

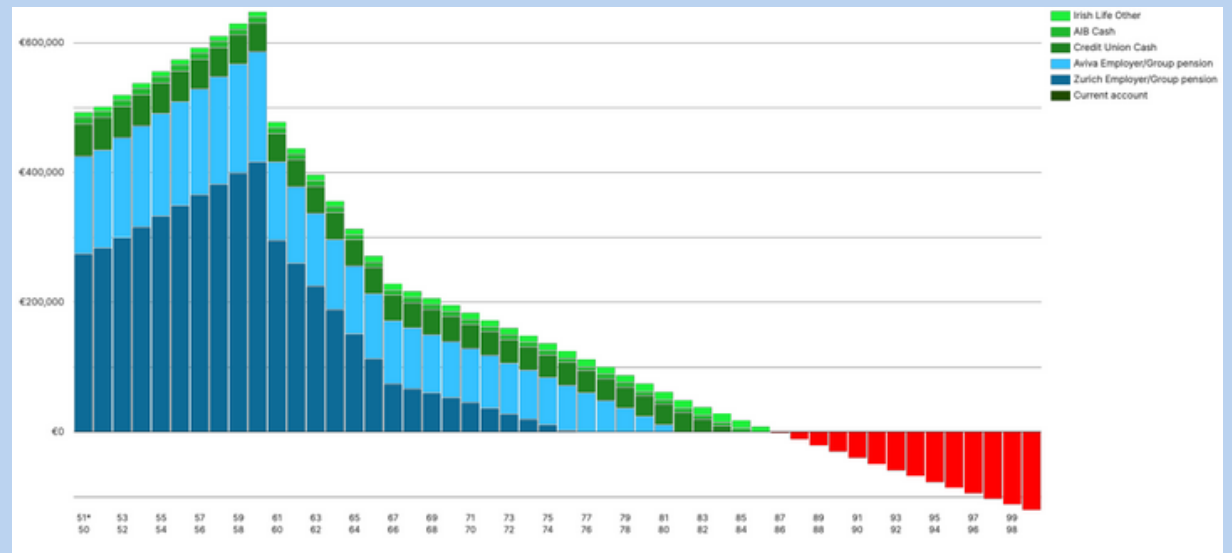


Financial Planning for Business Owners



Fortitude Financial Planning Ltd is Regulated by the Central Bank Of Ireland.

How We Help You



PLAN

Fortitude Financial Planning will help you make the correct financial planning decisions for you, your family and your businesss, both in the present and into the future.

We work with business owners and implement a robust personal financial plan and strategies for them.

This enhances their overall personal financial wellbeing and transfers their business wealth into personal wealth, tax efficiently.

We work with you and get to know your current financial position and your goals for the future.

We then present our findings about your current financial situation and financial future by using our interactive cash flow modelling software as illustrated above, showing you how the decisions you make today can improve both your present and future.



PROTECT



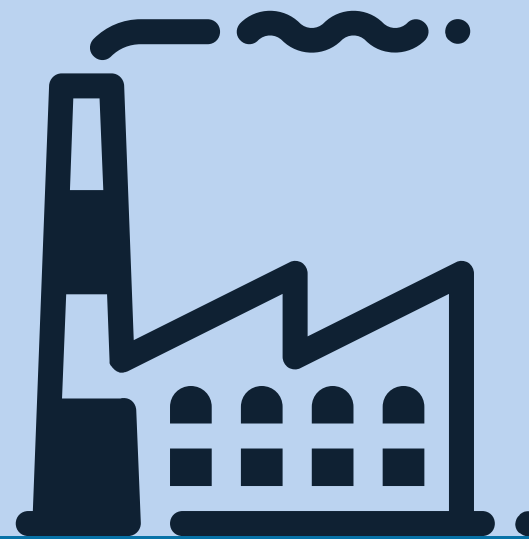
GROW

What a great business *should* do

Your business presents you with a huge opportunity which must be used.

For many business owners, their business is their most valuable asset. They are often hugely dependent on it and it is often hugely dependent on them.

You have an asset that can help you reach your "magic number", i.e. how much money you need to last you the rest of your life.



BUILD YOUR WEALTH

Your business should be increasing in value over time, using tax breaks when sold.

It should be worth a lot, possibly your largest asset.



COVER YOUR RETIREMENT COSTS

You should factor your retirement costs into the cost of running your business.

This cost should be included in your price charged to your customers. If you don't do this, nobody will do it for you.



COVER YOUR COST OF LIVING

Most business owners only get this from their business: a wage.

It is a common problem and if not corrected, it will leave you completely dependent on your business. Not good.



GIVE YOU PLENTY OF TIME OFF

Most business owners are handcuffed to their business, leaving them paralyzed when it comes to time off as they can't leave their business unattended.

