

RETIREMENT



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Happy 100th birthday?

Sir David Attenborough's 100th birthday celebrations received extensive media coverage in May this year. Centenarians are, to use Attenborough terminology, a rare breed; but how rare?

The last time the Office for National Statistics (ONS) examined the question was 2023, when it estimated there were 16,140 centenarians in the UK, more than double the number in 2003. Unsurprisingly, female centenarians outnumbered their male counterparts by 4.5 to 1. However, the number of male centenarians has been increasing at a faster rate than females; in 2003 the women outnumbered the men by 8.6 to 1.



A man aged 40 today has roughly a 1 in 20 chance of becoming a centenarian, whereas a 40-year-old woman has a 1 in 10 chance.

Coincidentally, shortly after Attenborough celebrated his birthday, the ONS issued its latest biennial update on life expectancy in the UK and refreshed its online life expectancy calculator. If you want to know how long on average the ONS projects someone of your age and sex will live, the calculator provides one simple number, with no decimal places to worry about. But it's an answer that needs treating with care, as it's an average for the UK population and, by definition, about half of the population will outlive the average.

Alongside life expectancy, the calculator also gives your probability of matching Attenborough's 100-year achievement and, more realistically, reaching age 90. For example, a man aged 40 today has roughly a 1 in 20 chance of becoming a centenarian, whereas a 40-year-old woman has a 1 in 10 chance. For 90, the corresponding figures are roughly 1 in 2.5 and 1 in 2.

If those odds surprise you, then you might want to revisit your retirement planning to ensure that you do not outlast your retirement fund. After all, very few of us in our 90s will be able to supplement our pension income with royalties and fees from nature documentaries...

TAX

How to supercharge your Junior ISA

Many parents don't realise they can turbo-charge their children's tax-efficient savings in the year they turn 18.

The standard ISA allowance is currently £20,000 a year, but 18-year olds can also benefit from the full Junior ISA allowance of £9,000 in the same tax year. This creates a one-off opportunity for parents, or grandparents, to shelter £29,000.

To maximise both, the Junior ISA needs to be funded before the child turns 18, with the regular ISA taken out between the child's 18th birthday and the end of that tax year.

Money saved can be invested in either shares or cash or both, but from April next year, the maximum cash limit on a regular ISA will be £12,000 for those aged under 65.

Parents should remember that once a child turns 18, that young adult has full control over their savings plan. While many may use funds to pay university fees or save for a future house deposit, others may choose to spend it differently.

While this allows parents to build future savings for their children, HMRC is attempting to reunite young adults with an estimated 750,000 unclaimed Child Trust Funds (CTFs), by writing to thousands of 21-year olds. CTFs pre-date Junior ISAs and were opened for children born between 2002 and 2011, with the government contributing £250. It's estimated there is £1.6bn sitting in these 'lost' accounts, with an average balance of £2,200.



The shape of pensions to come

The latest tome of pensions legislation could bring major changes to your pension arrangements in coming years.

The Pension Schemes Act 2026 spent over 10 months winding its way through parliament and, by the end of 2030, will have reshaped the structure of pension provision.

Bigger is better By 2030, schemes will generally need to have at least £25 billion in their main default fund or have £10 billion and a credible plan to reach £25 billion by 2035. At present there are 2,000 schemes which have £10 billion of assets in total.

Value for Money (VFM) The Act introduces a new regime to address the performance of DC occupational schemes, similar to one currently being developed by the Financial Conduct Authority for personal pensions. A scheme that is judged to be 'not delivering' VFM must take remedial action which may ultimately mean transferring its members and assets to a better-performing scheme.



Small pots Currently, if someone changes employer, by default they normally leave the pension benefits they have built up in their former employer's pension scheme. Small pension pots have become scattered across providers, often offering poor value. The Act's solution is to require automatic consolidation of small pension pots worth £1,000 or less in a consolidator scheme that meets the VFM requirements.

Guided retirement Converting a pot of money into a stream of retirement income is challenging for many. To ease this problem, the Act places a new duty on the trustees of DC schemes to provide default 'pension benefit solutions'.

Overall, the Act makes a valiant effort to address some of the issues that have been created by automatic enrolment. However, relying on default actions should not be regarded as a satisfactory substitute for personal advice.

❖ *The value of your investment, and the income from it, can go down as well as up and you may not get back the full amount you invested.*

Past performance is not a reliable indicator of future performance.

Occupational pension schemes are regulated by The Pensions Regulator.

TAX

Another Making Tax Digital reminder

As the next deadline nears, many landlords and self-employed workers who should have signed up by April have not yet done so.

Anyone who is self-employed and/or a landlord with gross total profits exceeding £50,000 in 2024/25 has had to comply with Making Tax Digital (MTD) for income tax self-assessment rules from 6 April 2026. There should be 864,000 taxpayers registered for MTD and preparing to send their first quarterly update by 7 August. By mid-April, registrations had only reached 250,000, of which most had come from accountancy firms and tax agents.

The good news is that for 2026/27 there will be no penalties for missing update due dates if you have not yet registered. The bad news is that all four quarterly updates must be submitted before it's possible to submit a 2026/27 MTD self-assessment return.

Contact your local tax office to see what this means for you.

❖ *The Financial Conduct Authority does not regulate tax advice. Tax treatment varies according to individual circumstances and is subject to change.*

Investment scams on the rise

Savers and investors should exercise extra caution as the cost of financial fraud rises.

The National Fraud Database reports that 444,000 cases were recorded in 2025 – the highest number in a single year.

Many increasingly sophisticated frauds specifically target investors, with the City of London Police estimating that £2.4m a day was lost in investment scams last year.

A range of scams has been developed to target both older and younger investors.

Older targets

Older savers need to watch out for pension liberation scams, which claim – wrongly – that you can either access pension funds early or receive a higher return by transferring your money into a new account or fund they recommend.

If the fraudsters invest this money at all, it's likely to be in high-risk, high-charging funds, often based overseas, where there is a real danger you can lose significant amounts. Many people have seen their retirement savings disappear completely.

The rise of 'finfluencers'

Younger investors are more vulnerable to targeting from so-called 'finfluencers' on social media platforms.

Up to two in five people may now seek financial guidance or information on social media, leaving them exposed to poor-quality advice and potential scams. Some social media personalities may make false and unsubstantiated claims about likely investment returns. In some cases they have been paid by a third party to promote products online, which is illegal under UK financial regulations.

Concerns about the proliferation of the 'finfluencers' has led to more robust enforcement action in the UK, with seven reality TV stars in the UK being fined.

As with all financial planning, encouraging discussion with a professional is highly advisable.

❖ *Investments do not offer the same level of capital security as deposit accounts.*

The value of the investment and the income from it can fall as well as rise and investors may not get back what they originally invested.

Past performance is not a reliable indicator of future performance.

Investing in shares should be regarded as a long-term investment and should fit with your overall attitude to risk and financial circumstances.