

Smart money moves for parents

“Avoid costly mistakes and maximise your money”

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40%

of 35-44 year olds
experience
financial pressure

1 in 2

parents cite
parenting
as a cause of
stress outside
work

*Top 3 causes
of stress outside
work are:*

- i. Financial pressure
- ii. Relationships
- iii. Parenting

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Agenda

- *Five government benefits* available to you as a parent
- Planning for your '*second mortgage*'
- The *most important* year of your financial life
- *Three risks* facing all families and how to deal with them



About Muvado

Gregory & Kyle

Independent advisers

Mortgages and protection

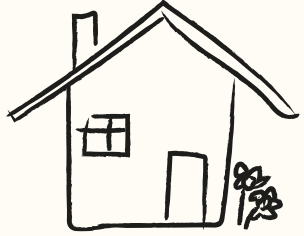
Investments and pensions

Money advice in your 30s and 40s

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We *support* you when...



Buying your
dream home



Starting
a family



Investing for
financial independence



Progressing in
your career

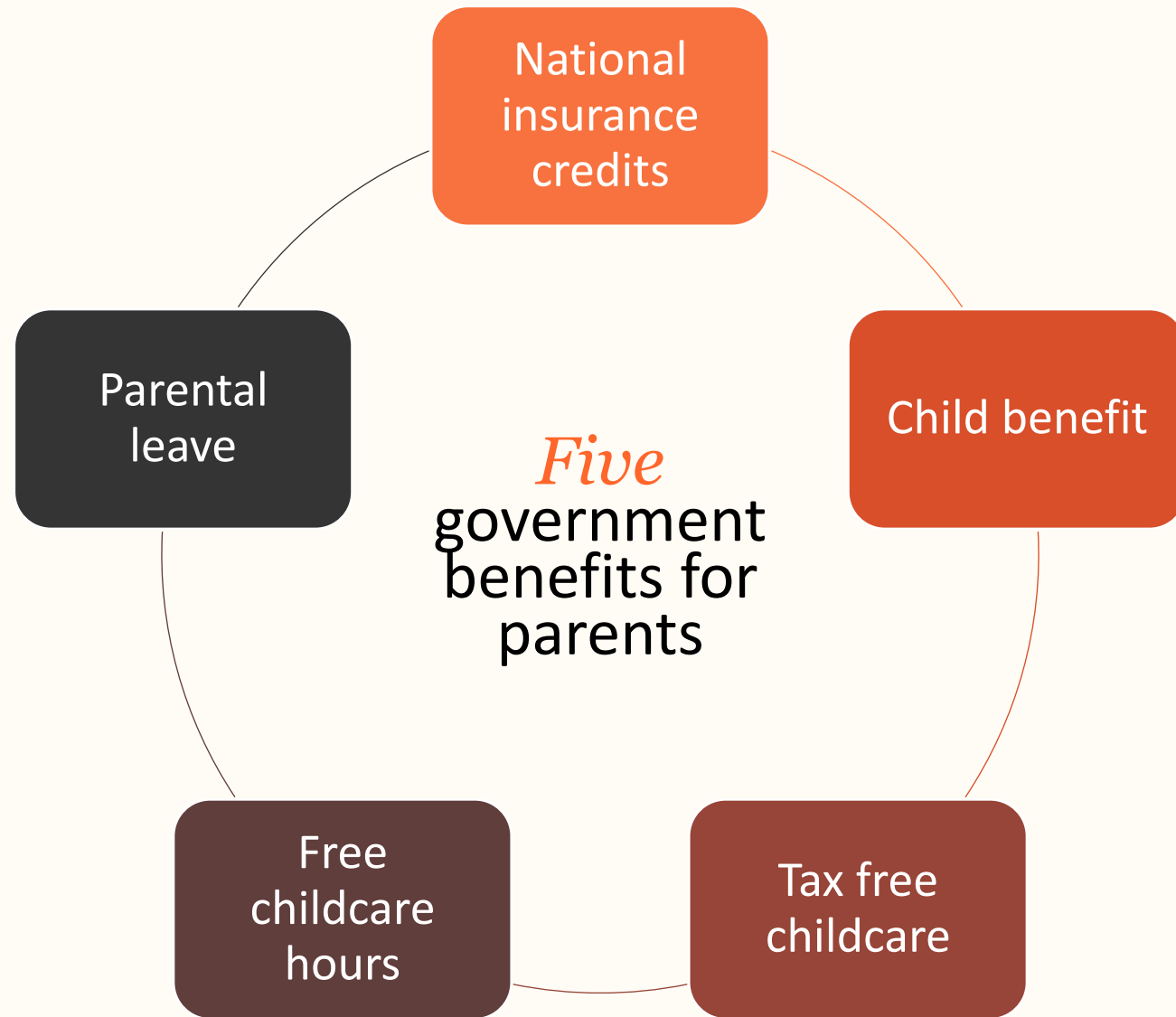


Receiving an
inheritance



Creating
family wealth

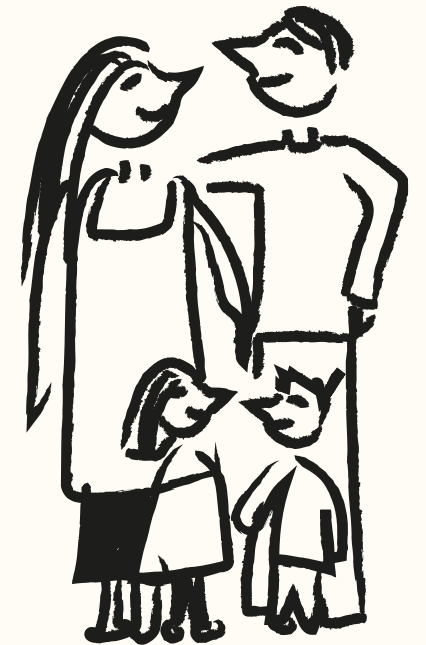
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National insurance credits *for state pension*

- If earning less than £6,500/year
- Potential benefit is £6.57/week (£341/year) from age 68
- Automatically applied on child income benefit application

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Child *benefit*

- Benefit £26.05/week first child and £17.25/week for others
- Tapered down for adjusted net income above £60,000 to £80,000
- Highest earning parent or carer
- High income child benefit tax charge 100% above £80,000
- *Support at <https://www.gov.uk/child-benefit>*

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Tax free childcare

- Both must be working
- Adjusted net income below £100,000
- Benefit of £500 every 3 months (£2,000 a year)
- Confirm income expectations every 3 months
- *Support at <https://www.gov.uk/tax-free-childcare>*

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Free childcare hours

- Up to 30 hours/week free childcare available
- Hours averaged over 52 weeks = c.22 hours a week
- Expect to pay for extras such as food, nappies, etc.
- Confirm income expectations every 3 months
- *Support at <https://www.childcarechoices.gov.uk/>*

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Free childcare hours for working parents

NOW	SEPTEMBER 2025
