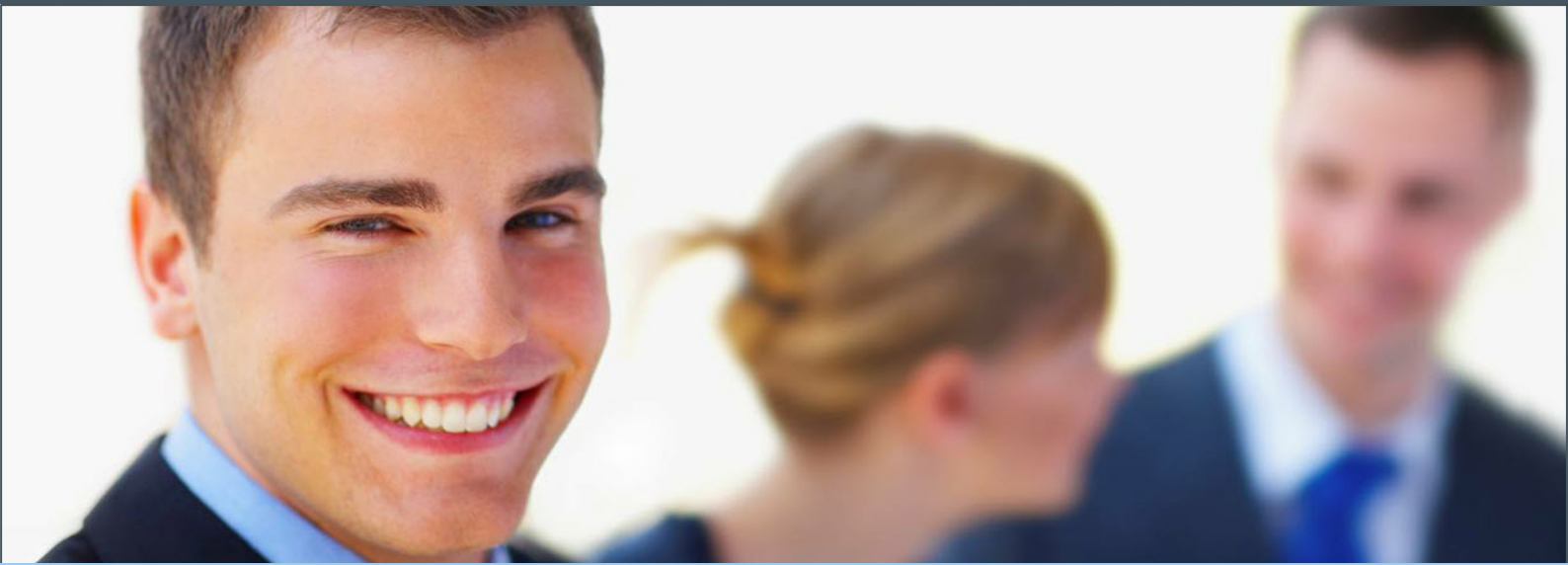


A Guide to Starting Work



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Starting work is obviously a significant change in your financial circumstances. However, whilst it is a nice addition to have a regular income to deal with, it's also a good time to assess your financial goals and priorities.

Starting work checklist:

- If you haven't already, consider opening a bank account - you may need one to receive pay.
- Make sure you can cover any cost you'll incur – travel, work clothes etc - before you first get paid. Consider using savings, extending your overdraft, or see if your employer will offer an advance.
- If you are receiving any State benefits, check whether you will still be entitled to them once you start work.
- Get set up correctly by your employer – you are likely to need to take in your National Insurance number, your bank details, and proof that you are allowed to work in this country, such as your passport.
- Understand your payslip. This may appear complicated, but it's important that you understand what it means and why any deductions are being made. Talk to your HR or payroll department if you have any general questions. You may also want to speak to your local tax office if you have any tax questions.
- If your employer offers a pension scheme then consider joining if you haven't already. It is not usually a good idea to turn down a pension scheme to which your employer will contribute on your behalf.
- Investigate other staff benefits available through your HR department. Examples that are often available are low or no interest season ticket loans, healthcare plans, and insurances. Because employers can buy in bulk for their staff they are often able to source good deals, but do check the terms and any costs (including any tax) especially if you would be replacing existing arrangements.

Plan to pay off any debts:

- Take the time to work out exactly how much you owe and what the payments are in total.
- Give yourself a budget for your out-goings so you can afford to make the payments.
- Find out what interest rates you're paying on any store cards, credit cards, loans and overdrafts - the rate marked "APR" is the one to compare.
- Shop around for a better deal – consider switching to a lower interest rate – for example many card providers offer interest free or very low interest rates on balance transfers for a period. Be realistic about the time it will take to pay off your debt and check the rate you'll pay when the offer ends.
- If you have a number of expensive debts for example on several credit cards, consider taking out a single loan to repay them. The structure of the loan will mean you will have a fixed and manageable single amount each month that will clear the debts if you keep up the repayments. Check that the interest rate on the loan is lower than the debts you are repaying.
- Make sure you make the minimum repayments on all your debt.
- With any spare cash, pay off the debt with the highest interest rate first and when it is cleared close the account.

Starting to save regularly:

If you are free from debt then you should consider starting to save regularly from your new income:

- Give yourself a budget for your out-goings so you can afford to make the savings.
- Work out how much cash you've got left each month after essential spending such as bills and rent. Consider how much you're willing to save, and then set the balance as your spending budget.
- You might consider say 25-50% of your spare cash as money to save. Another rule of thumb is 10% of your gross salary.
- A good discipline is to set up a direct debit for your savings of a fixed amount every month.
- When you're starting saving for the first time, think of using your savings and investment tax allowances first. Letting your savings and investments grow free of tax is an even more powerful way to build up wealth over time.

Consider:

- Cash ISAs – these are offered by most banks and you can check the most competitive rates here <http://moneyfacts.co.uk/compare/savings/accounts/cash-isas/>
- Stocks & Shares ISAs – if you're happy to leave your money to grow for 5 years or more then consider investments that have the potential for better long term performance than cash.
- National Savings Index Linked Certificates – a great way to protect against inflation <http://www.nsandi.com/products/ilsc>

**For further information or to book an initial consultation,
please call us free on 020 8760 9940.**

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