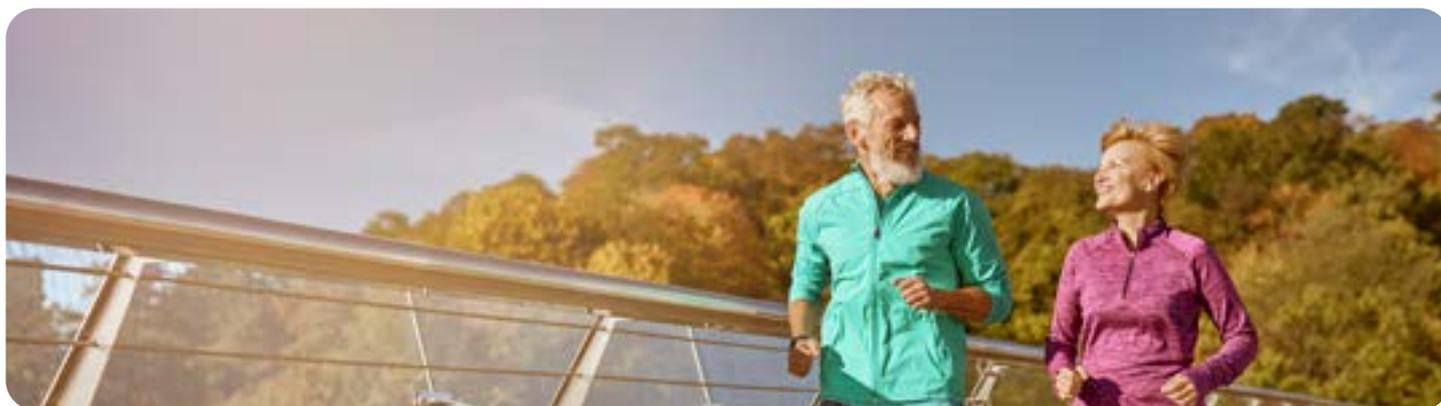


## 80% of over-55s don't have a Lasting Power of Attorney in place. Overlooking this could place you in a vulnerable position



Do you have a Lasting Power of Attorney (LPA) in place? If you don't, it could leave you in a vulnerable position if you're unable to make decisions for yourself, such as after an accident or illness.

Losing the mental capacity or ability to make decisions for yourself is something no one likes to think about. However, by taking steps just in case, you can improve your security and wellbeing.

An LPA gives someone you trust the ability to make decisions on your behalf. These decisions could be related to medical treatment or finance to ensure you continue to meet commitments.

Having an LPA in place can provide you with peace of mind and security if you can't, or don't want to, make decisions.

### **4 in 5 over-55s don't have a Lasting Power of Attorney**

An LPA is an important step at any stage in your life. Accidents can happen, so even among younger generations, it can provide valuable security.

However, an LPA is most likely to be used later in life when some illnesses are more common or recovery times may be longer. So, it's worrying that 80% of over-55s haven't named an LPA according to a [Lloyds Bank](#) survey.

Almost a third said they hadn't set up an LPA because they believe it's only put in place if they become ill. This is incorrect.

You must have the mental capacity to decide to name an LPA. So, it's a step that must be taken before it's needed. If it's something you've yet to do, you should think about it now.

Without an LPA, your loved ones would need to apply for a deputyship to act on your behalf. This can be more costly and time-consuming than setting up an LPA. As the process can be lengthy, it could mean no one can make decisions for you for some time while you may be vulnerable.

### **64% of UK adults don't understand how a Lasting Power of Attorney works. Here's what you need to know**

Another reason that some people aren't naming an LPA is that they don't understand how it works. Almost two-thirds of people surveyed couldn't explain what an attorney can do. So, here are five things you need to know.

#### **1. An LPA can make decisions when you're unable or unwilling to do so**

An LPA will only make decisions on your behalf if you're unable to, or you decide you'd prefer not to make them. In some cases, the powers an attorney has can be temporary. For example, if you're ill and recover.

Your named attorney cannot make decisions for you if you still have mental capacity and want to do so.

## 2. There are two types of LPA

There are two different types of LPA that grant the attorney the ability to make different decisions. You should have both types in place, and you can choose the same person for both or different people for each.

The first type is a health and welfare LPA. This would provide someone with the ability to make decisions relating to your health and care. This could include decisions about moving into a care home, medical treatment, and life-sustaining treatment.

