

Beals Wealth Management

Essentially

Wealth Newsletter

Q4 2025

Take stock,
strengthen
your finances
this autumn

Budget outlook
- preparing for
change

Navigating global
shifts - investing
through change

Pensions set to
fall within IHT
net from 2027

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Take stock, strengthen your finances this autumn

Forget New Year's resolutions, autumn is the perfect time for a fresh start. The falling leaves and changing weather symbolise a period of transition, so why not take this opportunity to make positive changes to your own life, starting with your financial plans.

When was the last time you reflected on your financial resilience? In times of economic and geopolitical uncertainty, it's essential to ensure that your financial foundations are strong so you can feel confident about your money, both now and in the future.

Changing Conditions

According to a recent survey¹, essential expenses such as food and energy have continued to increase for most households in 2025, but about a quarter of people reported that their housing costs have eased slightly.

It's promising to see that, despite these ongoing living challenges, retirement planning is back on track for over half the population. This year, only 43% of UK adults felt that their retirement plans and savings had been disrupted by the higher cost of living, down significantly from 75% in 2024.

Make Time for your Pension

The research did highlight a concerning knowledge gap as seven in 10 people are unsure of the value of their pension pot. Meanwhile, just over half (52%) haven't put thought into how much money they will need in retirement. It's essential to regularly check that your pension contributions, underlying investments and current strategy still align with your goals.

Small adjustments today can make a positive difference to your finances further down the line.

Do you have short-term savings?

The survey showed mixed results when it comes to savings. Fewer people are going into their overdraft after covering essential living expenses, but many don't have short-term savings. This kind of financial buffer is vital as it can help absorb unexpected costs without derailing your long-term plans.

Check your protection

Once you have taken out a life insurance policy, it can be tempting to not think about it again, but the level of cover you need will change over time depending on your circumstances. A regular review of your protection, particularly after significant life events such as the birth of a child, moving home, marriage or divorce, is a must.

Build your resilience today

True financial resilience is about balancing short-term needs with long-term goals. We can help you review your pensions, savings, protection and investments so you can thrive with confidence in the years ahead.

Royal London's Financial Resilience Report, 2025

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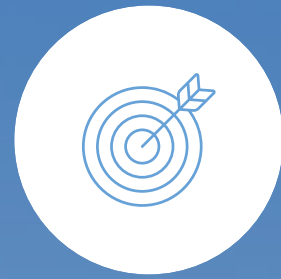
Budget outlook – preparing for change.

As the 26 November budget nears and speculation builds, it can be difficult to know whether to take action ahead of the Chancellor's announcements.

The National Institute of Economic and Social Research (NIESR) has forecast a £41.2bn deficit by 2029/30, suggesting the government may need to raise billions through tax increases, spending cuts or additional borrowing.

To remain within fiscal rules, the think tank has advised a 'moderate but sustained increase in taxes,' with substantial adjustments likely. Despite several think tanks suggesting otherwise, the government has so far been steadfast in its commitment to its manifesto promise not to raise taxes on working people, and the Chancellor recently reiterated this stance so it seems unlikely that changes to any headline rates of tax (such as Income Tax, National Insurance and VAT) will be made.

However, revenue will need to be raised one way or another, so possible areas of focus could include changes to tax reliefs and thresholds such as those on pensions taxation, an extension to the freeze on Income Tax thresholds, or potentially further changes to Capital Gains Tax (CGT), IHT, Dividend Tax or business owner reliefs.



Staying Proactive

Ultimately, the rumours currently circulating are speculative, but there are still practical steps worth considering. You should look to seek professional financial advice where possible, and ensuring you do not make knee-jerk decisions based solely on rumour that could hinder your longer-term financial plans, will be vital.

In addition, you should look to maximise the allowances currently on offer. This could include topping up your Individual Savings Accounts (ISAs), reviewing pension contributions, realising capital gains where appropriate and in line with your broader financial plans, and reassessing pension inheritance strategies given the upcoming changes to IHT treatment of unused funds.

Whatever the Budget delivers, we can help review your financial plan. Taking stock now can ensure you are well prepared, with clarity on what may be worth addressing before the announcements – and how best to respond afterwards.



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Restoring confidence, predictability and sustainability remains a key policy priority.

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Navigating global shifts – investing through change

As we traverse the last few months of what has been an eventful year, it's clear that 2025 has been anything but predictable. Investors have had to contend with shifting US monetary policy, heightened geopolitical tensions, global trade realignments and a fast-changing labour market. Add to this the acceleration of the energy transition and disruptive mega forces such as artificial intelligence, and the result is a world where markets evolve faster than ever.

