

## RETIREMENT & REDUNDANCY COUNSELLING

It is part of our economic environment these days that companies either merge or are the subject of takeovers. The consequence of this can be employee redundancies and employees look to the company for advice and support in these circumstances. Assistance will be required to consider redundancy packages, the effect of taxation on such packages and also how income will be replaced. It is important to remember that the employer's response can impact not only on the employees leaving but also the loyalty of the remaining workforce.

Many employers now have in place a series of pre retirement seminars rewarding their loyal employees with access to experts in these matters. Rather than waiting to the normal retirement date seminars are arranged 5 years or even 10 years in advance to allow the employee time to plan for the repayment of their liabilities and be aware of their income position in retirement.

## NEXT STEPS

There is no charge to have an initial discussion with one of our advisers.

The company objective is to assist clients by adding real value to their resources. Remuneration will be achieved through an agreed fee charge, by commission payment or a mixture of both.

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The **MUNRO PARTNERSHIP** Ltd.  
PENSION SPECIALISTS AND INDEPENDENT FINANCIAL ADVISERS  
• ESTABLISHED 1982 •

## FINANCIAL PROTECTION FOR YOUR BUSINESS

If you are part of an established business or you are considering setting up a business, The Munro Partnership Audit service will be of use to you.

Have you considered the financial impact on your company in the event of the death or illness of a Key employee or indeed the Business owner?

Attracting the right quality of staff is important; an assessment will be made of the care benefits in place for staff while employed and when they retire.

The audit therefore will focus on the following areas:

- Shareholder, Partnership, Key person & Loan Protection.
- Group Death-in-Service, Disability & Medical Cover.
- Flexible Business owner/ Key Executive pension arrangements and comprehensive Staff Schemes.
- Retirement & Redundancy counselling.



## SHAREHOLDER, PARTNERSHIP, KEY PERSON & LOAN PROTECTION

The death or illness of a Business owner or Key Employee can bring about a loss of revenue and impact on the profitability of the company. Protection can be arranged to replace the lost revenue to ensure that the business can continue to trade.

These events not only impact on the company but also on the family of the Business owner. They may view the business as their only asset and attempt to either force the sale or appoint a representative to manage the business. Protection for a shareholder or a partner in the business can provide the liquid funds to repay this liability.

It is prudent to protect any borrowings to ensure their repayment. Most Lenders will request that cover is put in place however it is always worthwhile to verify that the cost of such cover is competitive with so many providers in the market.

Life cover and critical illness cover are available at both reviewable and guaranteed rates

## GROUP DEATH IN SERVICE, DISABILITY & MEDICAL COVER

The availability of employee benefit schemes is now quite extensive. Provision can be made to compensate the employee's family by providing a lump sum on death of up to 4 times salary. A Group Death in Service scheme provides 'free cover limits' which can allow employees in poor health to be included.

The employer can also provide benefits such as income protection in the event of ill health. This will provide the employee with up to 50% of their normal income until they return to work.

Medical cover is important as it allows the employee to have the necessary medical or surgical operation and return to work more quickly. This is treated as a 'benefit in kind' for tax purposes.

The benefits package available from an employer can make the difference in attracting the desired quality of employee.

## FLEXIBLE BUSINESS OWNER/ KEY EXECUTIVE PENSION ARRANGEMENTS AND COMPREHENSIVE STAFF SCHEMES

It is a legal requirement that employers, with 5 or more employees, must provide a facility for every employee to contribute to a pension arrangement. A fine can be imposed on the company if this action is not taken. The employer does not have to contribute to such an arrangement.

If the employer commits to a Group Personal Pension arrangement then they must pay a minimum of 3% of the employee's salary into such a scheme and ensure that each employee is given the opportunity to join after 3 months of employment.

Business owners and key employees have the ability to shelter considerable funds in a tax free environment. These funds can be used to assist company financial planning and business continuation.

It is not only important to be aware of the most advantageous arrangements available but also to be aware of the minimum legal responsibility in this area, and should be regularly audited on an ongoing basis.