Up to 15 hours free childcare for 38 weeks for 9 months to 3 years old	Up to 30 hours free childcare for 38 weeks from 9 months to 4 years old
15 or 30 hours free childcare for 38 weeks for 3-4 year olds	

Unpaid parental leave

- Spend more time with your children
- Employment right to 18 weeks leave for each child up to age 18
- Maximum 4 weeks a year and usually, must take as whole weeks
- Employed for over a year, minimum 21 days' notice, can say no
- *Support at <https://www.gov.uk/parental-leave/entitlement>*



Adjusted Net Income (ANI)

“Total taxable income,
before any personal allowances
and less certain tax reliefs”

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ANI - *Summarised*

(Earned income + savings interest
+ investment income)

-

*(Gift aid contributions +
Pension contributions where tax relief added)*

=

Adjusted net income



Example

Adam and Ella are *parents*

1

Adam is *earning* £95,000 a year, and is offered a **£20,000 bonus**

2

Ella is a teacher *earning* £45,000 a year

3

Adam contributes the minimum 5% of qualifying earnings (£2,188 a year) to his *pension*

4

Adam and Ella have a *1-year-old* and a *3-year-old* and receive childcare support

Example – pre-bonus

Adam's adjusted net income £92,812

- **TAX FREE CHILDCARE**

- £4,000 total (£2,000 for each child)

- **FREE CHILDCARE HOURS**

- 30 hours/week for 3 year old (*estimated £9,120 @ £8/hr*)
 - 15 hours/week benefit for 1 year old (*estimated £4,560 @ £8/hr*)
 - From September 2025: 30 hours/week benefit for both (*estimated £18,240 @ £8/hr*)

Example – post-bonus

Adam's adjusted net income £112,812

- **TAX FREE CHILDCARE**

- None

- **FREE CHILDCARE HOURS**

- 15 hours/week for 3 year old (*estimated £4,560 @ £8/hr*)
 - No support for 1 year old

Example

Comparison of cash *vs* pension

- **Take the bonus as 100% cash**

- £8,600 net income and loses:
- (£4,000) tax free childcare
- (£4,560) 15 hours for 3-year old
- (£4,560) 15 hours for 1-year old
- Loss = (£4,520) for now

- **£5k cash and £15k pension cont**

- £2,900 net income (£5,000 gross)
- £15,000 in a pension
- Childcare benefits retained

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POCKET DIFFERENCE = +£7,420
PENSION DIFFERENCE = +£15,000

The two mortgages: *Home and childcare*

- *Balancing* your two mortgages
- *Costs* are high
- *Timing* is everything
- *Flexibility or security* when making decisions
- *Temporary levers* to support your family