What matters is not just observing these changes but understanding how they shape the environment for investors. Inflation expectations are no longer anchored at 2% targets, fiscal discipline is under pressure, and long-term growth trajectories are shifting. In this context, markets are reacting quickly to short-term data, as investors interpret what it signals for both near-term performance and longer-term outcomes.

Global growth – a mixed picture

The International Monetary Fund's (IMF) latest World Economic Update points to global growth of 3% this year, edging up slightly to 3.1% in 2026 – an upgrade on earlier forecasts. The revision reflects several factors, including front-loaded activity ahead of tariff changes, more supportive financial conditions and

fiscal expansion in major economies. However, the IMF notes, 'Downside risks from potentially higher tariffs, elevated uncertainty, and geopolitical tensions persist. Restoring confidence, predictability and sustainability remains a key policy priority.'

An inflection point for investors

At the start of the year, World Economic Forum President Børge Brende called this "one of the most uncertain geopolitical and geoeconomic moments in generations," adding "we are at an inflection point."

Recent updates from the Forum have highlighted the themes likely to shape the coming months, including: renewed collaboration to address conflict and misinformation, large-scale workforce reskilling to meet job transformation,

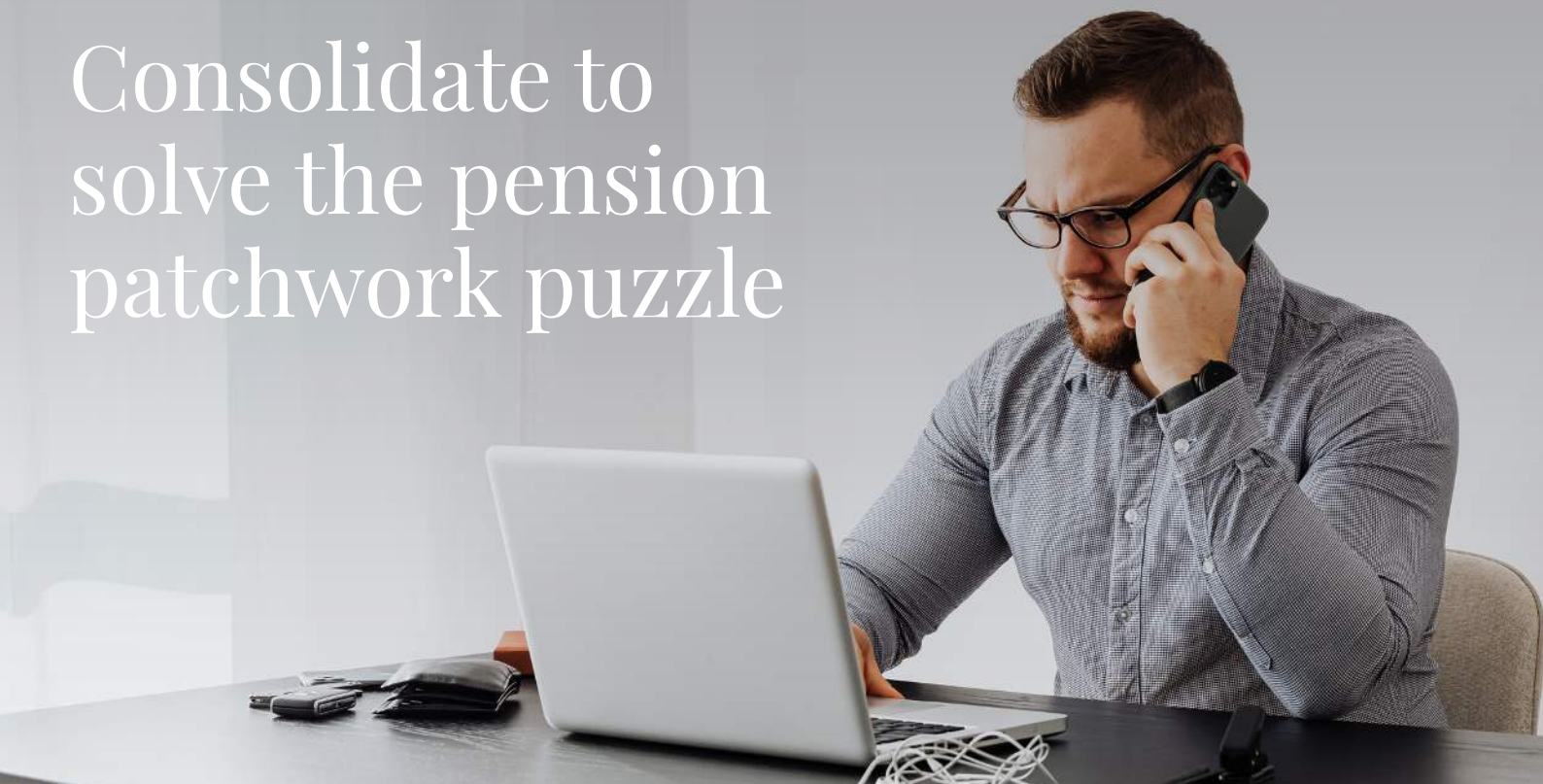
redesigning financial systems for longer life expectancies, investment in sustainable infrastructure and the energy transition.

