

News from Louis Letourneau.

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It's five years since [Louis Letourneau](#) set up his financial services company. He looks back at the dramatic changes half a decade has brought.

It's over five years ago now since I, my life partner and two friends set up [Isis Financial Planners](#) to provide a superior financial planning service largely (but not exclusively) for the gay community. When I look back over those five years, I'm amazed at the changes there have been in our lives. The greatest change, of course, has been [Civil Partnership](#) (CP) – something the directors of Isis campaigned for long before we set up our company.

We always knew we'd succeed in the end, but if you'd asked me five years ago if we'd have CP by the end of 2005, I'd have said I thought that just a tad optimistic! And now many of our clients have already tied the knot and others are making plans for summer ceremonies...

With all the other changes we've seen – from the repeal of Section 28 to regulations banning discrimination in a range of areas from employment to the provision of goods and services – you may well wonder if the gay community needs specifically gay-focussed financial advisers any more. Last year, new guidelines issued by the [Association of British Insurers](#) meant that even [life insurance](#) is now easier for gay men to obtain normally. Some people have even suggested that Isis may have campaigned itself out a job!

The financial landscape for gay couples is certainly changing and this is a good time for them to review their financial affairs. In particular, CP opens up new possibilities of financial planning. It makes estate planning of the kind that was previously appropriate only for heterosexual couples possible for registered partners. There are great advantages in terms of [Inheritance Tax](#) and ways to ensure that [Wills](#) are as tax efficient as possible. But there are also traps for the unwary, particularly if you and your partner own a company together or have more than one residence.

Previously, the focus for gay clients was passing their estate to their partner with the minimum of Inheritance Tax. With CP, that's no longer an issue. Now, if there's money to spare after a partner's needs have been taken care of, the issue may be making use of the 'nil-rate band' to benefit a favourite nephew or niece while keeping £114,000 tax out of Gordon Brown's coffers.

And while I don't want to rain on your parade, it's worth pointing out that there can be significant Capital Gains Tax problems on dissolution. So, whether tying or untying the knot, informed advice is essential.

There have been other changes in the wider world of personal finance. It won't have escaped your notice that fundamental changes were made to pensions on 6 April. In most

cases, this'll mean that both employees and employers can make much more substantial contributions to pension schemes than before. In future, high earners and company directors may be able to take more of their remuneration as [pension](#) rather than dividend, salary or bonus – with significant National Insurance Contributions savings for both the company and the individual.

There are also specifically gay issues, especially for older workers. While in future trustees of pension schemes will have to treat surviving civil partners in exactly the same way as surviving spouses, how they treat past service is largely left to their discretion. Some will do the least– paying only the guaranteed minimum pension entitlement accrued since 1988; others will be more generous.

And then there's the stock market. We've seen it all in the past decade – bubble, crash, recovery – but what next for investors? If experience has taught me anything, it's that you should diversify your portfolio; don't put all your eggs in one basket. For that reason, I take an 'asset allocation' approach to wealth management, splitting investment between the different investment classes – cash, property, fixed interest securities and equities – taking into account each individual client's individual circumstances (age, attitude to risk etc.) and requirements (income, capital growth etc.). Nor should offshore investment be overlooked – this is particularly likely to be appropriate for individuals who aren't UK nationals, as there can be significant tax advantages.

Previously, the world of financial services was one where gay men in particular suffered great discrimination. Today, with the introduction of CP and other ground-breaking legislation, the opportunity's there for us to plan our financial futures in the same way as everyone else. It's not an opportunity that should be missed. It's important to take a holistic, rather than a piece-meal, approach to wealth management. Over the next few months, I'll look in more detail at some of the components of a sensible financial strategy.

Louis Letourneau, MA is an experienced independent financial adviser (IFA), specialist in financial planning and wealth management. He founded Rainbow Finance in 1995 and has consistently challenged financial companies and Government on their attitudes to gays, lesbians and same sex couples and was instrumental in the Inland Revenue to changing its guidance notes to recognise unmarried couples in pension benefits. His work has also resulted in life insurance companies starting to relax the discriminatory underwriting criteria toward gay men and people living with HIV. He was a founder of the Rainbow Research Project which surveys and educates private pension schemes in how they recognise unmarried couples on death benefits. He was also a founder member of the Stonewall Immigration Group (which campaigned for Immigration rights for same-sex couples, achieving a significant victory in April 1997) and helped set up the [gaypartners.org](#) initiative with [gay.com](#) in early 2001, campaigning for same-sex partnership rights. He speaks regularly on national and local radio.

For further advice on [Wills](#), [Life Assurance](#), [Tax](#), [Investments](#), [Pensions](#) and [CPs](#), contact Isis Financial Planners:

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