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Welcome to: savings and investments

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About us

We are a leading financial wellbeing and retirement specialist - helping those in the workplace to improve their financial future.

Established in 2005, we work with hundreds of organisations across both the private and public sector.

Our financial education services are delivered on a bespoke basis.

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Agenda

- Setting savings goals
- Savings and investments
  - Creating an emergency fund
  - Risk and return
  - Understanding your options
- The Haleon share plans
- Tax allowances
- Next steps

Setting savings goals

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Your objectives

Short Term

- 0 to 5 years
- Typically cash holdings

Medium Term

- 5 to 15 years
- Consider your risk / return approach

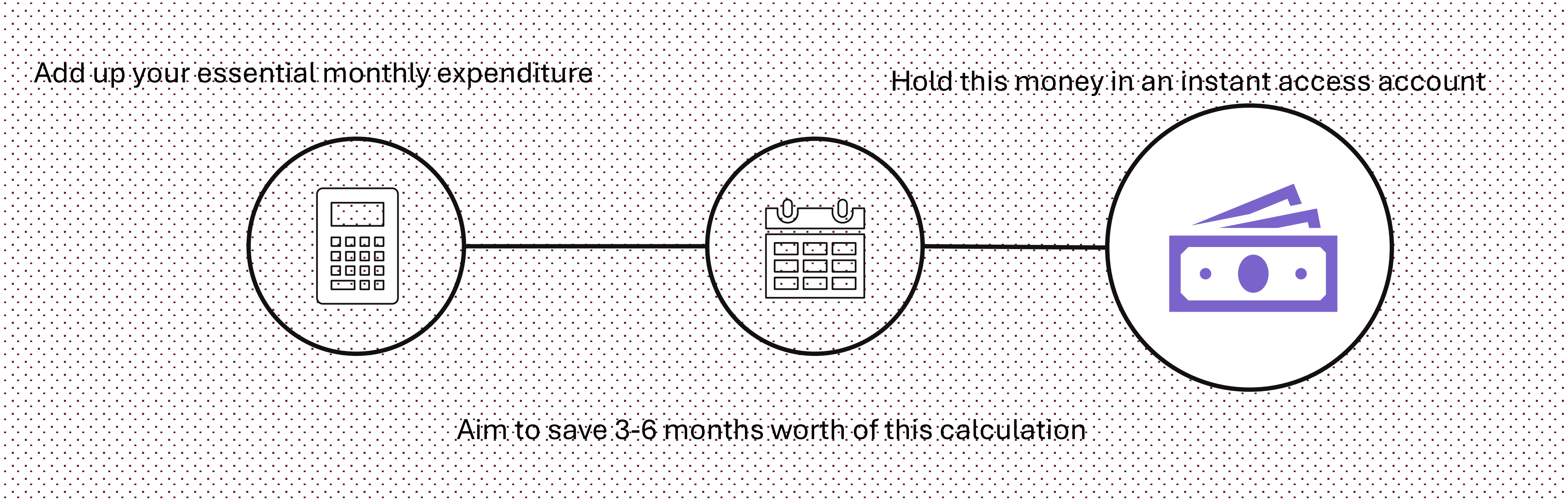
Long Term

- More than 15 years
- Consider your retirement approach

Savings and investments

Creating an emergency fund

If you are in a position to put money aside, take these steps to create an emergency fund:



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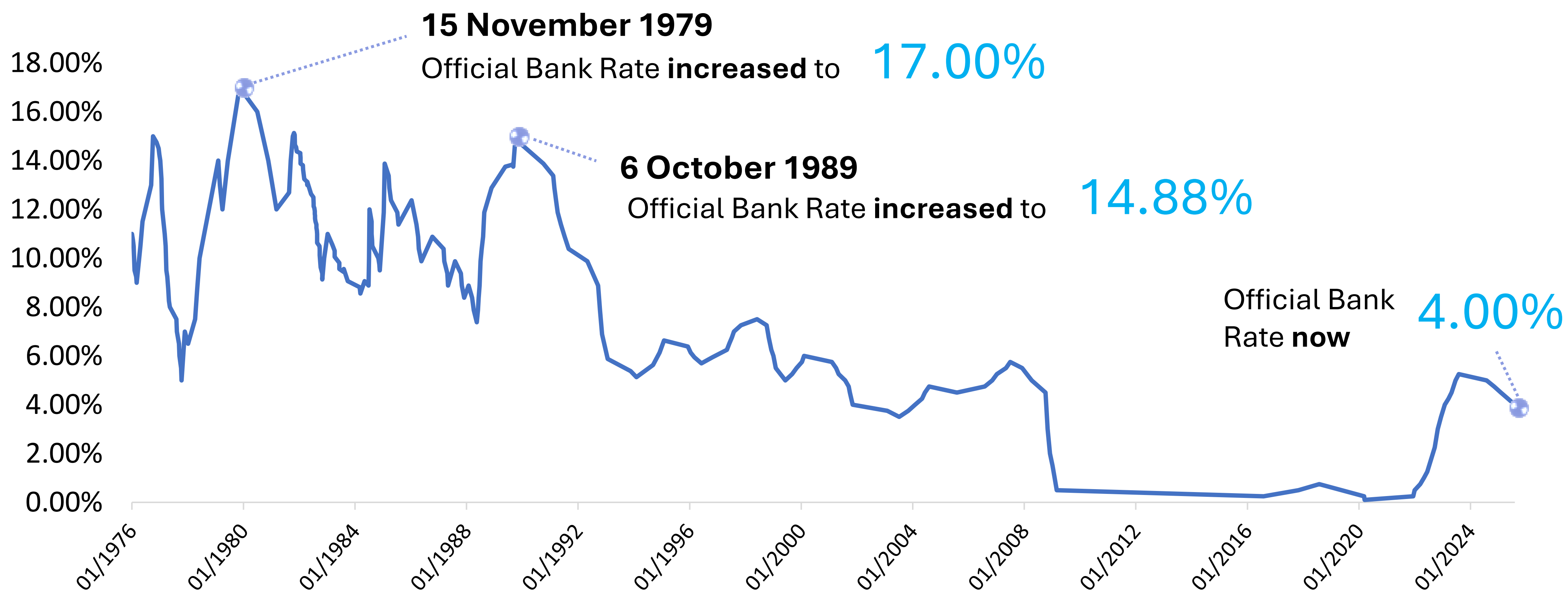
Changing interest rates

