

## Gained a few pounds?

News from Louis Letourneau.

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*Let Louis Letourneau be your guide to help with that New Year's resolution to fight financial flab.*

Once the festive season is over and the bills start pouring in, what better way to start off the New Year than by making sure your finances are in shape? Here are five suggestions for bulking up your assets and slimming down your debts in 2004:

- Your mother was right about looking after the pennies. This is a good time to review your existing savings, credit cards and mortgage accounts. Banks and building societies depend on our loyalty and/or inertia. Often, they offer an introductory special deal to entice you - once that's finished, you may find that their rate is less than competitive. The banks call people who shop around 'rate tarts', but I prefer to think of us as bargain-hunters. Check the finance pages of the weekend broadsheets for the best rates currently available. For savers, internet accounts tend to offer the highest rates.

Borrowers may find it pays to change lenders every few years to take advantage of discounted rates for new customers. If you've had your [mortgage](#) for more than two years, you're probably paying too much interest. Provided there is no penalty for moving, you should shop around to find a new deal.

And if you've really overdone it on the plastic, you may want to transfer your balance to a card that offers six months' interest free credit on balance transfers.

- Start regular saving into a tax-efficient ISA (Individual Savings Account). The rules are a little complicated, but, basically, an ISA is just a tax-efficient way of investing in the things you would have invested in anyway - cash or stocks and shares. You may want to build up a cash "emergency fund", in which case, a cash mini-ISA would be ideal. Or you may be saving for the longer term, possibly to boost your [pension](#) income in retirement, in which case an equities ISA may suit your purpose, provided you are comfortable with the degree of risk involved. Your [financial adviser](#) can find the right ISA for you.
- [Make a Will](#). Nobody wants to think about their death, but if you fell under a bus tomorrow without a Will, your estate would be distributed in accordance with the intestacy laws. The end result might be very different from what you would have wished.

Everyone should have a Will, but it's especially important for gay couples. Until the [Civil Partnership legislation](#) is passed, the laws of intestacy mean that your estate goes to your closest living relatives, not to your partner. Do you really want your money going to the second-cousin-twice-removed in Queensland that you've never

met instead of to your other half? Jointly-held property will pass automatically to the survivor - everything else has to be willed.

If you already have a Will, check that it still reflects your wishes (and is tax-efficient). Your partner won't be too pleased if you never got round to changing the Will that leaves everything to his predecessor! And while you're about it, you should ask your solicitor to arrange Enduring Powers of Attorney for you both; this would mean that your partner could make financial decisions if you were incapacitated, and vice versa.

If you have [life insurance](#) to cover your mortgage and don't have a Will, ask your [financial adviser](#) about putting the policy under trust for your partner.

- Review your [pension contributions](#) and think about increasing them. The chances are that you're saving nowhere near enough for the kind of retirement you want. While we're in a low-inflation, low-interest environment, our money is going to have to work much harder than in the past to provide a decent income in retirement. And the earlier you start contributing, the better – money paid in in your 20s has to work a lot less hard than money contributed in your 30s or 40s.

The message from successive governments is that the State can no longer afford to be generous. Employers are becoming less generous also, with more and more companies closing their final salary schemes to new employees. Many of us are left with only one type of pension: a stakeholder pension. These are also available to people who are not working or who have retired – they can still contribute up to £2,808 per annum and the Government will top it up with £792 tax relief.

If you move quickly enough, you may even be able to reduce the [tax bill](#) due at the end of January by making a pension payment now and carrying it back to the 2002/03 tax year – check with your [adviser](#) if this is possible.

- One last thing. If you haven't sent your [tax return](#) in yet, do it now, before the 31 January deadline. You can't put it off any longer, and you really don't want to annoy the Inland Revenue. Failure to submit the return and pay the tax due will mean penalties and interest. So do it now!

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Louis Letourneau is a Director of Isis Financial Planners Limited. Isis offers truly independent specialist advice to the gay community and can be contacted on 0845 1300 778 and email [postbox@gayfinance.info](mailto:postbox@gayfinance.info) . You can also visit our website at [www.gayfinance.info](http://www.gayfinance.info)

**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](#) and [Pensions](#), contact Isis Financial Planners:

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