Together, these areas underline current challenges and opportunities – and why, for investors, staying agile, diversified and aligned with long-term structural shifts will be central to capturing growth while managing risk in line with personal tolerances.

Embrace Change

Understanding how global forces interact allows investors to capture opportunities. We can help you stay disciplined, diversified and focused on your long-term goals – even when headlines are noisy – so your portfolio is ready not just to withstand change, but to potentially benefit from it.

Consolidate to solve the pension patchwork puzzle



Do you know where all your pensions are? The UK is home to an estimated 3.3m unclaimed pension pots worth a combined £31.1bn2. That's a huge amount of money being left unmanaged.

Losing track is easy: job changes resulting in multiple workplace pensions, investing through various platforms over time, or simply neglecting older pensions as life gets busy. Having multiple pensions often means paying more in charges. When pensions are scattered, it's harder to see the bigger picture, leading to unbalanced portfolios.

Pensions First

Over a career, it's common to build up several workplace pensions. Bringing these together can improve your investment options, allowing access to better funds or more tailored portfolios than older schemes may offer. Some schemes, especially older ones, may not offer features like pension drawdown or the ability to choose who inherits your pension while minimising the amount of tax you have to pay.

Take Advice

That said, pension consolidation should be approached carefully. Some older schemes offer valuable benefits, such as guaranteed annuity rates, that you could lose if you transfer. Others may charge exit penalties that reduce the value of moving your money. Before consolidating,

it's important to check whether any of your pensions have these features and whether the benefits outweigh the drawbacks. Consolidating at the wrong time, such as during a market downturn, can lock in losses if investments are sold to arrange a transfer.

What's Right for You

The aim isn't just to tidy things up, but to do so in a way that strengthens your financial position. Everyone is different, so whether it's right to consolidate could depend on a wide range of factors, including your age, goals, how long you want to keep your money invested, tax position and existing products. We can review your pensions and help you feel confident that your finances are organised for the future you want.

2PPI, 2024



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When pensions are scattered, it's harder to see the bigger picture, leading to unbalanced portfolios.

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Pensions set to fall within IHT net from 2027

From April 2027, unspent defined contribution pensions will become subject to IHT – a significant departure from today’s rules, where pensions usually sit outside the estate.

The impact on households is likely to be far greater than official estimates suggest. Rather than only capturing the super-rich, these changes risk pulling in ordinary families where pensions and

property values together push estates over the threshold. With property prices and pension wealth both rising over recent decades, many more households than expected could find themselves facing large and unexpected tax bills.

The change also risks complicating estate administration. Executors will need to factor pensions into IHT calculations for the first time, potentially delaying the probate process and creating new liabilities. Another concern is the risk of double taxation. Pensions inherited after age 75 are already taxed as income, and from 2027 could also attract IHT – meaning beneficiaries may see more than half of the value eroded by tax.

Steps to Consider

There are currently several ways to mitigate exposure to IHT, including making use of tax-free gifts, establishing trusts, leaving charitable legacies (which can reduce the overall IHT rate to 36%), or arranging a whole-of-life insurance policy written in trust to cover liabilities. Read more on how to gift efficiently on page 12.

This development highlights the importance of proactive estate planning. With rules changing, pensions can no longer be assumed to fall outside IHT. Reviewing arrangements now could help safeguard family wealth and ensure it is passed on as intended. And with the budget approaching, more changes may still come.

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Pension access age to rise in 2028

From 6 April 2028, the normal minimum pension age will increase from 55 to 57.

This means anyone born on or after 6 April 1973 will need to wait until their 57th birthday to access personal or workplace pension savings. If you had planned to draw funds before 2030, it may be necessary to adjust your strategy.

There are some exceptions to be aware of, such as for those with a protected pension age or in cases of ill health.

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Reviewing your retirement plans now will help you remain on track.
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Facing a midlife dip in financial confidence?