If you have longer term savings you may consider investments rather than cash.



www.bankofengland.co.uk/boeapps/database/Bank-Rate.asp

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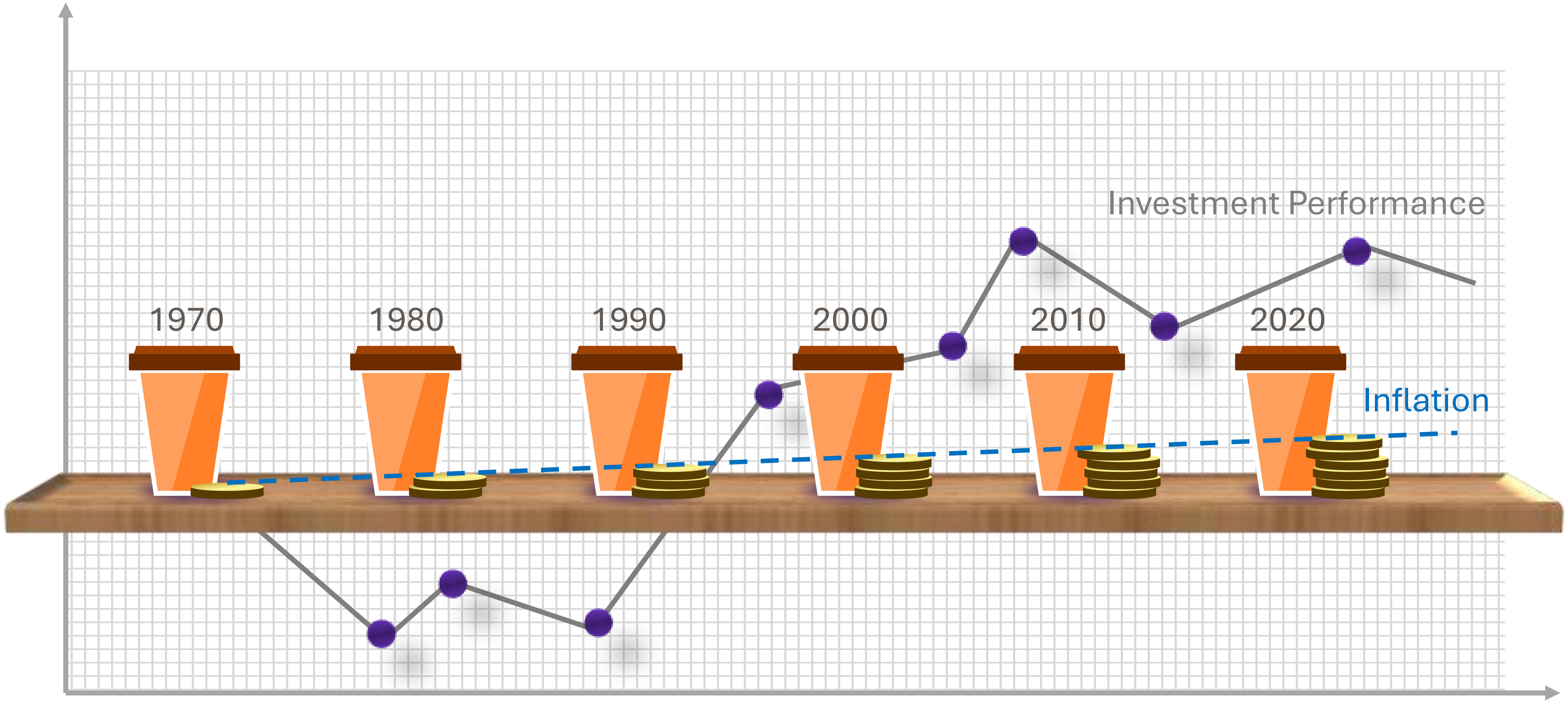
The impact of inflation

Inflation - the reduction in the purchasing power of money over time:



Graphic shown for illustrative purposes only.