There is a better way, which will give you plenty of time off and increase the value of the business.





Plan now to be financially independent of your business

As a business owner, you work hard to look after your business, your customers and your employees. But, do you look after yourself?

How do you do that? Build your 'fun fund'.

Extract profits from your company in a tax-efficient manner and convert them to personal wealth via the correct planning strategies.

Essentially, moving money from the company balance sheet to your own personal balance sheet, all in a tax efficient manner.



What are the benefits of retirement planning as a Business Owner?

First of all, by planning, you will remove the financial dependency you have on you selling your business. You will become *financially independent* of your business.

As a business owner, you have greater scope for company contributions to your strategy than what is available on a personal level.

All contributions qualify for corporation tax relief like all other business expenses. If you make personal contributions, these qualify for marginal rate income tax relief.

Additionally, if your spouse is employed by your business, then a separate retirement plan should be commenced for them as they have separate pension funding limits from yourself.

This makes it even more tax efficient.



Your Target

Maximum: €2million

The Standard Fund Threshold (SFT) of €2m is the maximum pension fund that can be built up at retirement.

Lump Sum Benefit: You can withdraw up to 25% of the value of your retirement fund as a *lump sum* - thus being €500,000.

Of this €500,000, you would receive €200,000 completely *tax free* and the balance of €300,000 would be taxed at a flat rate 20% resulting in a net lump sum receivable of €440,000.



Minimum: €800,000

This is the minimum retirement fund value we encourage business owners to achieve.

Why?

As you can withdraw 25% of your fund as a *lump sum*, the maximum *tax free* amount from all retirement funds is capped at €200,000.

Therefore, if you have a fund of €800,000 you will receive the maximum *tax free* sum allowable.





Protect yourself, your family and your business

Today

You've worked hard and created a successful business. You and your family enjoy your lifestyle.

Tomorrow

Without warning, you are unable to work due to an injury or diagnosis of an illness or, you suffer an early mortality.

The Future

You, your family and any business partners have important decisions to consider and make.

Your Options

1

Your next of kin becomes active in the business. Do they have the interest, skillset and expertise required?

2

Your share of the business could be sold to a competitor. Would the other shareholders be happy with this?

3

Your next of kin may want to sell your share of the business to the remaining shareholders.

How will the shareholders raise the capital? Will your next of kin get a fair price?



Protect Your Income

Income Protection

Protect up to 75% of your salary against you being unable to work due to illness or injury.

Paid till the earlier of you returning to work or retirement.

This is a non-BIK benefit and the cost is tax-deductible.



Protect Your Family

Death in Service

Your company can insure your life for up to 10 times your salary should you pass away before retirement.

This is a non-BIK benefit and the cost is tax-deductible.



Protect Your Business

Keyperson Cover

Life insurance on a key employee to compensate the business against the loss of a key person.

This can also be used to compensate for loss of profits or repay business loans.

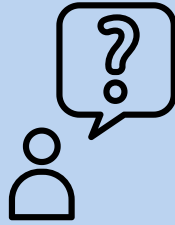


Protect Your Family & Your Business

Shareholder Protection

Life insurance to provide the necessary funds to purchase the shareholding from the estate of a deceased shareholder.

Ensures your next of kin receives a fair price for your asset.



Why deposits are an inefficient way to hold cash reserves

Today, deposit accounts simply pay low rates.

Close Companies can also face a potential 20% surcharge if investment and dividend income is not distributed within 18 months after the end of the accounting period.

Close Companies are also liable for a surcharge of 15% of one-half of their undistributed professional income.

Maximise Profits

Many companies hold cash reserves on deposit or in a current account.

This way of saving can be harming to a company's income generation.



The Solution

Reserves can be invested in an investment fund to avoid this surcharge.

These would be similar investment funds to a pension, however unlike a pension the company is the policy holder and beneficiary, and therefore retains full access to the funds.

The opportunity is also there to generate returns over and above what are available on deposit, increasing your companies assets.



Did you know...



INHERITANCE PLANNING

If you plan to pass your business to a family member on your death you should pay attention to *Capital Acquisitions Tax (CAT)* implications.

To avoid CAT, you can take out a specific Revenue approved policy designed to pay an inheritance tax liability.

SMALL BENEFIT EXEMPTION

As per Revenue guidelines, you can give employees a small benefit (not cash) of up to €1,000 in value, *tax free*, each year.

LUMP SUM PENSION CONTRIBUTIONS

Your company can make large once-off pension contributions (subject to certain limits) that qualify for *corporation tax relief*.



GET IN TOUCH



Living for **TODAY** | Planning for **TOMORROW** | Growing your wealth **TOGETHER**



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Should you wish to discuss engaging the services of Fortitude Financial Planning please contact us at info@fortitudefp.ie.

