

Alpha Wealth

FINANCIAL WELLNESS SEMINAR - PSRA



PRESENTED BY NICK CHARALAMBOUS



ABOUT Alpha Wealth

An Introduction

Alpha Wealth is a Dynamic, Progressive Financial Services company.

Our purpose is to provide individuals and organisations with a level of service and advice which they would not have been used to before.



- Managed Funds
- Structured Funds
- Tax Back Investment

Investments

Insurance

Making sure you and your family are covered for the unexpected

Ensuring you have a better future to look forward to

Retirement Planning

FINANCIAL PLANNING

Business Protection

Ensure you are prepared for the unexpected

More security for your family

Mortgage Protection

Savings

- Building up a nest egg for a property or car
- Saving for your child's education needs

People who use an independent financial advisor have 2.5 times the net worth of those that don't



FINANCIAL PLANNING STARTS WITH PLANNING

Budget Planning

Monthly Budget Planner - Simple but effective.
Prepare a budget planner, so as to devise a plan to better manage your wealth.

Incomings	Outgoings	Surplus
Salary.....		
	Rent/Mortgage...	
	Car Insurance...	
	Petrol....	
	Mobile....	

LOOK AT AREAS YOU CAN REDUCE COSTS IN

- ☐ Life Assurance
- ☐ Income Protection
- ☐ Illness cover
- ☐ Car Costs
- ☐ Pension

FINANCIAL PLANNING



BENEFITS OF FINANCIAL PLANNING

Simple steps you can take to pay your mortgage off:

- ❑ Mortgage Cost Reduction
- ❑ Tax Reduction Schemes
- ❑ Insurance Cost Reduction



OVERVIEW OF THE IRISH PROPERTY MARKET

House & Apartment prices
increased last year despite pandemic

- CSO figures show a 2.2% increase
- Dublin prices increased by 1.2% while they increased by 3.1% in the rest of the country
- Apartment prices surged by 5.1% in Dublin and increased by 4% outside of the capital
- Implications for PSPs?



MARKET CHANGES

WHAT DOES ULSTER BANK LEAVING THE IRISH MARKET MEAN FOR CUSTOMERS?

Are Ulster Bank closing immediately, should I be worried?

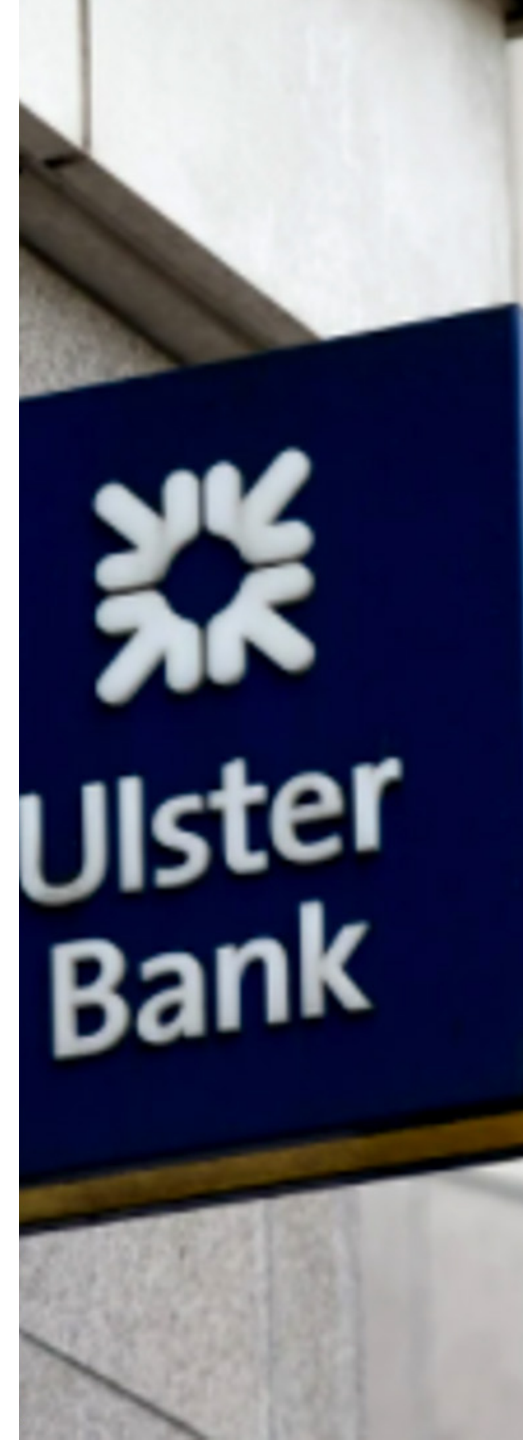
- For now, It's business as usual for Ulster Bank and the wind down process is expected to take a few years. There is no need to panic or rush into decisions.

Will Ulster Bank closure put Mortgage drawdown at risk?

- Ulster Bank have confirmed that those who have secured approval in principle for a mortgage will still be able to draw down the loan.

For those with a tracker mortgage with Ulster Bank

- Don't panic, you are very fortunate to have one. If you move your mortgage to another Bank you will lose it. Your Tracker rate is protected by law and whoever acquires the Loan Book from Ulster Bank is obliged to honour your Loan.



MORTGAGE RATES AVAILABLE



Bank of Ireland

Bank of Ireland

FIXED RATE

**3%
FIXED TERM
3 OR 5 YEARS
MAX AGE 70
2% CASHBACK UPFRONT**



permanent tsb

PTSB

FIXED RATE

**2.5%
FIXED TERM
3 YEARS
MAX AGE 70**

**Avant
Money**

AVANT MONEY

FIXED RATE

**2.1%
FIXED TERM
3 OR 5 YEARS
MAX AGE 70
VIA BROKER**

MORTGAGE RATES AVAILABLE



AIB

FIXED RATE

**2.45%
FIXED TERM
3 OR 5 YEARS
MAX AGE 68**



KBC

FIXED RATE

**2.3%
FIXED TERM
2 OR 3 YEARS
MAX AGE 68
0.2% GIVEN FOR CURRENT
A/C HOLDERS**

The EBS logo features the letters 'EBS' in a large, white, serif font, set against a solid red rectangular background.

