



FINANCIAL VIEWPOINT

MAPLE FINANCIAL SOLUTIONS LTD

Please enjoy reading our newsletter. If you would like to discuss any of the articles further, please do not hesitate to contact us.



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Three ways to teach children the value of money

Teaching children about money doesn't have to be complex or overwhelming. Starting with simple principles like saving, spending and sharing can help them develop lifelong positive financial habits.

1. Make saving exciting

Delayed gratification can be challenging for children, so the key is to make saving exciting. Set up a "goal jar" for something your child wants (like a toy or a special outing), put it somewhere prominent and encourage them to put money towards it.

Literally watching their savings grow teaches kids patience but also helps them understand the value of saving for specific goals. For older children, consider a savings account that allows them to check their balance online. This turns the jar on the counter into a digital experience that can help prepare them for real-world banking.

2. Learn smart spending

Kids, like adults, can be tempted by impulsive purchases, but encouraging them to spend wisely is just as important as teaching them to save. If they have their eye on two items, encourage them to compare the prices or features and think about which one they want more. Talking through these choices with your child shows them how to budget and make compromises.

Setting a spending limit for things like toys, games, snacks or experiences can also be helpful. You could give them a set amount of money each month for these extras and let them decide how to allocate it. This helps kids learn to manage their own money and empowers them to make choices that reflect their priorities.

3. Teach generosity and compassion

Teaching children to share their resources is another valuable lesson that helps build empathy and show them that money isn't just for buying things. You could introduce this idea by designating a small portion of their allowance for something charitable and letting them decide how it's used. For example, they could donate it to an animal shelter or use it to buy items to give to a food bank.

You could also set up a "giving jar" for causes that matter to your family and set a good example by regularly putting money into it. Seeing their money make a difference to others is a powerful lesson in generosity and compassion, but it also reinforces the idea that money can be used as a tool for positive change.

Build lifelong financial confidence

Teaching children about saving, spending and sharing can help them develop good financial habits and make the most of their own money when they grow up.

A Junior ISA (JISA) is a great way to give them a helping hand towards things like their first car, university fees or deposit for their first home, as well as setting them a good example. You can save up to £9,000 a year into a JISA and, just like other ISAs, the interest is tax free. Your child can take control of the account when they're 16 and start withdrawing the money when they turn 18.

Get in touch if you want to know more about JISAs or to make plans to secure the financial security of the children in your family.

Figures based on the ISA allowance figures for the 2025/2026 tax year.

An ISA is a medium to long term investment, which aims to increase the value of the money you invest for growth or income or both. The value of your investments and any income from them can fall as well as rise. You may not get back the amount you invested.

HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.

“Stealth taxes”

will push more than 3 million workers into a higher Income Tax bracket by 2029

“Stealth taxes” refer to government policies that increase tax revenue even though they’re not labelled as tax hikes. Through freezing Income Tax thresholds, the government may benefit more than you expect.

Income Tax thresholds are frozen until April 2028

Income above your Personal Allowance, which is £12,570 in 2025/26, could be subject to Income Tax.

The rate of Income Tax you pay depends on which band your earnings fall into. The current Income Tax thresholds and rates are:

Band	Taxable income	Tax rate
Personal allowance	Up to £12,570	0%
Basic rate	£12,571 to £50,270	20%
Higher rate	£50,271 to £125,140	40%
Additional rate	over £125,140	45%

NB Income Tax bands, thresholds, and rates are different in Scotland.

Crucially, the Personal Allowance and Income Tax thresholds are frozen until the 2027/28 tax year rather than increasing in line with inflation. This can lead to “fiscal drag”, where taxpayers are dragged into a higher tax bracket, even if their income hasn’t increased in real terms.

While you might have benefited from a rise in income, for much of the last two years, inflation has been higher than wage growth. So, many workers haven’t experienced a boost in their salary in real terms.

Millions of taxpayers are expected to be affected by fiscal drag

According to figures from the Office for Budget Responsibility (OBR), the government’s policy of freezing Income Tax thresholds means that by 2028/29:

- Nearly 4 million additional people are expected to pay Income Tax
- 3 million more will start paying the higher rate
- 400,000 workers will be dragged into the additional-rate bracket.

The figures represent a significant increase in the number of taxpayers in each band of Income Tax. The number of higher-rate and additional-rate taxpayers is expected to soar by 68% and 49% respectively.

Of course, this will boost government coffers. The freezes are estimated to raise £42.9 billion by 2027/28.

The cuts to National Insurance (NI) offset some of the fiscal drag, but many taxpayers are likely to find their tax burden is higher overall.

From 6 April 2024, the main employee rate of NI was reduced from 10% to 8%.

There may be ways you could reduce your Income Tax bill

The good news is that there may be steps you could take to reduce your Income Tax bill in a way that supports your finances now as well as your long-term goals.

Depending on your circumstances, you may want to:

- Check if you could use the Marriage Allowance if your spouse or civil partner’s income doesn’t exceed the Personal Allowance
- Increase your pension contributions to reduce your taxable income
- Save through an ISA to reduce the tax you pay on the interest your savings earn
- Make use of salary sacrifice schemes your employer offers
- Use dividends to supplement your salary.

The above list isn’t exhaustive and it’s important to weigh up the pros and cons before you proceed.

HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.

The value of investments and any income from them can fall as well as rise and you may not get back the original amount invested.

Source: Office for Budget Responsibility. Economic and fiscal outlook – November 2023



Could extra money help you in retirement?

Why consider equity release?

Equity release allows you to unlock tax-free funds tied up in your main residence. Whether you prefer a one-off lump sum or instalments after an initial release, this option can provide the financial boost you need.

If you're over 50 and a homeowner there are many reasons why you might consider equity release:

- **Pay off your existing mortgage** and potentially other debts, freeing up monthly cash flow.
- **Supplement your income in retirement.**
- **Fund home improvements or a dream holiday.**
- **Support your children or grandchildren** in getting on the property ladder.
- Another great benefit of equity release is that you get to remain in your own home. There will be no need to downsize or move.

Important considerations

A Lifetime Mortgage allows you to unlock tax-free cash from your home while retaining full ownership and the ability to stay as long as you wish. You can choose to make reduced or no monthly repayments, and with the No Negative Equity Guarantee, you will never owe more than your home is worth. However, as interest is charged on both the original loan and the interest that has been added, the amount you owe will increase over time, reducing the equity left in your home and the value of any inheritance, potentially to nothing.

It's essential to seek financial advice as a Lifetime Mortgage may affect your entitlement to means-tested benefits and is not suitable for everyone.

When arranging a Lifetime Mortgage, you may need to cover associated costs such as a property valuation, legal fees and advice, just as you do for a residential mortgage.

Although the decision is yours, discussing your plans with family and beneficiaries is encouraged, as a Lifetime Mortgage could impact potential inheritance. We recommend inviting them to any meetings with your Financial Adviser to ensure everyone is informed and involved in the decision-making process.

Navigating the variety of Lifetime Mortgages can be complex, which is why specialist, impartial advice is crucial if traditional mortgages don't meet your needs.

We're here to help

We're here to help you navigate the market based on your unique circumstances. If equity release isn't quite right for you, we'll be able to help you identify alternative solutions that might be better.

If you would like to find out more or are interested in receiving our '**Making More of Your Home**' brochure, please contact me/us.

If you would prefer to not be contacted about the products and services we offer, please let us know so we can update our records accordingly.



YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE