David Malin Financial Advice Ltd

Autumn Newsletter 2026

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Inside this issue

Retirement has changed

Retirement looks completely different today than it did for the generation before us.

It used to be that final salary pensions were common. That's no longer the case and it's now down to you to shoulder some of the responsibility of providing for your retirement.

Ways to cut your tax bill

There are many ways to reduce your tax bill, but it can often feel complicated. Professional advice from a regulated financial adviser can help you structure your finances in a tax-effective manner.

You can shelter your cash, give to charity, boost your partner's pension, make gifts, plan ahead, write a will and ask for financial advice.

Smart Planning

Smart financial planning can involve key principles such as understanding your current situation, setting clear goals and conducting regular reviews.

Working past retirement

What matters most is you. Being prepared for retirement and shaping it into something that suits you can be key. Many people take up part time work, or even volunteering, in retirement. This way the transition into retirement can be gradual.

Welcome to the autumn edition of our quarterly client newsletter, which provides topical financial articles.

These newsletters are intended to bring a few key topical issues to your attention. If you would like to discuss any of them (or any other aspect of your financial planning) in more depth, please contact us.

Please note: We may not necessarily advise on all the topics in each newsletter, but thought they may be of interest to you.

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Any information in this newsletter does not constitute advice and should not be acted upon without taking professional guidance.

The value of pensions and investments and the income they produce can fall as well as rise and you may not get back the full amount that you originally invested.

Retirement has changed - It's all down to you!

Pension provision: It is now down to you

Retirement provision seems to have fundamentally shifted away from traditional final salary pensions. Today, employees shoulder much of the responsibility for financing their own future.

The government's initiative on auto-enrolment for employers to automatically enrol eligible staff into a workplace pension scheme and contribute towards it, doesn't cover everyone and may not provide you with as much as you would like for your retirement.

It can be a sensible move to work out how to make any pension savings last for your retirement lifetime.

The reality of UK Pension Savings:

Recent official statistics from the Department for Work and Pensions (DWP) highlight a stark reality regarding how much working-age individuals (aged 22 to State Pension age) are actually saving:

gov.uk/government/statistics/analysis-of-future-pension-incomes-2025/analysis-of-future-pension-incomes-2025

High participation - Auto enrolment

Pension saving in Great Britain has changed significantly over the past decade due to the introduction of Automatic Enrolment.

The participation rate on auto-enrolment for eligible employees in Great Britain is 88%.

The overall participation rate of all employees into a workplace pension in Great Britain was 80%.

The savings gap

4-in-10 (43%) working-age people (equivalent to 14.6 million) are under saving for retirement when measured against their target replacement rate before housing costs.

Living standards shortfall

While only 13% fall short of a bare Minimum retirement living standard, a staggering 73% are on track to miss a Moderate standard, and 91% are under-saving for a Comfortable retirement standard.

What is a Target Replacement Rate (TRR)?

A TRR is a core metric used by pension policy bodies to assess whether your savings will maintain your pre-retirement standard of living. It is entirely income-dependent:

Lower Earners: Typically need a higher replacement rate (around 80%) to maintain their living standards.

Higher Earners: May target a lower replacement rate (around 50%) as their essential living costs consume a smaller percentage of their income.

If you are concerned that your pension savings might not be on track, it can be important to take action to assess your situation and make adjustments if you need to.

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Ways to cut your tax bill

Saving tax is one the simplest ways to keep more money in your pocket.

Check out a few tips that may help you reduce your tax bill.

1. Shelter your cash from tax

Your Personal Savings Allowance (PSA) is the total amount of interest you can earn each year across all of your bank accounts (except individual savings accounts) without paying tax.

From 6 April 2026 to 5 April 2027, it's £1,000 tax-free interest for basic rate taxpayers and £500 tax-free interest for higher rate taxpayers. Additional rate taxpayers don't have a PSA.

With fluctuating interest rates it can be easy to take your eye off the ball and go over your PSA.

2. Give to charity

Charity donations also benefit from tax relief. A charity can normally claim 25p for every £1 donated. Higher/additional-rate taxpayers may also be able to claim further tax relief depending on their circumstances.

