

Older People, Tax and Benefits

A course from Ferret and the Equity Release Council

Introduction

The new pensions freedoms mean that over 55's have many more options in the ways that they can make use of their pension savings. For very many of them however, the size of an average pot means that there is an entitlement to means tested benefits as well. Understanding what this means, for the various options they have, can be complex.

Equity Release has an important part to play in the new pattern of retirement planning. The options which are now available for homeowners are substantially changing because of welfare reform, pension freedoms and market conditions.

It is vital for advisers and clients to be confident about the detail of the effects and options. In a system where there can be a penny for penny reduction in benefits for additional income, or where a few pounds extra capital can mean a reduction in income of hundreds of pounds a month, making a mistake can be very costly for both client and adviser.

This course covers the details of the tax and benefits implications of using the pension pot or releasing equity from the home. The course topics include:

- The effects of making a choice
- Identifying the current benefits situation
- The immediate effects on bottom line income of money received as capital or income
- How capital and income released are treated – and what counts as capital and income
- The assessment of the value, for benefits, of capital and income which has been released
- Equity release
 - Releasing equity and its effect
 - Reversion
 - Sale and rent back
- Deprivation of income and capital
- Notional income from untaken pension pots
- The differences in entitlement of people under and over the Qualifying Age for State Pension Credit (QASPC)
- Working clients
- Localisation
 - Local schemes
 - Scotland, Wales and Northern Ireland
- Future changes to the state pension
- Future changes to benefits already announced
- Future changes to QASPC rules
- The future situation of the client
- Putting it all together - The bottom line effects

By the end of this one day course you will have -

- An understanding of the relationship between pensions, Equity Release, benefits and tax and the effect on the overall income of pensioners
- A picture of the changing benefits system and its future effects in this area

- A view of the importance of preparing and planning for the changes; for clients and for organisations

Level

This course is advanced and carries 6 hours of CPD. Attendees should have a basic understanding of the current benefits system.

The content has been carefully selected and can be considered for both structured and unstructured CPD hours, depending how this activity addresses each individual's personal development needs.

Structured CPD is the undertaking of any formal learning activity designed to meet a specific learning outcome (this is what an individual is expected to know, understand or do as a result of his or her learning).

Unstructured CPD is any activity an individual considers has met a learning outcome, but which may not have been specifically designed to meet their development needs.

Format

There will be a set of course notes to work with on the day together with:

- On screen presentations
- Demonstration examples
- Participant case studies
- Open discussion

Tutor

The course is given by Gareth Morgan from Ferret. Widely acknowledged as the leading expert on the practical implications of the reforms, he is the author of 'Benefits After The Act - The Future of Benefits following the Welfare Reform Act', 'Welfare Reform And Older People' and 'Pension Freedom – the Vicious Triangle'.

Some recent comments on Ferret training courses.

"Best - very detailed and comprehensive analysis of welfare reform and impact"

"This session was extremely eye-opening, full of intelligence and made you think — what does the future hold for tenants"

"A big thank you Gareth — an excellent course which exceeded my expectations"