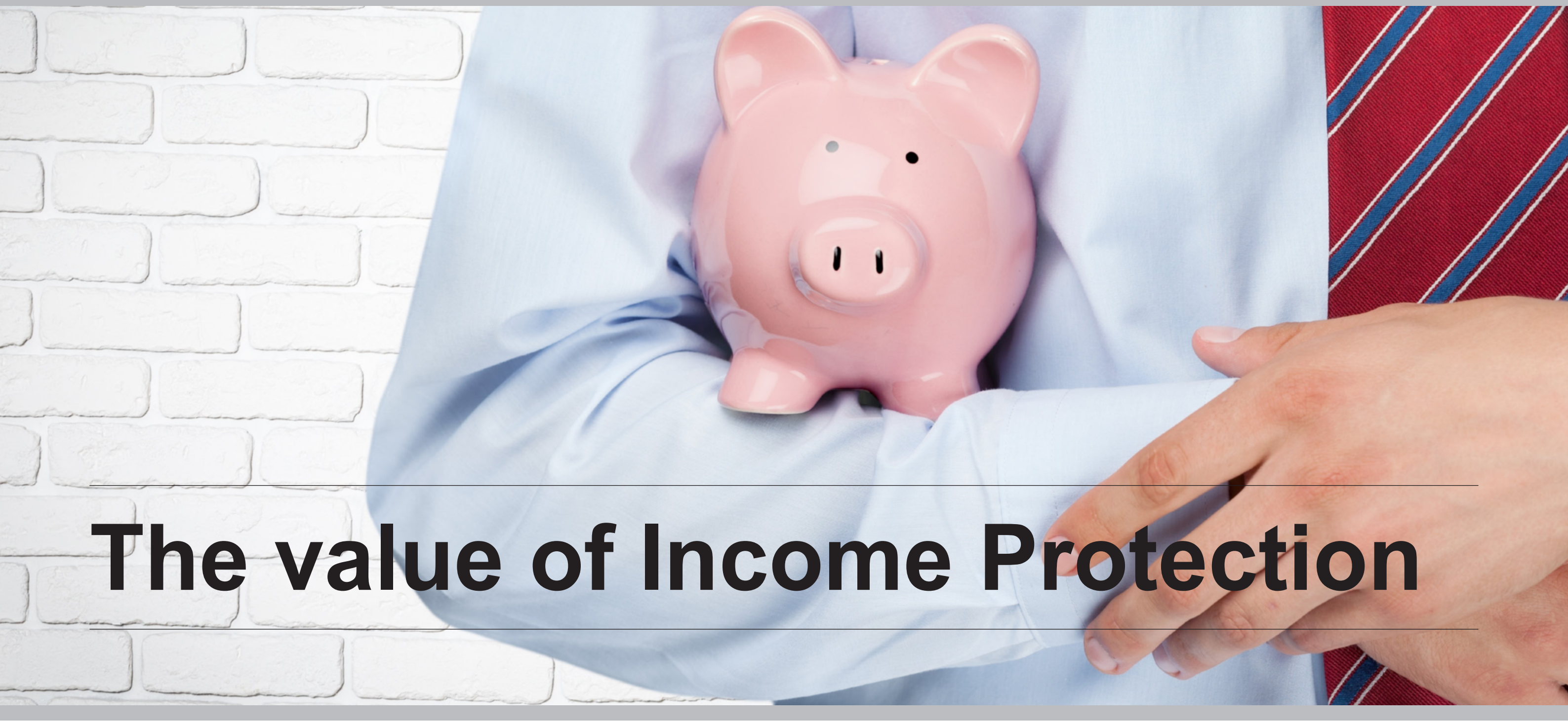
Issue 17 Autumn 2016

Viewpoint

Your latest newsletter from Maple Leaf Financial Services Ltd



The value of Income Protection

We work hard to provide for ourselves and our families and enjoy spending our monthly earnings on holidays and leisure – as well as the more mundane (but essential) things like bills and mortgage payments of course. So you'd think we'd place huge importance on protecting an asset as valuable as our income.

