



Future Directions Newsletter 15

– October 2025

Welcome to our latest newsletter.

As before, we have put together a few articles that we hope you may find useful.

We have also finally launched our new website. Thank you to everyone that sent in a testimonial, we are all very grateful for your kind words.

From all at Future Directions



Article: Don't Miss Out: Claiming Higher Rate Tax Relief on Your Pension Contributions

Many people know that paying into a pension is one of the most tax-efficient ways to save for retirement. But if you're a higher- or additional-rate taxpayer, you may not be getting the full tax relief you're entitled to—unless you claim it.

When you pay into a pension, the government adds tax relief at the basic rate (20%). For example, if you contribute £80, your pension provider claims £20 from HMRC and £100 is invested in your pension pot.

But if you pay income tax at 40% or 45%, you're entitled to extra relief on your contributions. This higher/additional-rate relief doesn't usually happen automatically—you have to claim it yourself.

There are two main ways to claim:

- **Self-Assessment Tax Return** If you complete a tax return, you can include your pension contributions. HMRC will adjust your tax calculation, and you'll either pay less tax or receive a rebate.
- **Tax Code Adjustment** If you don't complete a tax return, you can contact HMRC to update your tax code. They'll increase your tax-free allowance to account for the extra relief.

Key Points to Remember

- You can normally invest up to your **annual allowance** (currently £60,000, or less if tapering applies). Carry forward of unused allowances may also allow you to invest more, with tax relief allowable up to 100% of your relevant earnings.
- If you are close to the thresholds, careful planning ensures you don't lose valuable tax benefits.
- Claiming relief isn't automatic—you need to take action.

If you are a higher- or additional-rate taxpayer and haven't checked whether you've claimed full relief on your contributions, now is the time to act.

Article: Market Headlines vs. Measured Decisions: Why Patience Pays Around Budget Season

As the Chancellor's upcoming Budget approaches, the news is once again full of predictions about what may or may not change. From rumours of tax increases to speculation about pension reform, it's easy to see why headlines can create a sense of urgency.

However, it's important to remember that speculation is just that—speculation. Until the Budget is formally announced, and any subsequent legislation is confirmed, we simply don't know what measures will actually come into effect, when, or in what form. Acting prematurely on rumours can result in decisions that aren't in your best long-term interests.

At Future Directions our advice is clear: avoid rushing into financial choices based on what "might" happen. Instead, wait until the official details are published. That way, any decisions you make—whether about pensions, investments, or tax planning—are informed, appropriate, and aligned with the facts.

When the Budget is released, we will carefully review the confirmed changes and, if needed, share clear, tailored guidance on how they may affect you. If any adjustments are needed to your financial plan, we'll ensure they are based on legislation—not headlines. In the meantime, the best approach is to stay focused on your long-term goals and let us monitor developments on your behalf

Article: Unlocking the Value in Your Home: A Look at Lifetime Mortgages

For many people, their home is their biggest asset—but not always one they can easily access. A *lifetime mortgage* is one way of releasing equity, allowing you to free up funds without needing to sell your property or move.

With a lifetime mortgage, you borrow a sum of money secured against your home while retaining full ownership. Interest is usually added to the loan, and both the capital and interest are repaid when your home is sold—normally after you pass away or move permanently into long-term care.

This option can provide tax-free cash for retirement needs, home improvements, or helping family, while ensuring you can continue living in your home.

It's important to remember that lifetime mortgages can reduce the value of your estate and may affect your entitlement to means-tested benefits. Because of this, professional advice is essential to explore whether this option is right for you.

If you'd like to know more about lifetime mortgages or equity release, please get in touch—we'll be happy to guide you through your choices.

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The information contained within this newsletter is for guidance only and does not constitute advice which should be sought before taking any action or inaction.

The value of your investments can go down as well as up, so you could get back less than you invested. Past performance is not a reliable indicator of future performance.

The information contained within the article on pension tax relief is based on our understanding of legislation, whether proposed or in force, and market practice at the time of writing. Levels, bases and reliefs from taxation may be subject to change.

For the article on lifetime mortgages, to understand the features and risks, ask for a personalised illustration.