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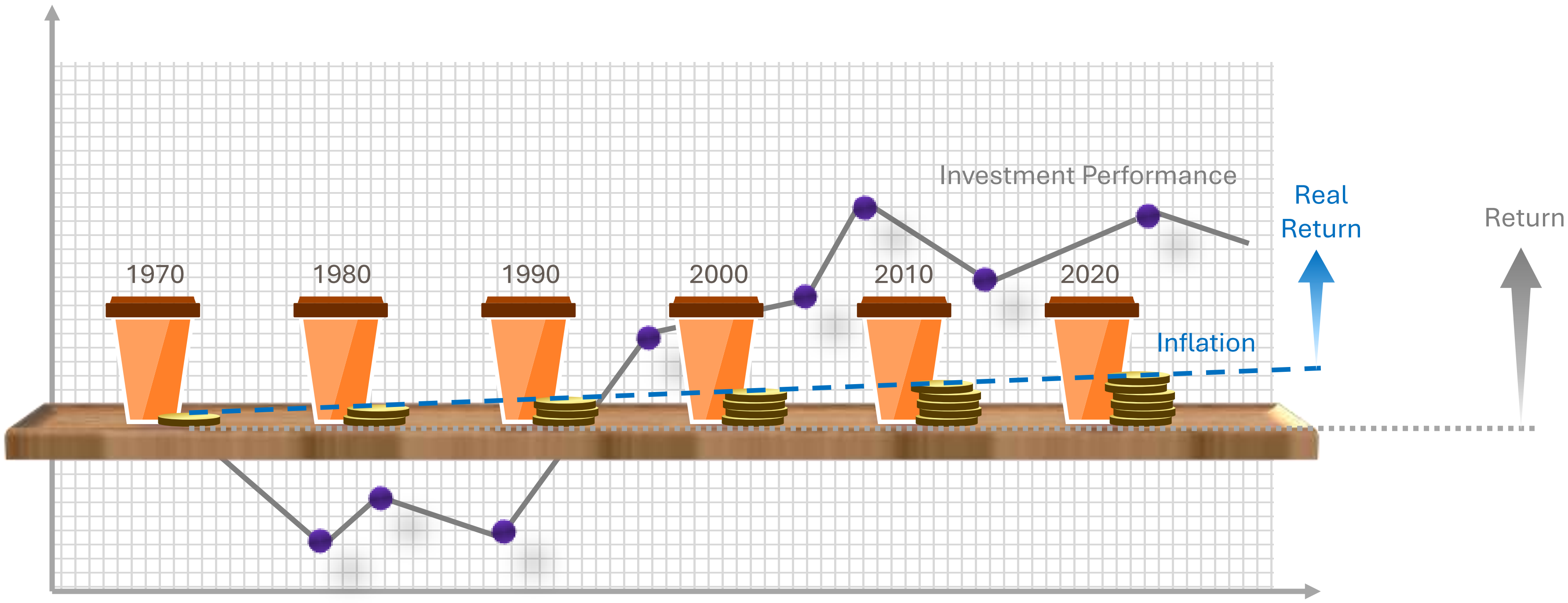
The impact of inflation

Inflation - the reduction in the purchasing power of money over time:



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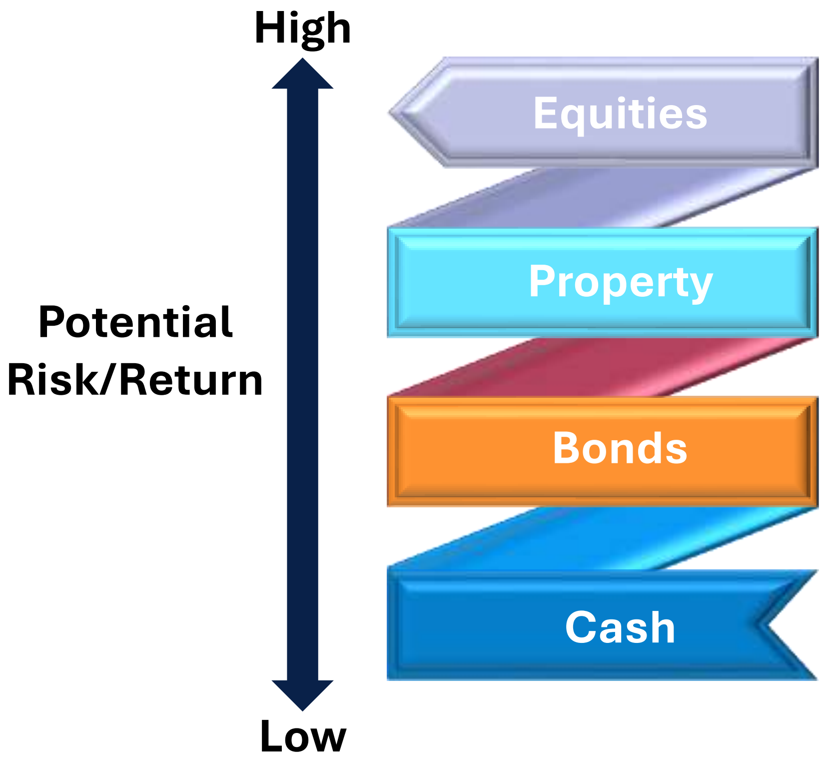
Investment risk and returns

What types of risk may you need to consider with your savings?



