tax (although dividend income is taxable, paid by the ISA manager).

ISAs replaced PEPs (stocks and shares type investments, as well as corporate bonds) and TESSAs (cash based investments) with effect from 6 April 1999. PEPs were withdrawn in April 2008 and effectively became ISAs.

In each tax year it is possible to opt for either one stocks and shares ISA or a cash ISA plus a stocks and shares ISA.

Type	Investment limit
Stocks ISA	Up to £7,200 in a tax year
Cash ISA	Up to £3,600 in a tax year

Income and capital gains from ISAs are free from personal tax and their returns need not be reported on tax forms.

Dividends from UK companies carry a 10% tax credit which can no longer be reclaimed by ISA managers (since April 2004). However for higher rate taxpayers there is no further tax to pay on share dividends held within an ISA.

Interest on corporate bonds is paid net of 20% tax and this can be reclaimed by the manager giving corporate bonds a slight tax advantage over equities within an ISA for basic rate taxpayers, especially for those looking for an income. However the actual tax saved will depend upon the returns over the period the ISA is held.

From 27<sup>th</sup> December 2005 the range of investments which can be held in the investment element of ISAs was extended to include certain collective funds investing directly into commercial property, which were previously not available.

As with a personal pension, the ISA is simply a tax wrapper. If you invest in a stocks and shares type ISA, it's likely your money will be invested in what is known as a pooled fund. The most common ones are Investment Trusts, Unit Trusts and Open Ended Investment Companies.

The main difference between a personal pension and an ISA is:

- You receive tax relief on your contributions to pensions, but not to ISAs

- 75% of your pension fund must be used to buy an income, whereas the whole ISA fund can be accessed tax free

### **Action Point**

Take the time to do thorough research before you make any type of investment. If you do use the services of a financial adviser, make sure they are using the techniques and processes covered in this guide.

We'd like to wish you good luck with all aspects of your financial planning!

## About the Authors



Ray grew up in the North East of England and attended Kings School in Tynemouth, an experience he remembers for the cold weather, all year round! After school he continued his studies, completing a Master's degree in 1997 at Sheffield Hallam University.

Ray started working as a financial adviser in 1994 with Friends Provident. In 1996 he made the step to become an Independent Financial Adviser, joining medical and dental specialists Baxter Fensham Ltd. It was here that he developed his specialist knowledge, advising doctors and dentists how to get the most from their financial planning.

Ray started presenting his ideas in seminars and workshops and has since spoken in front of hundreds of doctors and dentists throughout the UK. In 2000, he left Baxter Fensham to team up with Thomas Dickson and together they were founding members of money4dentists.

Ray has presented financial planning seminars to groups within dentistry, including Women in Dentistry, dental health education council, the BDA and both undergraduate & postgraduate schools. Ray is also a presenter on the financial video site [www.moneycastonline.com](http://www.moneycastonline.com)

In 2004, Ray relocated from the Midlands back to the North East and has since teamed up with Rutherford Wilkinson plc to deal specifically with members of the medical and dental professions.

Ray has continued to pass various financial papers and holds the Advanced Financial Planning Certificate and the Diploma in Financial Planning accredited by the Chartered Insurance Institute. His passion is working with and helping clients who want an unbiased view as to how they can achieve their lifestyle and financial goals and objectives. He likes to help others less fortunate than himself and has volunteered for Crisis, the charity for the homeless, and did a sky-dive in 2003 for Dentaaid, raising funds for under-resourced dentists in the Third World.



Graeme also grew up in the North East, in Chester-le-Street. He remembers very clearly helping out in his father's newsagents nearby, delivering round upon round of newspapers far too early in the morning!

After working for the Mars group for several years, he joined the Medical Sickness Society in his mid twenties. It was here that he developed a passion

for helping medics and dentists with their finances, and became very used to the ins and outs of the NHS Pension scheme. It was this same passion that made him move on after 16 years to become an Independent Financial Planner, as he wanted to offer his clients a broader range of services and a totally impartial advisory service.

Graeme is also a presenter on the financial video site [www.moneycastonline.com](http://www.moneycastonline.com)

After working in London and Kent for many years, he returned to the North East in 2000 with his family. They are now settled in Rothbury, Northumberland, and have invested in thick fleeces and walking boots!

When not working, Graeme spends a lot of time with his family, and is very aware of the saying “tempus fugit” when his daughter increasingly shows him up with her improving skills and fitness.

His other personal interests are local history, genealogy, archaeology and cartography. He also loves walking and playing racquet sports, and regularly plays squash. He also completed the Great North Run in 2005, raising money for children with cancer.

## About Rutherford Wilkinson plc

Rutherford Wilkinson plc is a leading firm of Independent Financial Advisers and was formed in 2002 from the merger of Wilkinson Hatton and Rutherford Financial Management (formerly Peter Rutherford & Co).

These two firms were a natural match, combining substantial strengths and resources. Rutherford Financial Management was an investment specialist formed in 1992, and Wilkinson Hatton, established in 1986, had dealt mainly with corporate clients on a fee-charging basis. Both firms placed a strong emphasis on providing quality advice from professionally qualified advisers, matched with outstanding customer care.

The merger has created a full service financial services organisation that can meet the needs of all types of client, whether business or personal.

**A specialist division was created in 2005 when Ray Prince and Graeme Urwin joined the company. This division deals exclusively with the financial planning needs of UK resident doctors and dentists.**

As well as holistic fee based financial planning, Rutherford Wilkinson offers a wide range of financial services:

- Comprehensive Mortgage Service, residential and buy to let (sourcing the right deal for you and handling many aspects of the administration)
- Practice Acquisition Advice, including practice finance
- Estate Planning / inheritance tax mitigation / wills
- Retirement Strategy, to help you manage your affairs when you decide to give up work
- Long Term Care, planning for when you can't look after yourself or a family member
- Family Protection, to make sure your family have financial security if you die prematurely or suffer a critical illness
- Income Protection, ensuring you have enough income if you can't work due to illness, injury or accident
- Debt Management, understanding how to make debt work for you
- Foundation Planning including product selection (suitable for younger clients)

- Portfolio Evaluation, so you can align your investment strategy with your attitude to risk
- Individual Product Research, to help you buy the right financial policies

To find out if we can help you with your financial planning call **0191 2173340** or [email us](#) for further information. Initial telephone discussions are free of charge and without obligation.

If you're not receiving the twice monthly Financial Tips newsletter, simply [visit our specialist website](#) to join. By doing so you'll be able to keep up to date with all the latest pensions and financial news for doctors and dentists. (Your details are safe with us and we will not sell or pass them to any third parties). This site also contains free articles and resources to help you effectively plan your finances and save time.

## **Risk Warnings**

All content provided in this special report is only for your own information and use, and is not intended to address your particular personal requirements or to be relied upon in making (or refraining from making) any specific investment or other decision. Such content shall not constitute any form of advice or recommendation by us.

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Seek advice from an Impartial Independent Financial Adviser whenever considering restructuring your investments. Each investment should be considered on merit and not just for the tax advantages.

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