The second is a property and financial affairs LPA. This would allow someone to manage your financial affairs on your behalf, such as paying bills, collecting your pension, or selling property.

## 3. An LPA grants someone the power to make decisions during your life

A quarter of people are unaware of the differences between an LPA and a will.

In essence, an LPA gives someone the ability to make decisions on your behalf during your life. They cannot decide how your assets will be distributed when you pass away. This is what a will is used for – it allows you to set out what you want to happen to your assets when you die.

You should have both a will and LPA in place.

## 4. You can name more than one LPA

As mentioned above, there are two types of LPA, and you can name different people to fill these roles.

If you want, you can also name multiple LPAs, for instance, your partner and child. You can specify whether they can make decisions independently or must work together.

You should think carefully about who your LPA should be. Speaking to them about whether they're comfortable with the role and what your wishes would be in various circumstances is important.

## 5. You should still name an LPA if you're married

It's a common misconception that your partner will be able to make decisions for you if you're married or in a civil partnership. However, this isn't always the case.

Your partner, for instance, does not have an automatic right to manage your bank account for you, even if it's a joint account. As a result, naming an LPA, whether this is your partner or someone else, is still an important step.

### How to name a Lasting Power of Attorney

You can download the forms to start the process of naming an LPA [online](#) or by contacting the Office for the Public Guardian.

You can choose to fill out the forms yourself or use the services of a solicitor. While you will need to pay a fee for a solicitor, they can help prevent issues from arising.

The forms will need to be signed by a certificate provider, who will verify you haven't been placed under pressure to complete the forms. This can either be someone you know well or a professional like a doctor or solicitor.

Once the forms are complete, you must register the LPA with the Office for Public Guardian, and you may need to pay a fee of £82.

If you have any questions about LPAs or how they can fit into your financial plan, please contact us.

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## Carers Week: Why a care plan is still crucial even if you have family support



As part of a long-term plan, you may be thinking about whether you could need some form of care later in life. While you may hope to rely on your family to provide the support you need, you should still consider how you'd pay for care services if you need to.

According to charity [Carers UK](#), around 1 in 8 adults are carers, the equivalent of 6.5 million people. The care these people provide will vary greatly, and around 1.4 million provide more than 50 hours of care each week.

Understandably, many people planning for their later years would prefer to stay in their own homes. 6 in 10 people said they would rather stay at home and adapt it to their needs, according to an LV= survey. This compares to 65% of over-55s who admit they are worried about moving into a care home.

With this in mind, you may decide you don't need to consider care services and the potential cost. However, overlooking this could present challenges in the future.

### Keep in mind your circumstances can change

Having a plan to rely on family is good, but you should also recognise that circumstances can change.

These could be circumstances in your family's life. For instance, a new job opportunity could mean they move further away from you, or the arrival of children could mean they don't have the time to become a full-time carer.

Your own circumstances may also change. The type of care people need later in life can vary significantly. Many can live independently with minimal support from loved ones, others may have more complex needs. In some cases, you may find that the level of care you thought would be enough is not, or that you could benefit from specialist care.

Even if you're confident your family will be able to offer care to you, having an alternative care plan can act as a safety net. By setting out what you'd prefer and considering the potential cost before it's needed, you can have greater confidence about the future.

Predicting what care will suit your needs is impossible, so a long-term care plan that provides flexibility should be part of your later-life planning.

### **74% of carers describe themselves as exhausted**

While loved ones may be in a position and willing to offer some support, it's important to recognise the pressure this can bring too.

According to a [Carers Week](#) report, 74% of carers describe themselves as exhausted, and a third said they feel unable to manage their caring role. Having the funds and a plan to pay for additional support if it's needed can ease some of the stress your loved one may feel while ensuring you're secure.

The report found that 64% of carers relied on family and friends so they could take a break. Making care a part of your budget later in life can mean you're able to pay for vital support that will allow your loved ones to take a break. This may mean they can go on holiday, have a day each week to themselves, or can pass on some of the more challenging care tasks.

It's a step that can help your loved ones continue to provide you with the care you need while helping them to strike a balance in their own life too.

### **Making care part of your later-life plan**

Traditionally when planning for retirement, retirees expect their expenses to be higher during the initial years before spending settles down. However, if you need some support, your outgoings can start to rise later in life.

Long-term planning should consider how you use your assets to create an income and reach your goals with this in mind. Creating an accessible care fund could provide peace of mind and give you more options in your later years.