3. Boost your partner's pension

If you're married or live with your partner, you can pay less tax between you in retirement if you have two pensions to draw from. That's because you'll be able to use each of your tax allowances. If your partner's pension is lacking you can pay into a pot on their behalf. If they don't work, the amount you can pay in is capped at £2,880, but will be boosted to £3,600 once basic-rate tax relief has been applied.

4. Give generous wedding gifts

If you have a child getting married (or entering a civil partnership) you can give them up to £5,000 free of IHT. You can also give grandchildren (or great grandchildren) £2,500 or £1,000 to anyone else who's tying the knot.

5. Use your annual gift allowance

You might know that you can give away £3,000 to whoever you like tax free each year. You can also carry forward last year's allowance if you didn't use it.

6. Make regular gifts from income

We hear lots about gifting allowances, but you can actually give away as much money as you like tax free, so long as you can demonstrate that the money is from income and doesn't affect your standard of living, using the regular gifts from surplus income rule. Stuck for ideas? Talk to your kids – chipping in for grandchildren's music classes or tutors in the run-up to exams could make a big difference to the family finances and give you a warm glow.

7. Planning ahead

Whilst you can gift large sums of money above your annual allowances, these gifts are only completely tax-free if you live for at least seven years after making them. However, this seven-year timeline is not absolute; it may change if you use trusts, continue to benefit from the gift, or qualify for specific tax exemptions. To protect your wealth, it can be wise to plan your gifting strategy early, rather than waiting.

8. Enjoy your wealth

Giving money away in your lifetime isn't the only way to cut an IHT bill. You can also spend your money and enjoy your wealth yourself. Whether it's a fancy holiday, a weekly cleaner or help with the garden, spending is the most straightforward way of getting money out of your estate.

9. Write a will

If you have a sizeable estate, you may be able to reduce your IHT bill with a well-written will. You can also reduce the rate of IHT from 40% to 36% if you leave 10% of the taxable value of your estate to charity.

10. Individual savings accounts (ISAs)

You can invest up to £20,000 a year tax-free across Individual Savings Accounts (ISAs). Currently, this entire amount can go into a Cash ISA or a Stocks and Shares ISA. However, under announced changes planned from April 2027, the annual Cash ISA limit will reduce to £12,000 for those under 65, while savers aged 65 and over will retain the full £20,000 Cash ISA limit.

If your savings interest is currently tax-free under your personal allowance, it may be worth considering higher-paying standard accounts instead. However, you should weigh up current interest rates against your future tax position, long-term allowances, and personal access requirements before deciding.

11. Be mindful of CGT and dividend taxes

If you hold any investments in trading accounts they could be subject to Capital Gains Tax (CGT) when you come to sell them. You may also be paying tax on dividends. However, if you have any ISA allowance remaining, you can sell them and immediately rebuy them in an ISA using 'Bed & ISA' rules. This will shelter them from tax going forward.

You just need to be mindful that you don't move so much in one go that you trigger a CGT bill on the sale.

Using your annual CGT allowance each year can help you manage your future tax bills. However, if you sell an asset and buy the exact same one back within 30 days, tax rules match the sale to the new purchase. This usually prevents you from using your allowance for that gain. To work around this, many investors choose to reinvest their gains into a similar, alternative investment instead.

12. Report your losses

If you suffer any investment losses you might not want to tell your friends or family, but you should inform HMRC within four years. This is because you can use these losses to offset capital gains and potentially reduce a future CGT bill.

13. Give money to your spouse

Giving your spouse an asset – or splitting it with them – can be a great way of reducing CGT. Transfers between spouses are tax free and mean you both get to use your annual CGT allowance (currently £3,000 a year).

If you can't avoid paying CGT altogether, there may still be benefits of transferring assets, if they pay a lower rate of tax than you. Just be aware that the gift needs to be outright – you won't be able to claim it back at a later date.

14. Ask for professional help

There are many ways to reduce a tax bill, but it can be complicated, especially when it comes to Capital gains Tax (CGT) and Inheritance tax (IHT).