- Market volatility, timing, company specific risk
- Liquidity, void periods, taxation, negative equity
- Default, credit, inflation
- Inflation, interest rates, potential currency exposure

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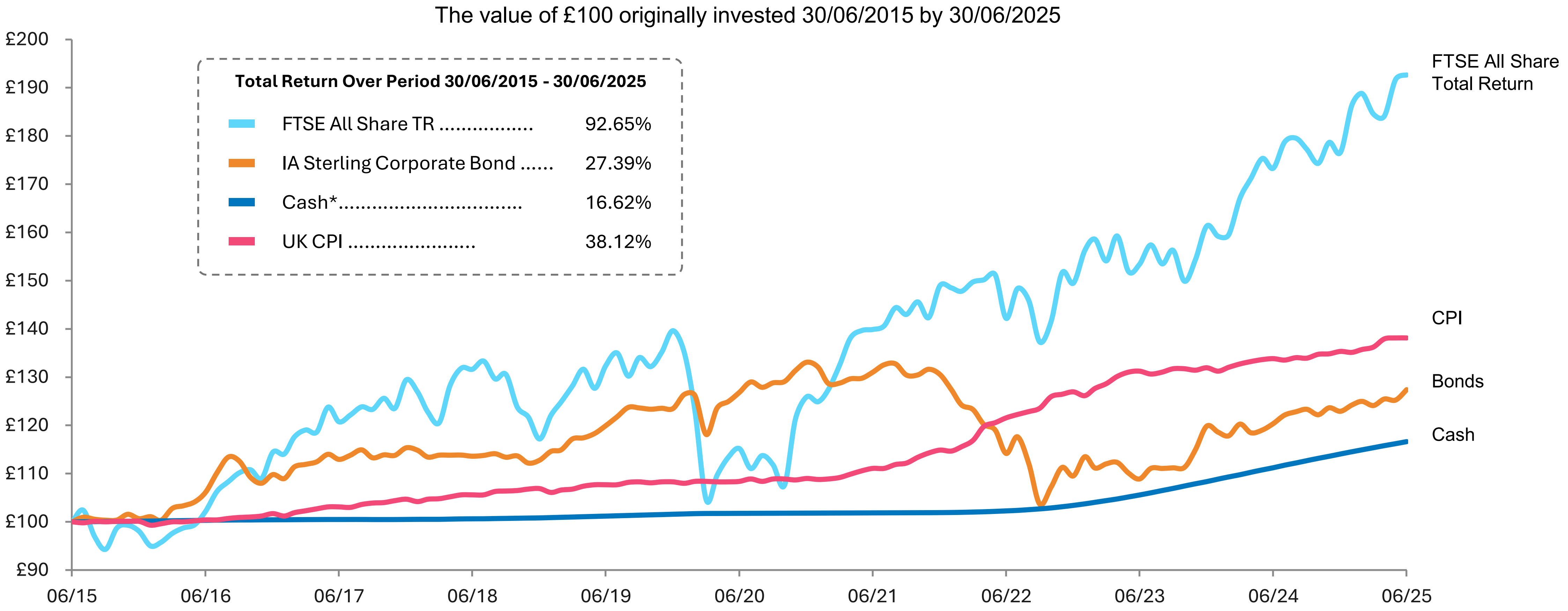
Risk and returns: the real world



This chart shows past performance which is not a reliable guide to the future

Source: Financial Express & Bloomberg

*Cash is calculated using: FE FER Cash Proxy from 30/06/2015 to 31/12/2018 and the UK Bank of England Base rate from 31/12/2018 to 30/06/2025.

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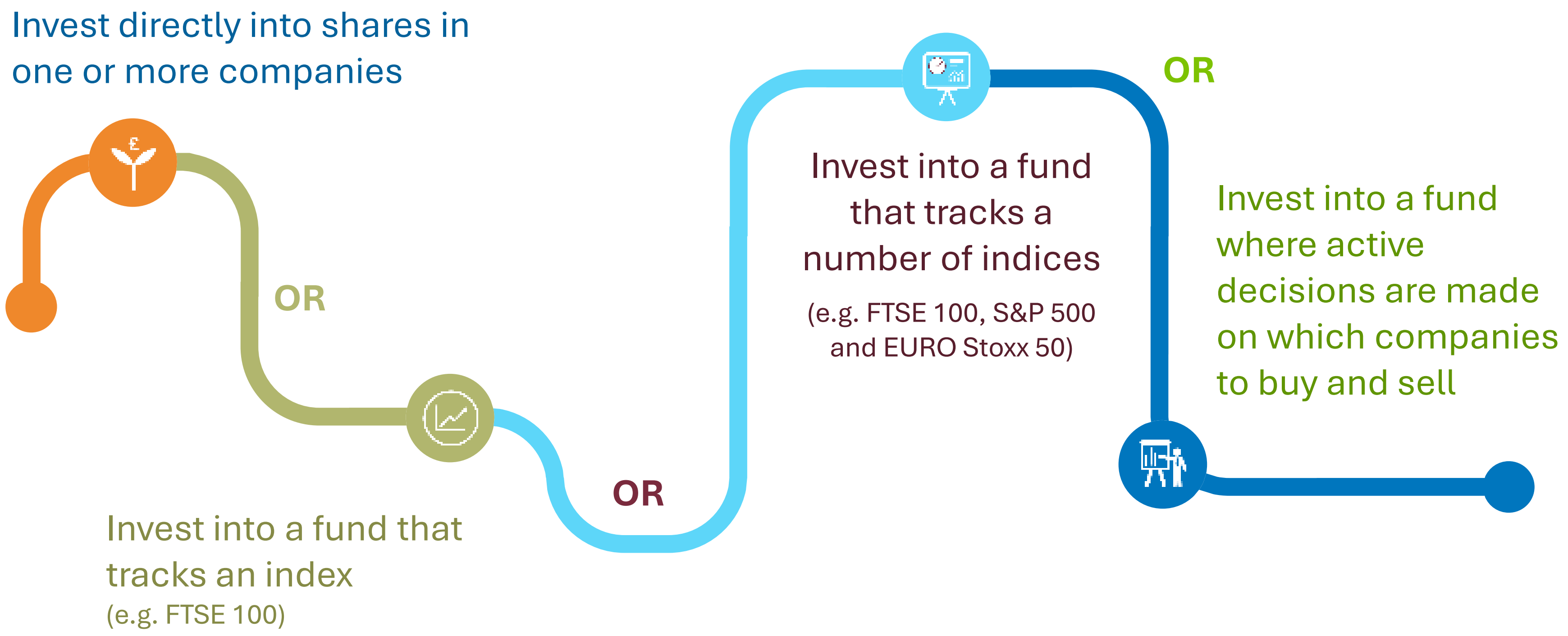
Types of investments