Your plan should also consider what you'd like to happen to this care fund if it's not needed. You may want to leave it as an inheritance, for example, and need to consider this in your will or Inheritance Tax plan.

If you'd like to discuss a care plan and ensure you have provisions set aside if paying for care becomes necessary later in life, please contact us.

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## Revealed: How long will you spend in retirement as more people than ever reach 100?



When you're nearing retirement there are a lot of big decisions you need to make. From when to retire to how much income to take from your pension, how long you will spend in retirement is a crucial piece of information. And it's not something you should put off thinking about until you're ready to retire.

Understanding your life expectancy means you can plan more effectively.

It can inform how much you should be saving to reach your goals during your working life, as well as how to use your pension and other assets when you retire.

### The average retiree will need to plan for 2 decades in retirement

Data from the [Office for National Statistics](#) (ONS) shows average life expectancy, which can give retirees an estimate of how long they'll spend in retirement.

People that are reaching the State Pension Age this year have a life expectancy into their 80s.

- A 66-year-old man can expect to spend 19 years in retirement with a life expectancy of 85.
- A 66-year-old woman has a life expectancy of 87, meaning their assets would need to last for 21 years.

For workers that are still years away from retiring, life expectancy could be higher. Understanding how far your pension and other assets will need to stretch is crucial for building a sustainable income.

While an average life expectancy for your age can give you an idea of how long your pension will need to last, many people will live longer than this. If you rely solely on the average life expectancy when planning, you could face a significant financial gap.

### Do you need to plan for a 100-year life? There were 52% more centenarians in 2021

It wasn't that long ago that it was rare to celebrate your 100th birthday. Today, it's become far more common.

According to the [ONS](#), there are more people than ever aged 100 and over living in the UK. In 2021, the number of people celebrating the milestone increased by 52% when compared to a year earlier.

The sharp increase is partly attributed to the baby boom following the first world war. Between mid-1919 and mid-1920, there were 45% more births than the year before. However, healthcare and quality of life improvements also mean more people are marking their 100th birthday with a letter from the Queen.

If you lived to 100, would you have enough money to live securely?

As the number of centenarians rises, it's become important that retirees consider how they'd cope financially if they reached 100. It could mean spending four decades in retirement.

Planning for a longer life doesn't just mean ensuring your pension withdrawals are sustainable for four decades. A longer life means you're more likely to need some form of care.

It's important to think about what you would want if you needed some support and the potential cost of this. Setting aside a proportion of your wealth for later-life care costs can give you peace of mind.

A 30-year retirement may not be something you expect to consider, but the statistics highlight that it could be more common than you think.

- A 66-year-old man has a 1 in 10 chance of reaching 96.
- A 66-year-old woman has a 1 in 10 chance of reaching 98.

A 100-year life isn't going to be that rare for people retiring today.

Younger generations are even more likely to reach 100. A 40-year-old woman has a 1 in 10 chance of reaching the milestone.

### 3 practical things you can do to make sure your assets last throughout retirement

As people live longer lives and spend more time in retirement, ensuring that your pension and other assets will last is essential. Here are three things you can do to prepare for a long retirement.

#### 1. Start saving for retirement early

The sooner you start preparing for retirement, the better.

By saving into a pension at the start of your career, the proportion of your salary that you need to contribute to reaching your goals is lower than if you put it off. It also means your contributions will be invested for longer, and hopefully deliver larger returns.

Don't put off reviewing your retirement goals and pension contributions.

#### 2. Understand your guaranteed income in retirement

When you retire, you may benefit from some income that is guaranteed for the rest of your life. This may come from the State Pension or a defined benefit (DB) pension.

This income can provide you with a foundation to build on and offer some security throughout this stage of your life.

#### 3. Access your defined contribution pension and other assets sustainably

If you have a defined contribution (DC) pension, you can make withdrawals when you wish from the age of 55, rising to 57 in 2028. However, when depleting your pension or other assets, you will need to consider how long they need to last and what is sustainable.

A longer retirement provides great opportunities to reach your goals and really enjoy your life after giving up work. However, it can also make managing your finances more complex, and we're here to help you navigate this.

Whether you're just starting to think about pensions or you're already retired, please contact us to arrange a meeting.

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A pension is a long-term investment not normally accessible until 55 (57 from April 2028). The value of your investments (and any income from them) can go down as well as up, which would have an impact on the level of pension benefits available.

Your pension income could also be affected by the interest rates at the time you take your benefits. The tax implications of pension withdrawals will be based on your individual circumstances. Levels, bases of and reliefs from taxation may change in subsequent Finance Acts.



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## The Platinum Jubilee: From shillings to contactless payments in 70 years



This summer the Queen will celebrate an incredible 70 years on the throne. Since her reign began in 1952, the world has changed a lot – who in the 1950s would've thought it'd be normal to carry a computer in your pocket that lets you make calls, access the internet, and a whole lot more?

During that time, money has changed enormously too, from how it looks right through to how we use it. Here are some of the ways money has changed during the Queen's reign.

### The changing portraits of the Queen

The Queen's portrait has been a common feature on money for almost 70 years and there have been several changes over the decades.

It wasn't until 1960 that the Queen's portrait appeared on a note. The image of the young queen was used on £1 notes, and then a 10 shilling note in 1961. The portrait was criticised for being severe and having an unrealistic likeness.

An updated portrait used for £5 notes in 1963 received a more favourable response.

The current image on notes and coins has been used since 1990 and shows the Queen aged 64.

Adding the likeness of the monarch isn't just for tradition. The Bank of England (BoE) explains that

using a familiar image is a useful anti-counterfeiting feature. People can detect changes in pictures of faces, especially well-known ones, much more easily than in other types of patterns.

Modern polymer notes also use the Queen's portrait on a small, see-through window with "£5 Bank of England" printed twice around the edge as a security feature.



Images: portraits of the queen used in 1960, 1963, and 1990.

### Decimalisation day: Adopting a base-10 currency in 1971

Perhaps the biggest change to money in the last 70 years occurred on 15 February 1971, dubbed "decimalisation day".

For centuries Britain had used a coinage system of pounds, shillings and pence – 12 pennies made a shilling, and 20 shillings made a pound.

After more than 50 years of dealing with a currency based on units of 10, it can be hard to appreciate the mental arithmetic older generations were adept at doing every time they made a purchase.

The debate of changing to a simpler currency had been going on since 1847.

An MP at the time, Sir John Bowring said: "Every man who looks at his 10 fingers, saw an argument for its use, and evidence of its practicability."

A year later, the nation's first decimal coin appeared – the florin, which was one-tenth of a pound. But that's as far as decimalisation went until more than a century later.

While decimalisation day on 15 February 1971 was a milestone and represented a huge change, the transition was a little more gradual than the name suggests.

5p and 10p coins had entered circulation in 1968 and had the same value as shillings and florins. The last pre-decimal coin, the florin, wasn't pulled from circulation until 1993. To help customers, some shops also ran dual prices for a while.

Even with a transition, it was vital that everyone knew about the change and how the new coins would work. So, the government commissioned performer Max Bygraves to record a song for the occasion.

The lyrics included: "They have made it easy for every citizen, cos all we have to do is count from 1 to 10." And if you want a trip down memory lane, you can listen to the [decimalisation song](#) online.

### The rise of cashless payments

In recent years, the shift towards not using money at all has accelerated, particularly during the last two years due to the pandemic.

Barclays issued the UK's first credit card in 1966, with debit cards following in 1987. These first cards required a signature and used a magnetic strip that could be swiped.

This trend evolved over the decades, with chip and PIN introduced in 2003 and contactless payments in 2007.

With customers now able to make contactless payments up to £100, a life without physical money is already a reality for many people in the UK.

According to the latest figures from [UK Finance](#), more than a quarter of all payments in the UK are made using contactless methods. In contrast, cash is falling out of favour. In 2010, it accounted for 56% of all payments, although by 2020 that had reduced to 17%.

While cash is likely to play an important role for years to come, its use is becoming rarer.

### Average annual inflation of 5.1% has affected how far your money will go

It's not just the appearance of money and how we pay for goods that have changed – the value of the money in your pocket has too.

Over the last 70 years, the rate of inflation has differed. Inflation is currently higher than it has been in recent years, reaching 9% in April. And older generations will well remember inflation entering double digits in the 1970s.

Inflation means the cost of goods and services rises. Day-to-day, you may not notice how much costs are rising, while over 70 years it's clear the effect inflation has.

Annually, between 1952 and 2021, inflation has averaged 5.1%. The BoE's [inflation calculator](#) finds that if you had £1,000 when Queen Elizabeth II began her reign, you'd need more than £30,000 now to have the same spending power.

Money has changed hugely over the last 70 years, but what remains important is setting out your goals and getting the most out of your assets. If you'd like to talk about your financial plan, please contact us.

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