

The 6 Key Questions to Keeping Control of your Personal Finances



Few of us keep a regular eye on our personal finances. What are the key areas you should be watching out for?

1. How often do you review your personal financial position?

You should do this on an annual basis. A great time to do this is at the beginning of each calendar year.

2. How well protected are you and your family if you were to die or fall ill?

This is something everyone in work with a family thinks about constantly. What will happen to my partner/children? Another related question is what will happen to my business or my business partners (for the answer see business wills below)? There are in fact lots of different types of personal protection policies, varying as to the level of cover and cost. Income Protection is one type of protection which not many people are aware of, which covers you for losing the job you are presently doing and can compensate you up to your present net profit; it may not be as expensive as you think.

3. What plans have you made for your retirement?

Retirement soon comes around. The earlier you start the better, but you probably do need to save more than you think to get the level of pension you want. Indeed do you know the level of pension you want? Is a pension the right answer? The answer to this latter question can vary with age. Have you considered ISA's or other alternative investments for your retirement? If so, are these strategies right?

4. How often do you review the performance of your pensions and investments?

Most of us are guilty of failing to keep an eye on our investments are performing. Have you also considered how your pension is performing? In common with the answer to question 1 above, this should be done on an annual basis.

5. Have you got a will?

Few of us want to give this any attention; it seems to be tempting fate, but the Intestacy rules can sometimes be unpredictable. If you have no will the Intestacy rules apply.

Have you thought about wills for your business? These protect you and your spouse and your business partners should you or your business partner become unable to work or die.

6. Have you thought about inheritance tax?

Although the levels at which inheritance tax start seem high, they affect more of us that expected. Have you prepared a personal Balance Sheet? You might be surprised at the answer; it might make you feel good, but also leave you with an Inheritance Tax headache.

The importance of these questions can vary at different stages of your life; indeed, are you asking yourself these questions? Do you know the answers?

Lastly, don't forget your own business. How would you like to exit your business? This is something you should be thinking about from starting up the business. If you don't plan this, you could end up in the wrong place. Starting to think about this with only 2 to 3 years to go could be too late.

Why not have a chat with us, as we are completely independent; we don't sell any financial service products.

We offer a review of your personal finances, the **Wealth Tracker**. Alternatively we can also help you put together your personal Balance Sheet. Knowing where you are right now and putting in a plan will help you feel in control of your future.

Want to know more? Get in touch with Mr & Mrs Accountant now! 01924 666432