Whichever assets you choose to invest into (e.g. equities, property or bonds) you can either invest directly or via a ‘fund’.

For example, if you were considering an equity investment:



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How can you invest?

There are a number of different places you can go to set up an investment account. These include:

High Street Banks

Stockbroking services offered by high street banks

Online Investment Platforms

Online accounts or apps allowing you to hold many investment types in one place

Insurance Companies

Some well known insurance companies offer online investment accounts

Financial Adviser

Provides advice & can transact on your behalf and provide regular reviews

Within each of these services you can often access ‘tax wrappers’ such as an ISA or SIPP

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Haleon share plans

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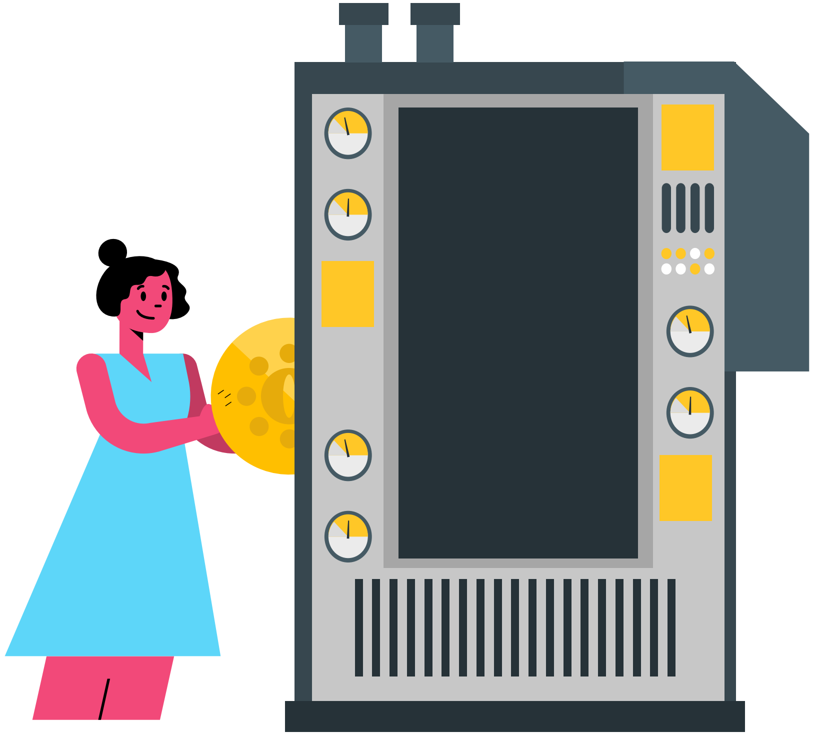
Share reward

- Contribute 10% of salary up to £125 pm
- 1 free share for every share you buy
- Savings on Income Tax and National Insurance
- Dividends can buy dividend shares or can be paid as cash
- Shares can be sold tax free after 5 yrs (dividend shares 3 yrs)
- Shares can be transferred to an ISA, or sold and the proceeds transferred to a SIPP subject to HMRC limits