Fifty and fabulous? Maybe not when it comes to your finances. A recent survey shows that Britons experience a dip in financial confidence when they reach their 50s.

The research found that only 33% of people aged 50 to 59 feel positive that they will retire comfortably. This is the lowest of any age group, with 49% of young adults and 46% of over-60s feeling confident about retirement. Dr Tom Mather of Money: Mindshift podcast says that altering our mindset around the ageing process can help people face the future both mentally and financially. He says, “For many, midlife is a turning point, it’s when people begin to feel the weight of time, question their relevance, and wonder what their future really holds.” He adds that a shift in mindset happens “when we see this not as a moment of uncertainty, but possibility.”

Aegon, 2025

Brits missing out on important money conversations

Brits are more likely to discuss politics and current affairs (50%) at the dinner table than finances (29%), according to a survey⁴. Gen Z (42%) and Millennials (37%) are almost twice as likely to discuss their finances over dinner than Gen X (23%) and Baby Boomers (21%).

Despite their willingness to talk money, 31% of Gen Z and 28% of Millennials feel uncertain about managing their money. As a result, they often turn to unofficial sources for advice: around a third of Gen Z investors look to social media or their friends for investment information. Around half of respondents said they wouldn't talk to anyone about investing, which means they could be missing out on valuable advice.

Investment Association, 2025



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talk money week

Talk Money Week 2025 (3–7 November) is a timely prompt to pause and reconnect with your finances. When life gets busy, it's easy to delay tax planning, investment reviews or succession discussions – but these conversations matter. Taking time now can reveal opportunities, ease future worries and protect the wealth you've worked hard to build.



People don't understand IHT

Gifts. Reliefs. Exemptions. Complex IHT rules are creating a knowledge gap that could prove costly.

Research5 has revealed that one in three people who expect to inherit at least £300,000 don't fully understand how IHT works. This could prevent families from maximising the potential of intergenerational wealth transfers to reduce tax liabilities. Despite a tightening of the IHT net, only 20% of people plan to distribute most of their assets during their lifetime. Although uncertainty about future living and care costs is the biggest barrier, around a quarter of people admit they don't understand the different options available.

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It's more important than ever to seek advice.

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Women primed to pass on their wealth

The survey also highlights the growing influence of women in managing intergenerational wealth and the role of professional expertise. Eighty per cent of women who have received financial advice say they plan to use tax-efficient strategies to pass on their wealth. With some IHT changes already announced and others in the pipeline, it's more important than ever to seek advice about how effective wealth management could benefit your loved ones. M&G, 2025

Don't rely on inheritance alone – start saving now

Banking on inheritance to fund your retirement is a potentially risky move – it's time to take your financial future into your own hands.

The uncertainty of inheritance

Research has indicated that some Gen Z and Millennials could be left without sufficient retirement funds due to their own inaction. About a quarter of this group haven't considered their financial plans for later life as they're expecting to inherit property or money. No one can be certain of what they will inherit and when; people are living longer, the cost of care is rising and IHT rules and tax thresholds could change. Relying on inheritance could therefore result in a financial shortfall when you need it most.

Stand on your own two feet

It's never too early to start preparing for your future. Even if you are currently saving for other big life events, such as a house deposit or a wedding, try to set aside a dedicated amount each month for your pension. It doesn't matter if it's a small amount; it's the regular contributions that matter as they soon add up over a long period of time and benefit from growth. Over the years to

retirement, you can top up your regular contributions with lump sum payments, such as bonuses. Plus, you can benefit from tax relief with each contribution worth up to 100% of earnings and within the current £60,000 Annual Allowance.

Standard Life, 2025

How to boost your pension

Remember to:

- Start early – small, consistent contributions benefit long-term from compounding
- Make your pension work harder by maximising workplace pensions and contributions
- Consider consolidating small pension pots from previous jobs for easier tracking and potential cost savings
- Pensions are long-term investments – don't panic about short-term dips in performance.





An end to the Bank of Mum and Dad? More than one in ten retirees cutting back on gifting.

According to Quilter's inaugural Retirement Lifestyle Report, 13% of retirees plan to cut back on gifting to children and grandchildren. This figure rises to 16% among younger retirees with higher-than-average incomes, and 15% among their lower-income peers, suggesting that even those with relatively strong financial positions are cutting back.

