



Mrs L Clark-Scrimgeour
Wear Bridge House
Bouth
Ulverston
Cumbria
LA12 8JB

10th March 2025

Dear Louise,

Re: Pension Contribution

This letter should be read in conjunction with your suitability letter dated 29th August 2024.

Your parents have made a gift to you for the sum of £2,880, which you have decided you would like to contribute towards your pension.

Understanding of current position (24/25)

Salary: £73,000
Bonus: £16,223 (This will be sacrificed into your BAE pension)
Car allowance: £6,120

You pay 4% of your salary into your pension as a 'member contribution', you also make Additional Voluntary Contributions (AVC's) of £11,050 p.a. Thus, your estimated net adjusted income for 24/25 is £65,150.

Your money purchase pension contributions (prior to the proposed contributions) for 24/25 will total £27,273 (AVC's + bonus sacrifice). Your pension input for 24/25 is unknown at this stage and will only be confirmed at the end of the tax year. We have written to Aptia (Scheme administrator for BAE) to confirm details for the previous 3 tax years.

You have also made a personal contribution of £3,600 in each of the last 3 tax years.

Recommendation (pending receipt of Pension Input figures from BAE)

Invest your gift of £2,880 into your AJ bell Investcentre SIPP. Upon receipt AJ bell will gain relief at source on your behalf, claiming £720 from HMRC grossing your contribution up to £3,600 in total.

The underlying fund you should invest in is the **Vanguard Lifestrategy 60% equity fund**.

Rationale

Your pension contribution will extend your basic rate tax band from £37,700 to £40,580 in addition to your personal allowance of £12,570. This means you will only pay high-rate income tax on earnings above £53,870; thus, your full tax relief on this contribution is 40%*.

The fund chosen is compatible with your agreed risk profile and has the potential for capital growth you require when investing over the medium to long term.

**N.B. you may need to contact HMRC to claim 20% of your tax relief.*

We trust that this letter provides an accurate summary of our discussions and our recommendations are clear; however, should you have any concerns or wish to discuss any of the issues raised in more detail please do not hesitate to contact us.

Yours sincerely
For Harwood Financial Planning

Ryan J Woodhouse
Independent Financial Adviser/Director

To confirm you have read this report, your acceptance of our fact find, recommendation and consent for us to carry out this transaction, please email me or send a WhatsApp message.

Appendix 1: Estimated Fee's/Charges (next 12 months)

Our initial fee for this work is 3% of the contribution (£108) that will be deducted from AJ bell on receipt of funds.

Following this recommendation, the estimated ongoing charges/fees on your AJ Bell RIA will be as follows (based on a value of £35,074.74):

| Type of Charge | Charge (%) | Charge (£) |
|---------------------|--------------|----------------|
| Fund Charges | 0.22 | 77.16 |
| Product Charge | 0.25 | 87.68 |
| Total Charge | 0.45% | £164.84 |

Appendix 2: Annual allowance for the last 4 tax years

24/24: £60,000

23/24: £60,000

22/23: £40,000

21/22: £40,000