Professional advice from a regulated financial adviser can help you structure your finances in a tax-effective manner.

The value of pensions and investments and the income they produce can fall as well as rise and you may not get back the full amount that you originally invested.

Levels and bases of, and reliefs from, taxation are subject to change and their value will depend upon personal circumstances. Taxation and pension legislation may change in the future.

The favourable tax treatment of ISAs may be subject to changes in legislation in the future.

Smart Planning

Smart planning is looking at what you earn, what you spend and what you owe.

A good starting point is understanding your current financial landscape. It can be a step that is often overlooked; perhaps because it feels tedious. Thinking about the longer-term can help you make choices that support the life you want rather than reacting to whatever happens.

This foundation can become the basis for achievable goal-setting, whether you're saving for a home, building an emergency fund, or preparing for retirement.

Automated saving to stay on track

Consistency can become your greatest asset. Automating savings is one of the simplest ways to stay on track. When money moves into savings or investments before you even see it, you remove the temptation to spend it elsewhere.

Why not let technology do the heavy lifting! Automating even small contributions can build long-term habits. Whilst markets fluctuate and investments can fall in value, staying disciplined and diversified can helps manage risk over the longer term. Growth is never guaranteed, but a long-term approach remains key.

You're not tempted

Removing money from your bank account takes away the temptation to spend it. As your life changes through milestones like a new job, children, or relocating, your financial strategy should evolve too. Reviewing your plan regularly helps you stay flexible and aligned with what matters most.

Have a safety net

It can be a good idea to have a safety net. Think of an emergency fund and insurance as a "gift to your future self"—they're there to make sure a surprise car repair or a job change doesn't throw your finances off balance.

Smart planning for your financial future can work better when it feels intentional rather than intimidating. A strong plan doesn't require complicated spreadsheets; it grows from clear priorities, steady habits, and a willingness to adjust as life evolves.

Strike a balance

A plan in place can help you to strike a balance between saving for the future and spending on experiences that enrich your life now. Meaning you can enjoy yourself along the way.

Let us help with your planning

Smart financial planning involves key principles such as understanding your current situation, setting clear goals, managing cash flow, prioritising risk management, investing strategically, and conducting regular reviews.

The Financial Conduct Authority does not regulate Estate Planning, Inheritance Tax Planning, Taxation Advice, Wills and Trusts.

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Working past retirement?

Working past retirement age

As you reach retirement age; it's worth considering what you want your retirement to look like. It can be a gradual process and often could suit you better than stopping work altogether. What matters most is you. Being prepared for retirement and shaping it into something that suits you is key.

No national insurance to pay

An important, and often overlooked fact to consider is when you stop paying National Insurance (generally - employees at state pension age, self-employed 6 April following state pension age). This means that if you continue to work, you'll take home a bit more each month which you're free to spend or save as you choose.

Do what you enjoy

One of the most important reasons to keep working past your retirement age, is that you enjoy your work and want to keep doing it. There is nothing forcing you to stop working when you reach retirement age and though many people choose this time to step back from work, if you enjoy what you do then there's no reason to stop.

The additional income you receive from your pension may enable you to reduce your hours or work more flexibly if you wish. It could be that you have a specific project you'd like to see through before stepping back, or it might simply be that you have no immediate intention to retire and would like to keep working for now.

Boosting your income

Not everyone can afford to give up work when they reach retirement age and a common reason to keep working in retirement is to boost your income beyond what your pension alone would provide. It might be that this involves working full time, or perhaps taking on part-time work to top up your finances while enjoying more time to do what you want.

Enjoy a bigger pension further down the line?

Postponing your pension and continuing to contribute can help increase your retirement income down the line. While delaying benefits may improve your eventual position, a higher outcome is not guaranteed. Your final pot will ultimately depend on investment performance, future pension rules, and your individual circumstance.

Retire gradually

Work can bring purpose and fulfilment, not to mention social benefits. Retirement often brings lifestyle changes and some people will miss the regular interaction with their colleagues, or the sense of structure that work brings to their week.

Many people take up part time work, or even volunteering, in retirement. This way the transition into retirement can be gradual and flexible.

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