Retirees play a crucial role in supporting younger generations. The report, based on a survey of 5,001 retirees, shows the average retiree currently spends over £2,500 annually supporting younger family members – £1,323 in gifts and £1,175 towards education. Many retirees, particularly those with higher incomes, gift well in excess of this average and many are far exceeding the current annual gifting allowance of £3,000. Younger, higher income retirees, for example, gift an average of £4,836 to relatives and a further £5,280 towards education annually.

While breaching the annual gifting allowance does not automatically trigger a tax liability, unless the donor dies within seven years, it introduces complexity and uncertainty that may discourage more purposeful financial support.

Without action, there is a risk that crucial intergenerational wealth support may diminish further, which would not only have a negative impact on younger generations already experiencing significant struggles themselves, but it would also have a knock-on impact on the economy.

The gifting allowance has remained frozen for over 40 years and had it kept pace with inflation, would now sit at £12,000. As such, Quilter is calling on the government to modernise the annual gifting allowance. While it recognises a full uprating could be unrealistic in the current fiscal environment, it is calling for a modest increase to at least £9,000 to enable families to transfer wealth more flexibly and with greater confidence. Even though some people are choosing to gift less right now, many still find it a meaningful way to support family and manage their finances effectively. See overleaf to learn more about how gifting might be a beneficial option for you right now.

Shaun Moore, Tax and Financial Planning expert at Quilter, says:

“Retirees provide a vital avenue of financial support for younger generations, helping with everything from education to deposits for first homes. If the Bank of Mum and Dad, or even the Bank of Gran and Grandad, begins to close its doors, the ripple effects could be felt across the housing market, education system and the wider economy. The gifting allowance is a relic of a different economic era. Even a modest increase to £9,000, for example, would better reflect modern financial realities, ensure it aligns with existing savings vehicles such as the Junior ISA, and could allow families to support one another more freely and purposefully. The rumour mill is already in overdrive as we near the Chancellor's upcoming Budget and has so far seen a potential lifetime cap on gifting, an extension to the period donors must live after making a gift before it falls outside of their estate for IHT purposes, and the potential for a further freeze on the nil rate band all debated. While none have been confirmed, the government will clearly be trying to fill a hole in its finances. However, any reform in this area must ensure families can continue to provide support without fear that normal acts of generosity will be swept into the IHT net. Any review of gifting rules should be considered alongside the outdated gifting allowances. A modernised allowance would support financial planning, reduce reliance on the state and help unlock economic potential. With pensions soon falling within the IHT net, generating a considerable uplift in revenue, this reform would be a modest concession for a meaningful economic gain. If the government's goal is to foster a high-growth, investment-led economy, then reducing friction around intergenerational wealth transfer is not just aligned with that vision, it is essential to it.”

Avoiding pitfalls when passing on wealth

With pensions set to be drawn into the IHT net from 2027, effective planning has never been more important. Gifting can be one of the most powerful tools for reducing liability – but when handled incorrectly, it can undermine the benefit entirely.

Making gifts work

Certain gifts are exempt immediately, such as the £3,000 annual allowance or small gifts under £250. Larger gifts, known as Potentially Exempt Transfers (PETs), fall outside IHT if you live for seven years after making them. Regular gifts from surplus income can also be exempt, provided they don't reduce your standard of living and are carefully recorded.

Good record-keeping should capture what was given, when, to whom, the value at the time, the source of funds and evidence that your living standards were not affected. This could include bank statements, written notes, valuations and a simple spreadsheet. Without a clear paper trail, HMRC may challenge the exemption.

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Reviewing your plans now can help ensure your gifts achieve their purpose

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Common mistakes to avoid

One of the biggest traps is the 'gift with reservation of benefit' – where you give something away but continue to use it. A typical example would be transferring a holiday home to your children but continuing to use it rent-free. In such cases, the asset remains part of your estate for IHT, potentially leading to unexpected bills.

Keeping control of your legacy

With frozen thresholds and pensions joining the IHT framework, there is little room for error. We also have the budget coming up, so changes may be announced then, although they will be unlikely to be effective immediately. Reviewing your plans now can help ensure your gifts achieve their purpose – protecting family wealth and passing it on as intended.

Important Information: We have updated our Privacy Policy to better explain how we keep and use your information to profile groups based on factors like interests, age, location and more, so we can better understand our customers, to adapt and improve our products and services. To find out more, please read our Privacy Policy online.

Past performance may not be repeated in future. Future returns cannot be guaranteed. For ISA's, investors do not pay any personal tax on income or gains but ISAs do pay unrecoverable tax on income from stocks and shares received by the ISA manager. Tax treatment varies according to individual circumstances and is subject to change.

The value of pensions and investments and the income they produce can fall as well as rise. You may get back less than you invested.

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK.

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