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Maximising value for your clients

Wrap SIPP case study

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Maximising value for your clients



With the increase in the cost of living, getting the best value for your clients and helping them achieve their retirement plans has never been more important.

Now more than ever, clients want to protect the savings they have built up whilst being able to enjoy the retirement goals they have planned for.

Your clients can benefit from better value by consolidating their pension savings on Wrap.

Simple tiered charging

With Wrap's simple tiered charging approach, clients can benefit by consolidating their savings and investments into a Wrap account and benefit from lower charges based on the combined value of their portfolio.

Unique drawdown price lock option

The ability to lock-in low charges on pension savings at retirement with the Wrap Drawdown Price Lock so clients continue to benefit from reduced charges when they begin taking SIPP withdrawals.

Benefits of family linking

Wrap family linking can help clients access even greater savings by letting family members link their accounts for charges purposes. Each client can then benefit from a tiered charge based on the combined value across their family group.



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Here's an example of how consolidation can work to your client's advantage:

Please note the following case studies are fictional for illustrative purposes.



Case study A: Ben

Age: 50

Family: Married to Julie, 2 children

Current Wrap investments: Ben already holds a Wrap account and has an ISA and Personal Portfolio worth £100k

Charge: Current annual platform charge: 0.30%

How can you help Ben reduce this charge and pay less overall?

1. **Consolidation to benefit from Wrap's tiered charging**

You advised Ben to consolidate his pension worth £250k into Wrap SIPP. This increases his platform eligible assets to £350k.

New platform charge = 0.271%

2. **Family linking discount**

Ben's wife Julie also has a Wrap account with her own ISA and Personal Portfolio savings worth £150k. As Julie and Ben's platform eligible assets are £500k, they can take advantage of Wrap's family linking option.

New platform charge for Ben = 0.25%

Ben makes an overall saving of £50 per annum on his ISA/PP. With Family Linking, Julie also benefits from a reduction in the platform charge on her own account, creating an overall saving of £150 per annum for Ben and Julie.



Current annual platform charge:

0.30%

New annual platform charge:

0.25%

on his ISA/PP

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Through consolidation of pension assets, clients with at least £1m in a single Wrap account can benefit from a 0.15% equivalent flat fee. Here's how this can work in practice:



Case study B: Jackie

Age: 52

Family: Single, 1 daughter, 1 granddaughter

Current Wrap investments: Jackie holds £100k in a Wrap ISA

Charge: Current platform charge: 0.30%

How can you help Jackie reduce this charge and help her and her family pay less on their investments overall?

1. Consolidation to benefit from Wrap's tiered charging and £1 million+ terms

You advise Jackie to consolidate her pension worth £950k into Wrap SIPP. This increases her platform eligible assets to £1.05m and makes her eligible for Wrap's enhanced terms for clients with £1million or more.

New platform charge = 0.171%

2. Family linking discount

Jackie's daughter has an ISA on Wrap worth 150k. By taking advantage of Wrap's family linking option, Jackie can ensure her daughter is paying a lower platform charge on her ISA. Family linking will see her daughter's charge reduce from 0.30% to 0.163%.

New platform charge = 0.163%

3. Zero charges on the Junior ISA

A further benefit for the family is that Jackie's granddaughter will be able to enjoy Wrap's 0% platform charge on her Junior ISA, worth £10k, until she turns 18 when the product will convert to a standard Stocks and Shares ISA.

By taking advantage of family linking, Jackie and her daughter can benefit from a lower platform charge through linking with her granddaughter. Family linking will see her daughter's charge reduce from 0.163% to 0.162%

New platform charge = 0.162%

Jackie makes an overall saving of £138 per annum on her ISA/PP. With Family Linking, the overall saving for this family is £306 per annum and a £0 charge for her granddaughter until she turns 18.



Platform charge is reduced from
0.30% to 0.162%
per annum

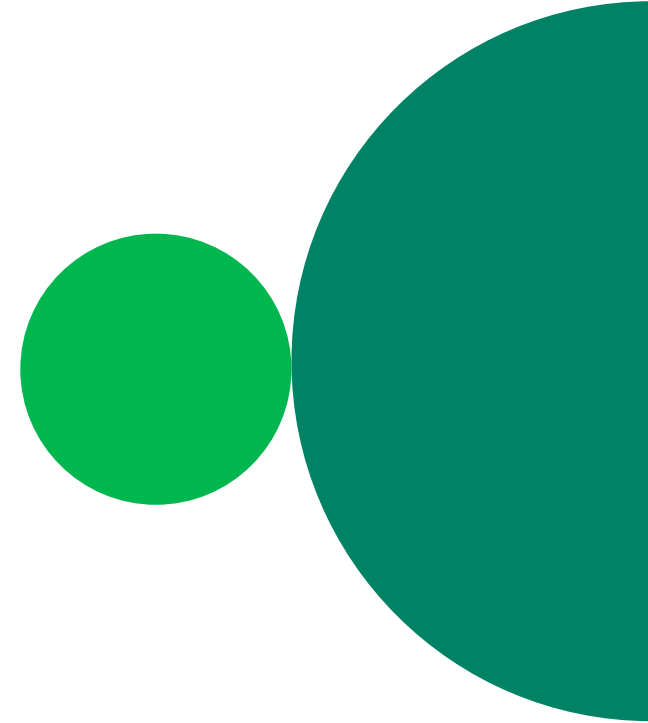
Family linking offers further reductions for other family accounts on Wrap

Advisers should consider consolidating their clients' existing pensions early and before retirement to maximise the savings they can create for their clients.

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Why consider consolidating your clients, assets on Wrap?

- Best in class retirement options including full range of drawdown options – flexi, capped, tailored.
- Clients have flexible access to their pension fund with a choice of withdrawal options to suit them.
- No additional charges for drawdown, transfers or annuity purchase.
- One of the widest ranges of investment options in the market.
- Provides benefits for dependents and nominees upon death.
- Comprehensive pre-funding so your clients immediately benefit from the tax relief on their savings and investment transactions are completed faster, and time out of the market is minimised.



The value of investments can go down as well as up, and may be worth less than originally invested.

For more information visit abrdn.com/financial-advice

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