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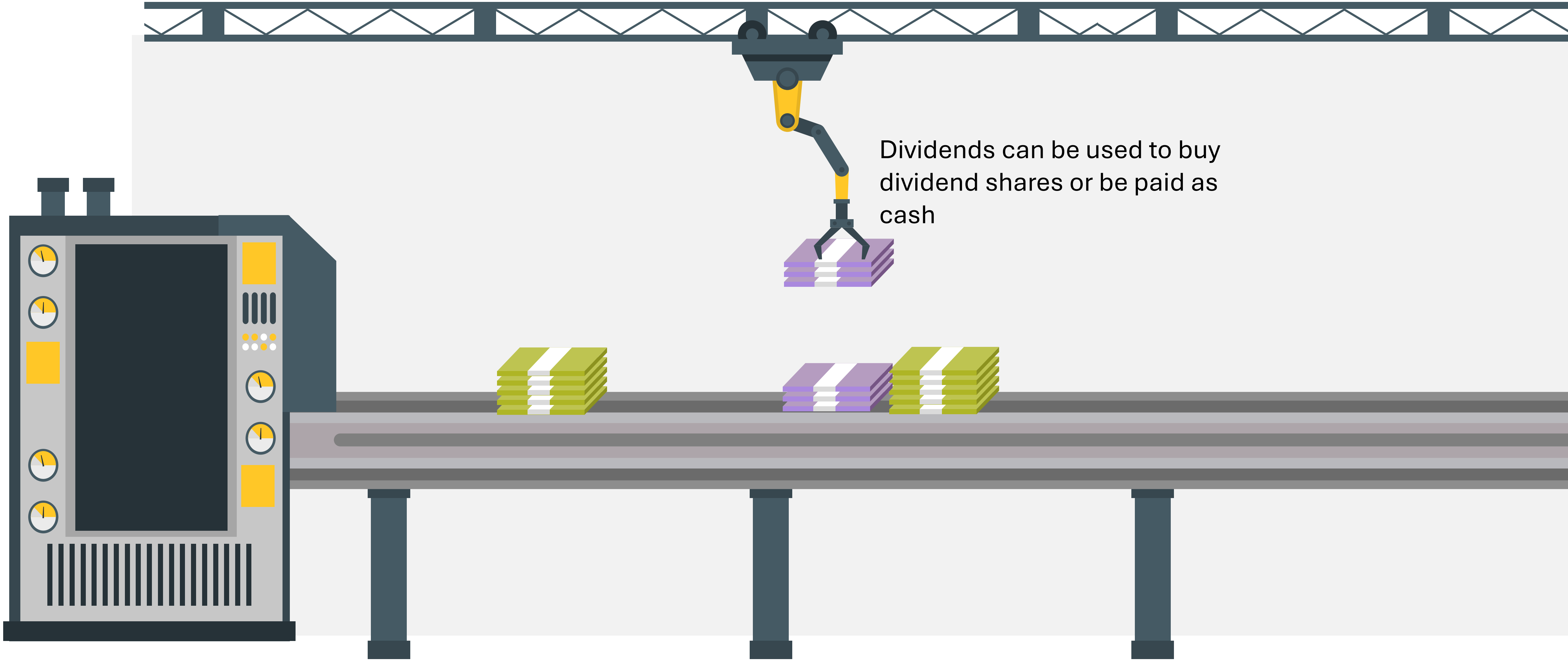

Dividends can be used to buy dividend shares or be paid as cash

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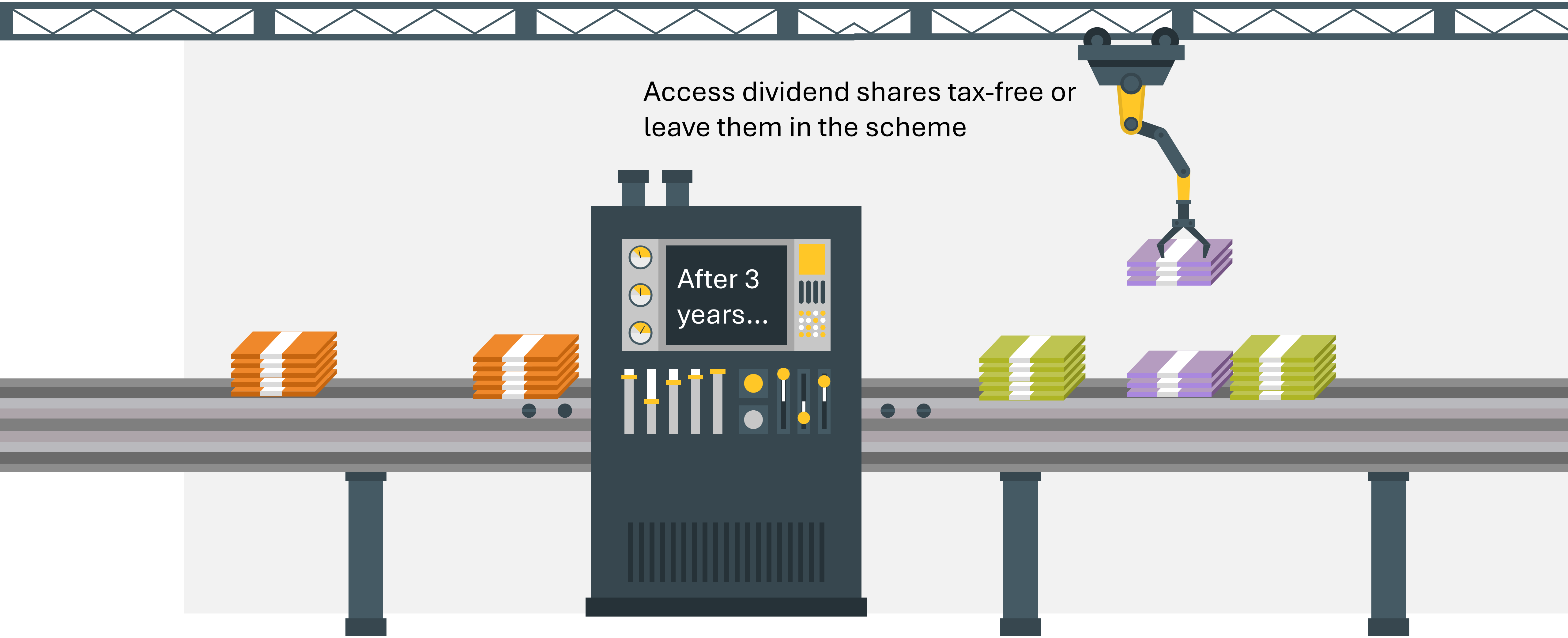
Access dividend shares tax-free or leave them in the scheme