According to research from Zurich, however, this is sadly not the case. In fact, only 20% of the people surveyed had protected themselves against a loss of earnings in the event of illness or disability.

Risk versus reality

Perhaps more surprisingly, 43% said the chances of them becoming ill or disabled and unable to work were extremely unlikely – even though a similar number (42%) had already experienced a loss of income for this very reason.

This apparent discrepancy between perception and reality is particularly worrying as a third of people believe they don't have enough savings to cover expenses for more than one month.

Protect your greatest asset

Income Protection pays out a regular replacement income if you are unable to work due to an accident or illness or, with certain policies, unemployment. For a monthly premium that can be adjusted to suit your budget, this valuable insurance could keep the roof over your head while you are unable to work.

Even if you have Income Protection insurance already in place, it's still worthwhile reviewing your current cover levels. Personal circumstances can change regularly so it's important to ensure your level of cover remains appropriate.

Most of us don't think twice when it comes to protecting our vehicles or treasured possessions, and yet it's our income that enables us to enjoy these luxuries.

Talk to us today about Income Protection insurance to make sure your income is properly protected in the event you're unable to work.

OW0236 Exp. 27/03/17

Buy to Let tax revamp

Tax changes in the Buy to Let market announced in the 2015 Budget will impact on a landlord's tax bill and potentially hit profits.

- From April 2016 Stamp Duty Land Tax for Buy to Let property purchase increased by 3%.
- From April 2017 landlords will only be able to claim relief back on their mortgage finance costs at the basic rate of 20%, although the withdrawal of the higher rate reliefs will be phased in over four years.
- The 10% 'wear and tear' tax relief was replaced in April 2016. Landlords can now only claim tax relief when they replace furnishings.

Tax relief to be slashed over four years

While the extra 3% stamp duty on Buy to Let properties wouldn't have gone down well with landlords, perhaps the biggest change affecting people with property portfolios relates to the relief restriction on loan interest.

At the moment, landlords can deduct mortgage interest from their profits, which can significantly reduce their tax bill. From April 2017, however, this tax relief will reduce, until April 2021 when it will be restricted to the basic rate of income tax (currently 20%). This means those on higher incomes will find themselves losing much more in mortgage interest payments.

According to the estimates from Nationwide building society, an investor with a £150,000 Buy to Let mortgage on a property worth £200,000 attracting a monthly rental income of £800, is likely to see his or her net annual profit drop from £2,160 a year to just £960.

The changes in income tax relief are being phased in from 2017 to 2021, which allows a period of time to adjust to the impact. That said, it will make a fundamental difference in the economics of property investment; rather than lock into a five year fixed rate today, landlords may be tempted by shorter-term fixed rate deals to get lower rates of interest.

A level playing field

While the major players in the Buy to Let market will see their profits shrink, it might mean less competition for landlords on a lower income, or those new to the market.

If you're considering a first time Buy to Let purchase it's important to plan carefully. Make sure you:

- know what you want from your investment and plan thoroughly
- research the market, the area and the property before you buy
- identify the type of tenant you'd want living in your property
- ask us about the right Buy to Let mortgage deal for your circumstances

Buy to Let mortgages are not regulated by the Financial Conduct Authority.

HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.

If you're a Buy to Let landlord or you'd like help investing in your first Buy to Let property please get in touch.

OW0224 Exp. 31/03/17

Your home may be repossessed if you do not keep up repayments on your mortgage

New State Pension: what's your entitlement?

Between December 2015 and May 2016 around 400,000 people accessed their State Pension statements, a 40% increase on 2015 when there were 400,000 requests in total for the entire year.

This significant increase is down to the launch of a new online system which calculates your likely State Pension entitlement based on your National Insurance records. Previously, only people aged 50 and over could get a forecast by applying over the phone or by post to the Department for Work and Pensions (DWP).

Calculate your entitlement

To access the new online system, go to www.gov.uk/check-state-pension and follow the prompts. You'll need to confirm your identity using the Government Gateway.

