**DEALING WITH YOUR FINANCES**

One of the key practical issues you may need to address is a review of your

finances. How will you manage in the short term? What about the medium and

longer term? This may just be a case of a simple budget review or it may require

some professional advice.

If you have received a severance package/gratuity, it may be tempting to think you are financially secure in the short term, but it is important to review your financial position and resources.

**Income Tax**

* A payment on termination of employment is normally exempt from tax up

to £30K

* If you are in any doubt about the income tax matters, check with your local HM Revenue & Customs Office or visit [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

**National Insurance and State Benefits**

* It is important to have a full National Insurance contributions history, in

order to ensure your entitlement to Job Seekers Allowance, State Pension

and other benefits

* Once you have left work, if you have not secured another position, you

should register immediately with your local Job Centre Plus to discuss your entitlements and responsibilities

* If you think you may be entitled to other benefits such as Income Support, Housing Benefit, Council Tax rebates etc. seek a meeting at your local Benefits Agency for clarification

**Budgeting**

* Draw up a detailed budget planner of all your monthly income and

Expenditure - don’t forget to include contingency budgeting for repairs and maintenance as well as the obvious monthly outgoings

* You may need to cut out ‘luxury’ expenditure, but never cut out insurance

policies or mortgage repayments before taking sound advice. Contact the

various companies to find out how they may be able to help you

**Pensions and Investments**

* Your organisation will provide you with information about any pension

provision and you should seek clarification of any issues through the Forces Pension Society

* If you are considering investing any severance or pension lump sums or are unsure what to do about your pension, you should seek independent

financial advice before taking any action. The Independent Financial

Association (IFA) provides information on IFAs in your area

**BUDGET PLANNER**

Complete the financial review below. Discuss this with your partner/those close to you and make some joint decisions on how to manage finances during this period.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **INCOME** |  | **SELF** | **PARTNER** | **TOTAL** |
| NET Salary |  |  |  |
| Severance Package/Gratuity |  |  |  |
| Any Investment Income |  |  |  |
| Any Rental Income |  |  |  |
| Benefit Entitlements |  |  |  |
| Other |  |  |  |
| Other |  |  |  |
| **Total Monthly Income** |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **EXPENDITURE** |  | **SELF** | **PARTNER** | **TOTAL** |
| Mortgage or Rent |  |  |  |
| Utilities - Electricity |  |  |  |
| - Gas/Oil |  |  |  |
| - Water |  |  |  |
| - Phone |  |  |  |
| Council Tax |  |  |  |
| Food |  |  |  |
| Clothing |  |  |  |
| Entertainment |  |  |  |
| Travel |  |  |  |
| Loan Repayments |  |  |  |
| Car Expenses |  |  |  |
| Insurance Payments |  |  |  |
| Credit Card Payments |  |  |  |
| Other |  |  |  |
| Other |  |  |  |
| Other |  |  |  |
| Expenditure |  |  |  |
| **Total Monthly Expenditure** |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Variance**  (Income − Expenditure) |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CURRENT ASSETS** |  | **SELF** | **PARTNER** | **TOTAL** |
| Cash in Bank/Building Society |  |  |  |
| Shares/Stocks |  |  |  |
| Life Assurance Cash Surrender Values |  |  |  |
| Money owed to you in near future |  |  |  |
| Valuables with Ready Cash Values (e.g. Antiques) |  |  |  |
| Other |  |  |  |
| Other |  |  |  |
| Other |  |  |  |
| **Total Assets** |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **FIXED ASSETS** |  | **SELF** | **PARTNER** | **TOTAL** |
| Main Residence |  |  |  |
| Any Other Property |  |  |  |
| Pension Plan |  |  |  |
| Personal Effects |  |  |  |
| Long Term Investments/Deposits |  |  |  |
| Other |  |  |  |
| Other |  |  |  |
| **Total Fixed Assets** |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Total Assets**  (Current Assets + Fixed Assets) |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **LIABILITIES** |  | **SELF** | **PARTNER** | **TOTAL** |
| Mortgage (Owed at this point) |  |  |  |
| Loans (Bank) |  |  |  |
| Credit Card Debts |  |  |  |
| Other |  |  |  |
| Other |  |  |  |
| **Total Liabilities** |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **NET WORTH**  (Total Assets less Total Liabilities) |  |  |  |