EBS

EBS

FIXED RATE

**2.9%
FIXED TERM
1 TO 5 YEARS
MAX AGE 68
2% CASHBACK**

RETIREMENT PLANNING

Consider AVCs and Fund Choices

Look at your ex employer pensions

- Are they managed?

Income in retirement

- People are living longer so need larger retirement pots to live comfortably - people can spend 20+ years of their life retired
- State pension only provides approx €240 per week (if entitled to max) - strain on resources, entitlement age pushed out



RETIREMENT PLANNING

Tax Relief

- ❑ 40% relief if higher rate tax payer
(each €100 contribution costs €60 net,
Government pays €40)
- ❑ Growth within a pension is tax free and
tax free lump sum at retirement within Rev limits

Run-off cover

Succession planning



REDUCE THE TAX YOU PAY

Company Pension

- If you are in a company pension scheme - maximise pension and make Additional Voluntary Contributions (AVCs) (if you are not then start one)

Claim Tax back as remote worker

- While the amount of money you will receive under the e-working relief may seem low, applying for it could be the push you need to apply for other tax reliefs that you are eligible for, which will all add up.

40% Tax relief through EIS

- EIS a tax relief incentive scheme, whereby investors can avail of up to 40% tax relief on investments made into qualifying Irish SMEs



WORKING FROM HOME TAX RELIEF

**IF YOUR EMPLOYER ISN'T PAYING
THE €3.20 PER DAY YOU CAN CLAIM
THE E-WORKER TAX RELIEF FROM REVENUE**

- You can claim 10% of electricity and heating expenses and 30% of broadband costs
- You must send copies of utility bills relating to the time frame the relief is being claimed to Revenue



EMPLOYMENT INVESTMENT INCENTIVE SCHEME (EIIS)

Investor Perspective:

- An individual can invest up to €250,000 in any one tax year under the EII Scheme

Benefits:

- Eligible to claim tax relief of up to 40% on investment amount.
- An EIIS investment will benefit indigenous Irish companies.



EIIS EXAMPLE

- If you invest €10,000
- You get €4,000
(40% back the following year
from the Government)
- You get €10,000 of your investment
back and €2,000
(20% profit after 4 years)
- €6,000 net investment = €12,000
100% return



SAVINGS AND INVESTMENTS

➤ *Important to save*

It is important to have a rainy-day fund or savings to help towards buying a house, kids' education, wedding, car, holiday

➤ *Make your money work harder for you*

Banks/Post Office/Credit Unions are currently offering 0% interest on your savings and will continue to do so for a long time

➤ *Saving Options*

There are some excellent accessible saving options available through the big reputable insurance companies for regular savings and lump sums. Returns vary but there are accounts with better rates than the bank.



BITCOIN & CRYPTOCURRENCY

Bitcoin

- Bitcoin is a digital currency that was created in January 2009
- Bitcoin is one of the first digital currencies to use peer to peer technology to facilitate instant payments
- Unlike fiat currency, bitcoin is created, distributed, traded, and stored with the use of a decentralized ledger system, known as blockchain

Increasing Value

- Elon Musk's company Tesla recently purchased \$1.5 billion worth of Bitcoin
- Was valued at €5000 per Bitcoin at the beginning of the Pandemic in March 2020
- Now valued at almost €40,000 per Bitcoin



INVESTMENT RISK & RETURN

- *No one wants to take any unnecessary risks with their investment. However, there is a trade-off between risk and return.*
- *The lower the level of risk that you are prepared to take, the lower the potential for any investment gains/losses. Likewise, the higher the level of risk assumed, the higher the potential for investment gains, but also the potential for higher investment losses.*



PROTECTION & INSURANCE

Insurance

- You should only purchase insurance for things that could financially ruin you- this does not include breaking your phone or TV.
- Your income is your biggest asset. Make sure it's insured.

Professional Indemnity Insurance



PROTECTION & INSURANCE

Life Cover

- What are the financial implications for your family if you died.
- Important to have sufficient cover in place to clear your loans and pay for childcare, education, and living expenses.



PROTECTION & INSURANCE

Serious Illness Cover

- The good news is we are living longer.
- The bad news is we are getting more cancers, heart attacks, and other diseases than ever before.
- Important to financially protect against this eventually.



EXAMPLE: MARY & JOE BLOGGS

40 years old with €250k mortgage

- ❑ 25 years left
- ❑ 3% interest costing €1,200 per month
- ❑ Total cost of repayment is €360,000

STEPS YOU CAN TAKE TO REDUCE YOUR MORTGAGE

Cut rate of interest

- ❑ 2.5% interest monthly repayments reduce to €1,100 per month
- ❑ Use €100 to overpay mortgage
- ❑ Total cost of repayment €330,000
- ❑ Reduces term to 22.7 years



BENEFITS OF FINANCIAL PLANNING

*Build up a fund with a better return
than paying off the mortgage*

- Additional Voluntary Contributions (AVC's) -
Pay more into your pension and look to draw
down when you turn 60 and use the funds to pay off
mortgage at 60
- Use €100 per month
- Creates additional fund of €50k
- Reduces 25-year term to 20 years
- Reduces term by 5 years



THANK YOU!

*If you have any questions please contact
psracpd@scsi.ie or nick@alphawealth.ie*