The service gives you a personalised statement showing an estimate of what you might receive once you reach State Pension age, based on your National Insurance Contributions (NICs). It's a quick and easy way of highlighting what you're eligible for and it can help show you how much you need to save elsewhere, as part of your retirement planning.

It is particularly helpful given the launch of the new State Pension in April 2016, which introduced a new flat rate of £155.65 (2016/17 tax year), sparking confusion amongst workers over whether they would be better or worse off under the new regime.

The new State Pension

If you're male, born after 6 April 1951, or a woman born after 6 April 1953, you are eligible for the new State Pension, however, you must have a minimum 10 years' of NICs.

You need 35 years' NI record to qualify for the full £155.65 (an increase of five years on the old entitlement) and if you've built up entitlement to additional State Pension under the old system, you may get more or less if you were 'contracted out'.

The value of advice

Whatever your entitlement to the State Pension, your retirement planning is too important to ignore. We can help you assess what you might be eligible for and what you need to do to achieve a level of income in retirement that you'd be happy with.

To discuss your pension planning in more detail please get in touch.

OW0232 Exp. 31/05/17

Maple Leaf Financial Services Ltd **info@mapleleaffinancial.co.uk** **01244 470 452**

Britain's happiest places

Leigh-on-Sea tops Rightmove's Happy at Home Index, with Harrogate dropping to third.

Rightmove's annual study asks 24,000 people across England, Wales and Scotland to rank where they live against 12 factors relating to their local area. The factors range from neighbourliness and how much there is to do in the area, to how safe people feel.

What makes one person happy may not be the case for another, but the report is able to conclude that things like park areas and green space, as well as friendly neighbours and good local amenities, score highly when it comes to making somewhere a nice place to live.

Where's happiest?

Rightmove's top five span the south east corner of England to the west coast of Scotland and three of the five are on the coast:

Overall happiness	
1	Leigh-on-Sea, East of England
2	Troon, Scotland
3	Harrogate, Yorkshire & the Humber
4	Hertford, East of England
5	Lytham St Annes, North West

National capitals Cardiff and Glasgow ranked mid-table, with Swansea taking Wales's top spot, while London's regional results varied wildly: Richmond upon Thames (39th place) topped the regional list while four other London places ranked in Britain's bottom 10.

What matters most?

The twelve factors	Happiest	Least happy
Community Spirit	Stanford-Le-Hope	Walsall
Sense of belonging	Troon	Barking & Dagenham
I can be myself	Troon	Wallsall
I feel safe	Troon	Wellington
I earn enough to live comfortably	Ayr	Blackpool
The people are friendly and polite	Shrewsbury	Barking & Dagenham
Sports and recreational activities	Leigh-on-Sea	Spalding
Arts and culture	Leigh-on-Sea	St Helens
Opportunities to develop skills	Leigh-on-Sea	St Helens
Nature and green spaces	Harrogate	Spalding
Essential local service eg. GP surgeries, schools	Wellington	Grays
Non-essential amenities eg. restaurants, pubs	Leigh-on-Sea	Bracknell

Looking for a happier place to live?

If you're thinking of moving it's worth taking the time to explore the area you're considering. Check if there are parks or green space that you can enjoy spending time in and talk to neighbours to get an idea of the people that make up the community you'll be joining. Have a drive around to see what amenities are close by and drop into the local pub or restaurant to get a sense of how a Friday evening after a long day at work might feel.

If you'd like to see how your region or town performed, or you think it could help you decide your next property move, you can find full details of the Happy at Home index at rightmove.co.uk/news/happy-at-home

Looking for a new place to call home? Talk to us for advice on finding the right mortgage deal for you.

Your home may be repossessed if you do not keep up repayments on your mortgage

Maple Leaf Financial Services Ltd
Maple House
23 Watergate Row South
Chester
Cheshire
CH1 2LE

01244 470 452
info@mapleleaffinancial.co.uk
www.mapleleaffinancial.co.uk

Maple Leaf Financial Services Ltd.

OW0225 Exp. 27/03/17