

February Newsletter

Craig Michaelson Mortgage adviser

Craig Michaelson CeMAP

Mortgage & protection adviser

07984649761

01745 444618

Craig.michaelson@protectandlend.co.uk

Thursday 6th February: Bank
of England MPC meeting

UK base rate: 4.75%
(at time of going to press)



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Welcome to February and my first newsletter! With Nationwide the latest lender to increase fixed borrowing rates by up to .15%, this month is a perfect time to be assessing your options if you are re-mortgaging or moving home in 2025. Even if you stay with your current lender, getting a whole of market review and advice tailored to your individual circumstances can save you time and money. I offer impartial advice and have access to over 110 lenders, all advice for retail clients is regulated and protected. Drop me an e-mail or Whatsapp and I will be in touch to arrange a meeting.

Family income benefit

Opposite is a cost comparison of a lump sum life insurance benefit as opposed to Family income benefit.

Family income benefit can offer more affordable monthly premiums for a similar level of overall benefit. Rather than receive a lump sum, the benefit will be paid out on a monthly basis for the remainder of the policy. This is ideal for replacing a monthly income and can also cover critical illness as well as death.

Here's a cost comparison between a lump sum benefit and FIB:

Lump sum benefit
Life or Critical Illness Cover

£250,000
20 year plan term

£250,000
Total potential pay-out

£110.23
Total monthly premiums

Lump sum benefit
Critical Illness Cover

£150,000
15 year plan term

£150,000
Total potential pay-out

£60.36
Total monthly premiums



Family income benefit
Life or Critical Illness Cover

£1041.67
each month for remainder of the 20 year plan term

£250,000

Total potential pay-out over the full 20 year plan term. This potential payout will reduce by £12,500 each year, until a claim is made.

£51.97
Total monthly premiums

Family income benefit
Critical Illness Cover

£833.33
each month for remainder of the 15 year plan term

£150,000

Total potential pay-out over the full 15 year plan term. This potential payout will reduce by £10,000 each year, until a claim is made.

£30.07
Total monthly premiums

Quotes based on those details above with premiums correct as at October 2024. Client is aged 39 n/b and is a non-smoker. They assume level cover with total permanent disability, and standard Children's Critical Illness Cover included. The actual premium will depend on the individual circumstances. The level of suitable family income benefit will depend on individual circumstances. The monthly premiums include a £2.60 plan charge.

Insurance terms

- ◇ **Life insurance:** Financial support for your family in the event of your passing
- ◇ **Critical illness cover (CIC):** Providing a lump sum if you are diagnosed with a serious illness which can help cover medical expenses and replace lost income.
- ◇ **Family income benefit:** A monthly payment for your family or partner if you die or suffer a serious illness
- ◇ **Income protection:** Provides an income if you are unable to work due to illness or injury

Stamp duty on house purchases in **Wales** is known as Land Transaction Tax or LTT for short. LTT is payable on leasehold and freehold property purchases and is similar to the previous stamp duty regime that existed prior to April 2018.

The way the tax works and the tax rates are different to the English stamp duty system. As average property prices in Wales are lower than in England, most people pay no LTT at all.

Since 10 October 2022, there is no LTT to pay on main residences (single properties) up to £225,000. This is up from the previous amount of £180,000. Different tax rates apply for second homes with a minimum tax charge of 5% on the full purchase price applying. *(This increased from 4% on 11th December 2024)*

see www.gov.wales/land-transaction-tax-rates-and-bands for more information

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Head office: 165-167 High Street, Rayleigh, Essex, SS6 7QA

All information correct at time of going to press.

Your home may be repossessed if you do not keep up your mortgage repayments