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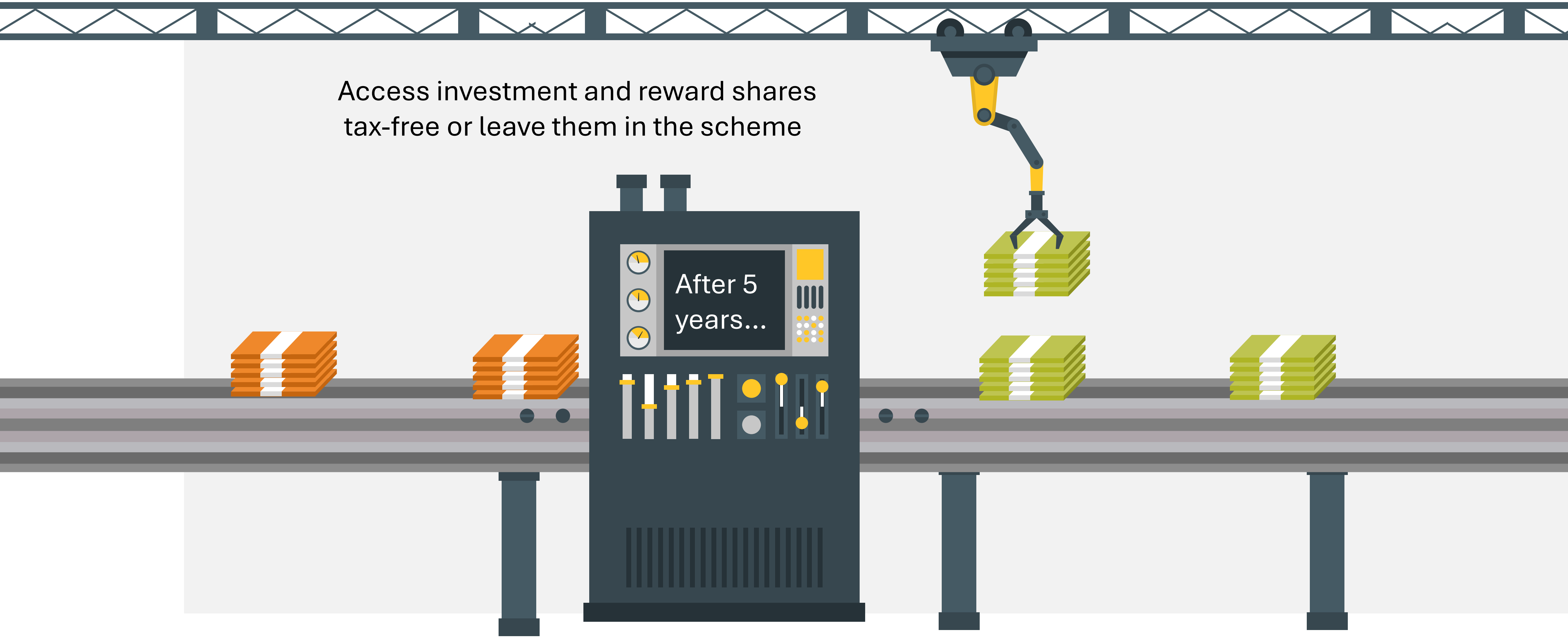
Access investment and reward shares tax-free or leave them in the scheme



Share save

Save between £5 and £500 per month

Option price is set at the start of the term and will be 20% below the share price at that time

At the end of the term, buy shares or take savings tax free*

Save for a 3 year period

Possible tax free bonus at the end of the contract

Shares can be transferred to an ISA**

*your option can be exercised anytime within 6 months from the end of the term

**subject to HMRC limits

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Share save

For illustrative purposes only

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Share save options

Exercise Option and receive shares immediately

Exercise Option and sell shares immediately

Exercise Option and transfer shares into an ISA *

Close Share Save account and obtain repayment of savings plus bonus (if applicable)

*Subject to HMRC limits

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Tax allowances

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Personal savings allowance

£1,000 | Basic rate | 20% | £20,000

£500 | Higher rate | 40% | £10,000

£0 | Additional rate | 45%

5% savings rate

The Personal Savings Allowance is based on UK income tax rates and not Scottish income tax rates

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Dividend tax

39.35%

Dividend income within the additional rate band

33.75%

Dividend income within the higher rate band

8.75%

Dividend income within the basic rate band

£500

Tax-free dividend allowance

The dividend allowance is based on UK income tax rates and not Scottish income tax rates

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Capital gains tax (CGT)

CGT is a tax on gains when certain investments are disposed of.

