

Top ten tips for successful Financial Planning - Consultants and Senior Hospital Doctors

1	If your total earnings are above £100,000, have you considered all the possible options for avoiding a marginal rate of tax of 60% created by the loss of your personal allowance?
2	If you earn over £150,000 in the 2010/11 tax year, have you taken all the possible steps to avoid paying income tax at 50% unnecessarily – for example, should you be putting your savings and investments in your spouse’s name or even setting up as a Limited Company?
3	Protect your investments by ensuring that they are properly diversified across all asset classes, sectors and geographies. Extensive independent research has shown that getting that bit right accounts for 90% of the success of any portfolio. Whereas choosing which specific fund accounts for only 10%.
4	Use your Capital Gains Tax Allowance where possible. It is almost double your Income Tax allowance and largely wasted. It is possible for a couple to generate over £20,000 of “income” from their investments without paying any tax – even if they are higher rate tax payers.
5	Regularly check the markets for better mortgage and insurance deals – saving £1 is like earning £2.
6	If you rely – in part – on your Private Practice income, make sure you have protected this against the risks of long term illness in the most cost effective way.
7	Regularly check that your insurances do the job that you ask of them. Finding out that they don’t at the claim stage is too late. So, have they kept pace with circumstances, earnings, the size of your mortgage or your specific occupation? If the answer to any of these is no, it could render your cover less effective.
8	Plan ahead for Inheritance Tax, it is a largely voluntary tax where your beneficiaries share your wealth with the taxman needlessly and almost entirely through lack of forethought.
9	Check your pension accrual annually – new rules being introduced could mean that you are heading for a large, unexpected tax bill based on your pension rights or even the rate at which you accrue your pension.
10	Decide whether you would be better off being a member of the Old or the New NHS Pension Scheme by considering carefully when you are likely to retire. You will be receiving a pension decision pack from the NHS in the post over the next few months if you haven’t already got it.