

Voluntary Severance and Retirement Personal Financial Counselling Service

Many employers wish to factor in the provision of personal financial advice for staff ahead of implementing a voluntary severance programme; this advice is also commonly made available when early retirement is being offered or, indeed, in the normal course at retirement.

The complexity of the voluntary severance or retirement package combined with other employee benefits, in particular pensions, means that few people in this situation are properly able to weigh up the financial costs and benefits. The Wealth Management arm of Scott-Moncrieff is able to help with **financial education seminars**. Thereafter, **one-to-one meetings** with those employees seeking advice would be available, followed by a comprehensive **personal financial planning report** summarising their situation, 'best options' and highlighting those areas of planning that should be reviewed.

The fear that individuals may be making a costly financial mistake can hold many people back from taking voluntary severance or early retirement, so that providing upfront advice can do much to smooth the process of such a programme. Organisations often provide financial counselling after people have accepted voluntary severance or early retirement, but we believe it is vital to help employees have a sound understanding of the full financial impact before making a decision. This is especially so for both older and senior employees whose financial situations are likely to be more complex.

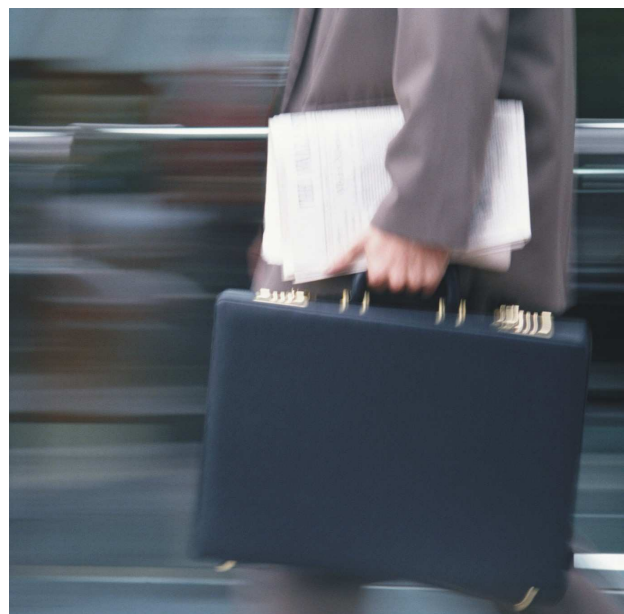
Financial Education Seminars

The aim of these seminars is to provide a general understanding of the financial planning considerations including such aspects as pension options, the investment market (what is available), tax planning and the importance of adopting a suitable investment strategy and reviewing this on a regular basis.

One-to-One Meetings

If employees then wish a one-to-one meeting with one of our financial planning consultants then, on receipt of a confidential questionnaire and after a meeting, we would look at their situation in detail and make general comments on the following:

- Pension options
 - *e.g, commutation pros and cons, scheme pension/annuity v unsecured pension (drawdown) etc*
- Future pension planning
- Replacement of death in service and other employee benefits
- Review of existing saving and investments
- Devise tax efficient investment strategy based on objectives and risk profile
- Where appropriate consolidate existing arrangements
- Tax planning (income, inheritance and capital gains)
- Equity release
- Debt repayment



In our experience savings and investments are often accumulated on a piecemeal basis over a long period of time. Individuals have an increasingly complex array of retirement income options and we can assist, where appropriate, in restructuring existing arrangements to achieve their objectives.

As part of the financial planning process we assist clients in devising a suitable investment strategy. It is well established that strategic asset allocation is central to successful portfolio construction and this is supported by modern portfolio management research. Asset allocation is the selection of major asset classes including cash, equities (shares), fixed interest securities (bonds and government stock) and property in appropriate proportions that reflect the individual's investment expectations, attitude to risk and the investment time horizon; in some cases we also consider the use of "alternative" investments. These factors should determine the longer term asset mix.

Where annuity purchase is appropriate in relation to a personal pension fund we do provide a specialist 'open market' annuity research service which may be of particular help to some.

Fees

- WM do not charge for **financial education seminars** on the basis that there is a reasonable attendance.
- Following the **one-to-one meeting** we would provide a **comprehensive financial planning report** highlighting those areas where we believe specific and independent advice is required, which WM can provide. The meeting and follow up report would generate a restricted fee paid by the employer; thereafter the cost of any further work carried out by WM would be agreed with the employee.

We believe that timely advice and guidance should not only help boost the value of the employee's retirement income but also do much to enhance the brand of the sponsoring employer. This assistance should start early enough to provide employees with the opportunity to carefully consider both their current personal financial circumstances as well as their future requirements.

If you would like to talk to us about how we can help, please contact:

- Paul Bennett 0131-473-3500 paul.bennett@scott-moncrieff.com) or
- Andrew Cumming 0141-567-4530 andrew.cumming@scott-moncrieff.com

Scott-Moncrieff Wealth Management Ltd is an independent financial adviser and is authorised and regulated by the Financial Services Authority.