



Relationships

Relationships with others are extremely important to our overall wellbeing. They provide benefits to your physical, emotional, and mental health that is hard to find elsewhere. For most people the relationships with our family members are the most important. It is therefore important to ensure we think about the health and happiness of our families and ensure it is protected financially.

There are many stages we move through during our life, including infant, toddler, child, teenager, early adulthood, middle adulthood and senior adult. Each stage has its own challenges and will include different types of relationships. There are also different financial stages in your life.



Young single adult

At this stage in your life you may have recently left school, college or University and now have your first full time job. You will probably be earning a relatively low salary and you may have some student debt. You may be living at home with your parents or with friends.

You may be paying board or rent, but your outgoings will probably be relatively low, so this is a good time to start good financial habits, like saving monthly. This savings habit can start low but where possible try and save as much as you can.

It's unlikely you will need life assurance at this stage in your life as you have no one currently dependent on you. Remember, student debt dies with you. If you are working, aged 22 or over and earning over £10k per year, you will automatically be enrolled in your workplace pension.

DINK couples

DINK stands for Double Income No Kids. You are now in a relationship with another person, you may have bought your first house or you may be saving for a house deposit.

According to the Office for National Statistics (ONS) the average cost of a first home in the UK in 2020 was £239k. As you usually need a deposit of at least 5-10%, you will need to be saving a large amount each month to obtain this deposit as soon as you can.

At this stage of your life, you may be thinking about starting a family, so considering saving towards the expense of children and the years when you have young children and potentially less disposable income.

Life assurance and critical illness insurance for both you and your partner are now also a consideration especially if you have a mortgage.



Young family

You may now have one or more children and you or your partner may have stopped working or reduced your hours. If you are both working you will probably be paying for childcare costs. Your disposable income may have reduced.

Budgeting at this stage in your life is more important than ever. For help with managing your money use our budget calculator [here](#). For more help on how to spend less click [here](#) to read our guide.

Ensure you are claiming for any benefits you are entitled to. For details on how to claim child benefits and other benefits for children click [here](#).

As you now have dependants life assurance is an important consideration, you may also want to think about critical illness cover if you haven't already. Guardianship for your children is also something you need to consider as well as writing a Will.

You may also be considering savings for your children's future, whether that is for their first car, to help them fund University or for their wedding. You may also be thinking about savings for your own future.



Middle age

Your children may have now flown the nest or they may still be living at home with you but with more independence. You and your partner are probably still working full or part time, so your disposable income is likely to be higher than it was. You may be contemplating a career change or you may be looking forward to retirement. Your goals and future desires are now really important and there is no better time than now to look at a full financial review.

You will definitely now need to have a Will if you haven't already and you may also be considering setting up Powers of Attorney (POA).



Retirement

Your children are now probably independent, you are hopefully debt free with no mortgage. You may have elderly parents who need care. You may have decided not to retire completely, but have changed career or are working part time.

Before you retire fully, you need to decide what retirement looks like for you and plan ahead, so you can afford what you want it to be. This is the last third of your life, so you want it to be as good as it can be.

You may want to start to think about inheritance tax planning.

Later life

Your expenditure has now reduced, you will have everything you need, and your primary concern will probably be concerning your care as your health may now be failing. You may be widowed.

You may be considering your funeral and thinking about who you would like to leave your money and possessions to. If you haven't already set one up, a POA is extremely important now.

You may also want to create a 'When I'm gone' document. This is where you pull together all your personal and financial information into a simple document to help your loved ones when you're gone. It can also include a section on your funeral wishes. Ensure your family are aware of where this document is stored.



Everyone's life is different and not everyone will go through all of these life stages or in this order

Relationships ending

During any stage of your life you can have a relationship that ends. A divorce or separation is a difficult time emotionally and financially, and can also be quite complicated.

There are only certain conditions which mean you are eligible for a divorce, these can be found [here](#) if you live in England and Wales. For Scotland click [here](#) and Northern Ireland [here](#) for more details.

When you begin the process of divorce or dissolving your civil partnership, whether you need professional help or not will depend on several things, including if it's possible for you to discuss financial issues with your ex-partner.

The simplest thing to do is make an agreement with your ex-partner about how you're going to divide your finances up. You'll need to consider things like:

- **Your money (including any savings, debts, pensions and investments)**
- **Your property**
- **Your assets (including any cars, furniture and possessions)**
- **Your business (if you're self-employed)**

If you and your ex-partner can't agree how to split the finances or on the childcare arrangements you may need to use a solicitor.

If you've been living together as a couple and then separate, you have fewer rights than couples who divorce or dissolve their civil partnership.

Your break-up will be more straightforward if you can agree about the things you are dividing, such as your property, possessions and assets.

Many couples who live together separate without using a solicitor. Unlike divorce or dissolving a civil partnership, there's no formal legal process to go through. But you might still want to take legal advice or mediation.

For more details on how to divide your belongings when going through a divorce or separation click [here](#).



Caring for elderly parents

Our parents bring us up and do everything for us when we are children, so it can come as a shock when they start to require care themselves. As people age or develop disabilities, you may need to ask for help to take care of elderly parents. For most people this will happen as they reach middle age or retirement, but for others it can happen at a younger age.

A big decision you and your parents may have to make is about whether they will receive at-home care or whether they will move into a residential care home, this may consist of sheltered housing, assisted living or a nursing home. Talk to specialists and those involved in your parents' care, such as their GP, any social workers involved or staff at care homes. Ensure you involve your parents and ask them their views.

The cost of elderly care is expensive, most people will have to contribute to the cost of the care. The amount you pay depends on the level of need and the amount of assets you have. For more information about paying for care click [here](#).

Making or updating a Will

As mentioned already making a Will is really important especially if you own property, have children, have your own business or have savings and investments.

If you don't already have one, write a Will, if you have already got one, then make sure it's up to date. Without a Will, the Government decides how your estate should be distributed, with no regard for your wishes. A Will ensures your Estate goes to the people you want it to. For more details on writing a Will click [here](#).



Last Will
and
Testament of

Set up Powers of Attorney

Regardless of your age, you can benefit from having a power of attorney (POA). If your health failed suddenly or you had a serious accident and were unable to make decisions, having a POA in place would help your relatives immensely at a difficult time.

If you don't have a POA in place and you lose the ability to make your own decisions, your family or friends would need to go to court to get authority to make decisions on your behalf. This can be a costly, complicated and time consuming process. There are different types of POA in the various parts of the UK.

For more details on making a Will, paying for your funeral or setting up a Power of Attorney [click here](#) to read our let's talk financial planning guide.



Worrying about money can be extremely stressful and may lead to mental health conditions. Police Mutual are here to help. We want to break down the stigma surrounding debt and get people talking about money.

We've teamed up with **PayPlan***, one of the UK's leading free debt advice providers, who offer free and confidential advice to anyone in serious financial difficulties.

They're able to advise you on a range of debt solutions suited to your individual circumstances, helping to protect you and your family with a sustainable way to manage your debt.

Get free and confidential help to combat your debt, call **PayPlan*** on **0800 197 8433**.

For more information about the products and services available from Police Mutual:

Call us 01543 441630
Visit policemutual.co.uk

We're open from
9am - 5pm Mon - Fri

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