£3,000

Annual exemption each tax year

24%

Gains above the basic rate tax band

Main exemptions

Main residence

Pensions & ISAs

Transfers between spouse / civil partner

Gains within the basic rate tax band

18%

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Individual savings accounts (ISAs)

- An ISA protects your savings and investments from taxation
- Interest and dividends are tax-free
- Growth is free of Capital Gains Tax

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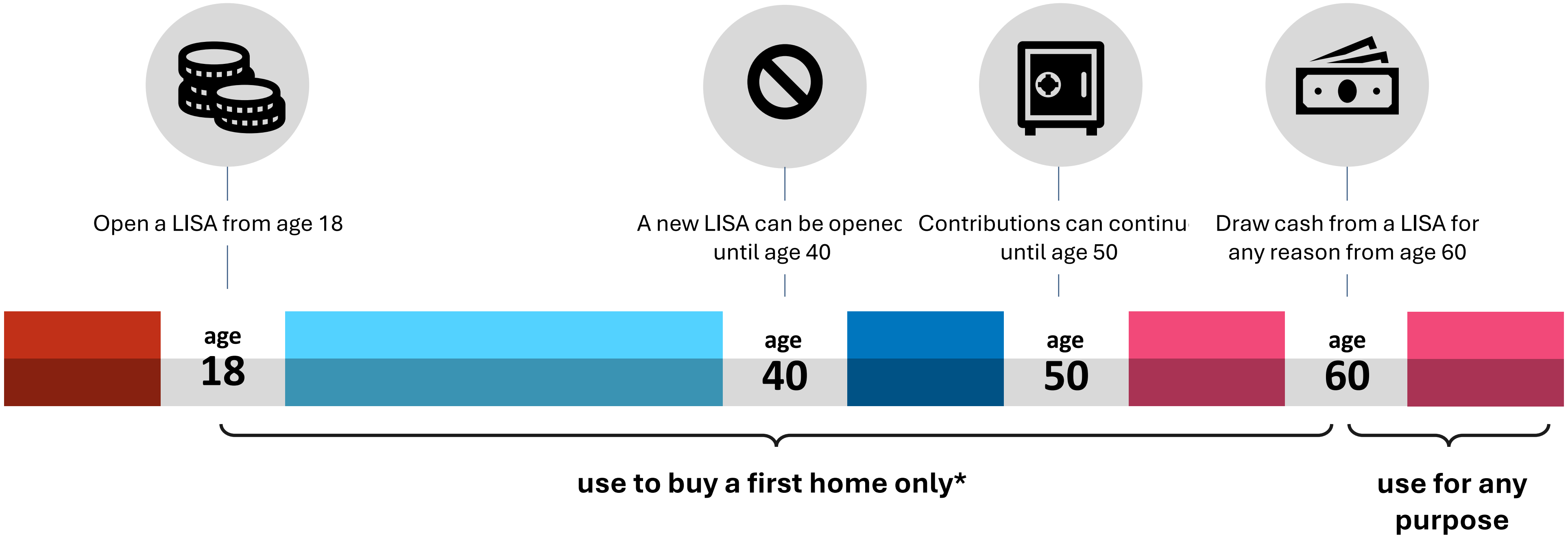
Lifetime ISAs

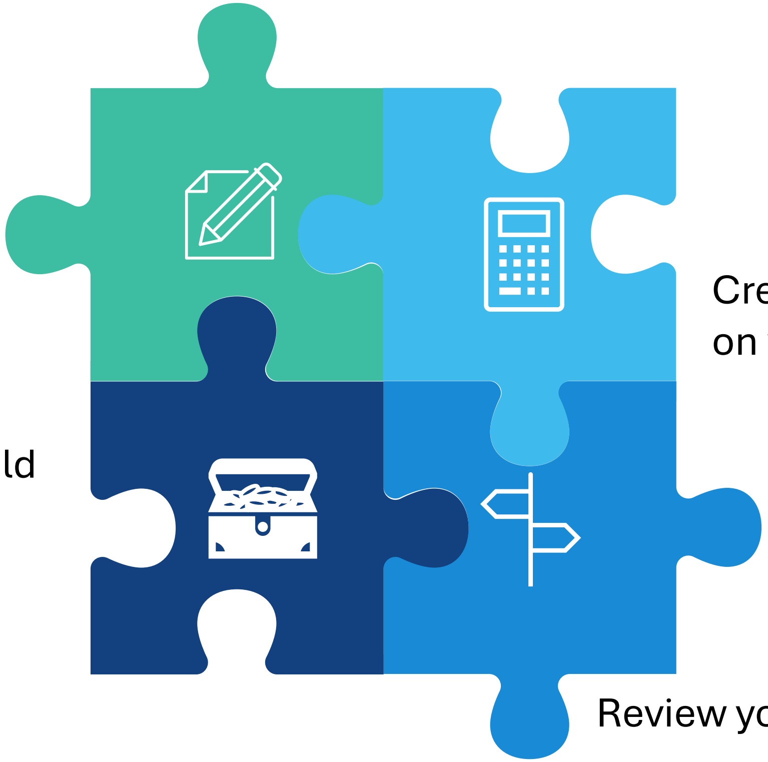
- Contribute up to £4,000 per annum
- Receive a 25% bonus on all contributions



*Withdrawals for any other reasons incur a 25% penalty charge except in the case of terminal illness.

Summary

Set out a plan



Create an emergency fund based on your personal circumstances

Consider where your investments are being held

Review your workplace savings

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Next steps

LifeSight contact information

01737 230 473

lifesightsupport@willistowerswatson.com

The LifeSight Team, Willis Towers Watson,
PO Box 758, Redhill, Surrey, RH1 9G

www.lifesight-epa.com / TotalReward Online (if on the network)

Further information and advice

Personal budgeting and setting goals

www.moneyhelper.org.uk

State Pensions, Income Tax and ISAs

www.gov.uk

www.hmrc.gov.uk

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Thank you.