

Planning for retirement? can you rely on the



Photo: courtesy of Conservative Party

"my vision over time is to move increasingly towards defined contribution rather than final salary schemes" for the public sector. (David Cameron November 2008)

Dentists should reduce their reliance on the NHS pension to fund their retirement. Massive government debt includes a public sector pension liability of £650 bn. Both Gordon Brown and David Cameron have vowed to reduce the generous MPs' pension scheme so they can 'look other public employees in the eye' when introducing pension reform.

PFM predict that Dentists under the age of 35 may well be most heavily affected. These practitioners will generally have at least 25 years to retirement. Dentists under 35 may have adequate time to build a back-up strategy but need to start now to achieve this. Few commentators expect the NHS pension scheme to exist in the current format by 2035. Sweeping changes to the scheme in 2008, including increased contributions and an extended retirement age of 65 for new joiners just won't be enough to withstand the political and economic pressure the NHS pension scheme faces.

Whilst the generous pension scheme remains intact we advise all dentists to continue with NHS pension contributions where possible. However a personal pension could offer an additional and valuable source of income especially for practitioners with some private fee income. For those with more than 20 years to retirement personal pensions offer the prospect of significant tax breaks and the advantage of a long-term investment horizon. Tax relief is still available for most Dentists- this is how it works for eligible higher rate tax payers:

Tax relief example:

You pay £500 per month

The government adds £125 per month

Your total contribution becomes £625 per month

You reclaim £125 per month through self assessment

A £625 contribution cost you £375 net of tax

The cost of delaying your contributions is well documented and adjusting to a new era where public sector pensions may be phased out will require some professional independent advice.

For a review of your NHS pension and retirement planning please contact Jon Drysdale on 01904 670820 or contact Jon on jon.drysdale@pfmdental.co.uk

Jon Drysdale



Contact us

tel: 01904 670820 email: info@pfmdental.co.uk
website: www.pfmdental.co.uk



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Mortgages for dentists

Getting a mortgage has never been harder and a large deposit is 'King'. With interest rates at an all time low and property prices struggling to take off again many dentists are feeling the urge to purchase a property.

Because PFM deal exclusively with dentists we are expert at making sure you get the most suitable mortgage for your needs. This often involves incorporating an offset arrangement which can be a powerful ally in the early repayment of your mortgage and help you avoid paying tax on your savings (including savings earmarked for tax liabilities!).

We have access to lenders with flexible lending criteria including supporting dentists with less than 3 years accounts. This has recently helped dentists who would otherwise have failed the mortgage lending criteria of most lenders.

Our sourcing software can include 'direct to market' mortgages not usually available through an independent adviser. This can help to achieve the lowest monthly repayment.

We will also guide you through any insurance requirements such as life and critical illness cover. As we are independent we will ensure you get the most suitable policy and will always have your best interest at heart.

Some recent comments from our clients:

'First of all thank you for all your help in speeding through our mortgage application - we moved on Monday with all parties in the chain happy!'

'We're settling in slowly thanks, chaotic but great to be in our own place.
Thanks again for all your help!'



Your home may be repossessed if you fail to keep up payments on a mortgage or loan secured against it.

If you require a mortgage or mortgage review please contact Jon Drysdale on 01904 670820 or contact Jon on jon.drysdale@pfmdental.co.uk

Jon Drysdale



Lunch and learn

An independent and impartial approach to financial education for dentists

See the financial fog disappear as you munch on a M&S lunch provided by PFM... "this is no ordinary lunch meeting this is a PFM lunch meeting". These popular lunchtime seminars lasting approximately 60 minutes have proven extremely rewarding to partners, associates and VT's. Sessions are tailored to suit the attendees and can include the following:

- ✓ Credit crunch savings and investment tips.
- ✓ Income Protection for dentists
- ✓ Raising finance to buy a dental practice.
- ✓ An update on the Superannuation Scheme changes.
- ✓ Budget news – tax and pension changes.

Face 2010 with confidence by allowing PFM to fine tune your financial awareness.

To arrange a Lunch & Learn session mark your interest on the attached reply card or contact Jon Drysdale on 01904 670820, jon.drysdale@pfmdental.co.uk

Jon Drysdale



Income Protection

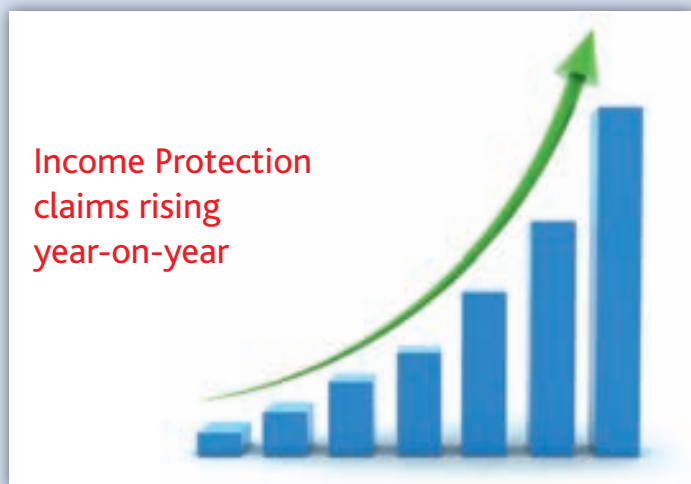
Have you got it covered?



Self-employed dentists are responsible for their own sick pay provision with little guaranteed benefits available from the practice or PCT. Whilst many dentists have some cover in place, this is often not sufficient to provide full cover as earnings grow.

What do dentists claim for?

Claims statistics from Dentists' Provident, reveal widely varied reasons for claims in 2008. As with most health-related insurances claims tend to increase year-on-year. Dentists' Provident are no exception with an increase of 18.5% in 2008 when compared with 2007. The 2009 statistics may reveal further increases. PFM can advise on your application to Dentists' Provident. We can guarantee your monthly premium will be no higher if you arrange cover through PFM. We do not charge for the initial review.



The need for dental specific cover is paramount. This is because a relatively minor ailment or injury could prevent you from practicing in what is widely acknowledged as a physically and mentally demanding job.

How much cover do I need?

Average living costs are difficult to assess and will depend on personal circumstances. However from experience outgoings tend to increase with income over the years and basic outgoings of £3000-£4000 per month is typical amongst dentists. A large proportion of these outgoings are fixed costs such as mortgage repayments, utilities, food and insurance etc. Unfortunately most fixed costs will continue regardless of health and earnings.

The cost of delay?

An increase to your cover is best applied for early on in your career. Premiums become relatively expensive beyond age 35 and an application whilst you are in good health is always advisable.

What policy options are available?

PFM can guide you through the different policy options and because we are independent we will advise you on the most suitable policy for your needs.

Deferred period or immediate cover	Cover levels and limits
Guaranteed or reviewable premiums	Inflation linked cover

Advisers who are not independent will not be able to offer guaranteed premium cover. For example if you have a Wesleyan Medical Sickness policy the premium can be reviewed in the future and is not guaranteed. PFM can advise you if your existing cover provides own occupation benefits and we will compare the costs of guaranteed premiums against the reviewable route option.

Independent advice from PFM is tailored to your specific needs and as we only deal with dentists you can be rest assured that our advice will be appropriate to your needs.

For a review of your income protection please contact Jon Drysdale on 01904 670820 or contact Jon on jon.drysdale@pfmdental.co.uk

Jon Drysdale



We are independent and specialist



The centre of PFM's service is independent financial advice. This means that we work in your best interests without restrictions on the financial products or services we offer. We also offer a fee based service (only available through Independent Financial Advisers) on request.

PFM strongly believe that dentists should receive the benefits of Independent Financial Advice. For over 20 years we have offered a range of specialist services for dentists. Our knowledge and experience of financial planning, exclusively for dentists, combined with independent financial advice has proven to be a huge advantage to our clients.

For more information about our services please visit www.pfmdental.co.uk or call 01904 670820.

Are you considering buying your own dental practice?

When considering purchasing a dental practice, you should take care in ensuring that you understand exactly what you are buying into. It is imperative that the practice stacks up financially, and you will need to consider what the likely profitability of the practice will be under your ownership – which will include the extra costs that you will incur such as finance.

In addition it is important to understand the liabilities that are transferred when buying a practice. One example of this is the legal rights of the employees, which protects them under CODE. Other important information which should not be ignored include national insurance liabilities for employers and pension rights for staff.

PFM are experienced in the assessment of dental practices, not only providing valuations but reviewing the viability of purchase and negotiating finance. Martyn Bradshaw is an integral part to the valuations and sales team, and can provide a comprehensive package as he deals with both personal and corporate financial planning.

“I need some expert guidance on buying a practice”

Buyers Strategic Valuation – Due to the increased pressures on purchasers, resulting in higher prices being paid, there has been an increased demand for more detailed analysis and valuation of practices. As such we have developed a new service which provides more detailed information for purchasers, giving you a better understanding of the practice and the liabilities that will follow with it. The service includes:

- ✓ Goodwill & Equipment assessment
- ✓ Detailed information on practice
- ✓ Information on liabilities and vital information for purchasers
- ✓ Personalised projected profit and loss account
- ✓ Finance Negotiations
- ✓ Related insurance advice
- ✓ Partnership advice (where necessary)

A standard valuation can also be instructed if you require an assessment of the goodwill, fixtures, fittings and equipment of the practice without the business advice aspects.

For more information please contact our practice valuations team on 01904 670820 and speak to Martyn Bradshaw, or contact Martyn on martyn.bradshaw@pfmdental.co.uk

Martyn Bradshaw



INDEPENDENT FINANCIAL ADVISERS



The information in this newsletter is based on our understanding of law and HMRC practice as at January 2010 and is subject to change

Practice Financial Management Ltd are authorised and regulated by the Financial Services Authority. Practice Sales, Valuations and Business Loans are not regulated by the Financial Services Authority. Past Performance is not a guide to future performance and the value of an investment can go down as well as up.

📞 Advice Line: 01904 670820 ✉ email: info@pfmdental.co.uk