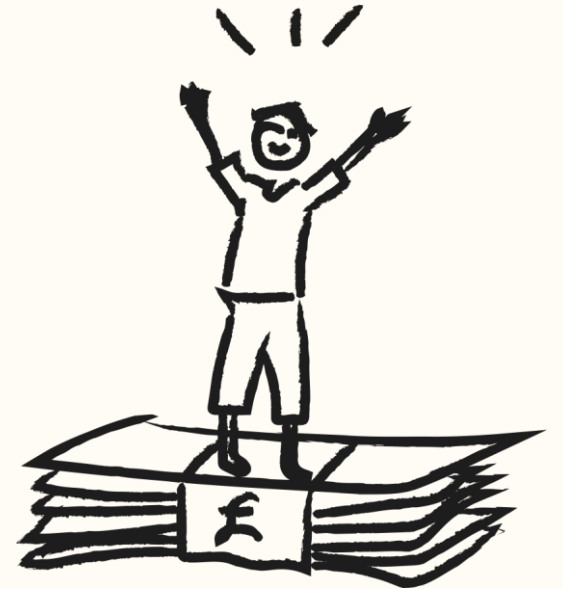
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The most important year of your financial life

The year your youngest
child turns 5!

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EARN

SPEND

OWN

OWE

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Pension

General Investment
Account

S&S ISAs

Mortgage



Surplus annual income
£x,xxx



c£XXk net

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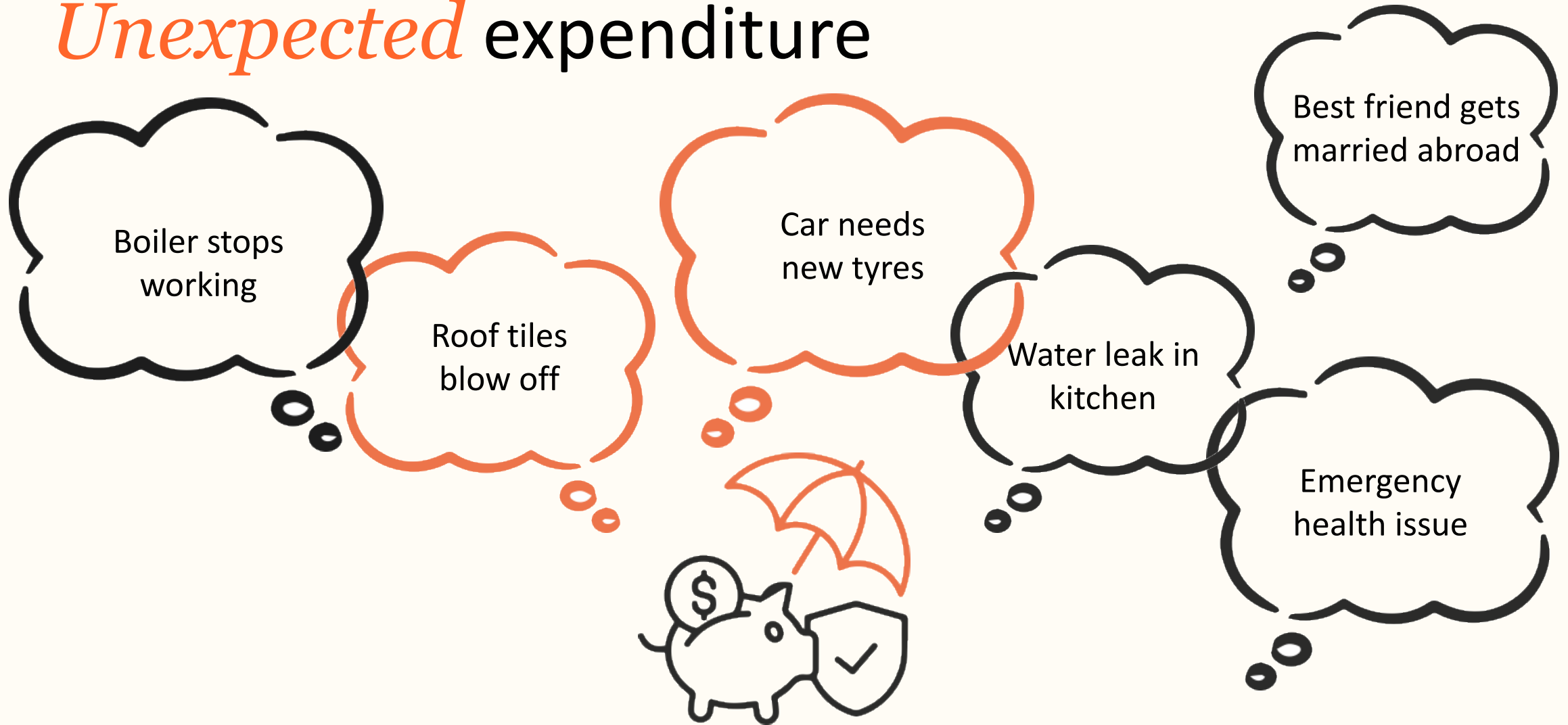
Earned income

3 main risks facing *parents*

1. Unexpected expenditure
2. Being unable to work
3. Death of a parent



Unexpected expenditure



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One solution = An emergency fund

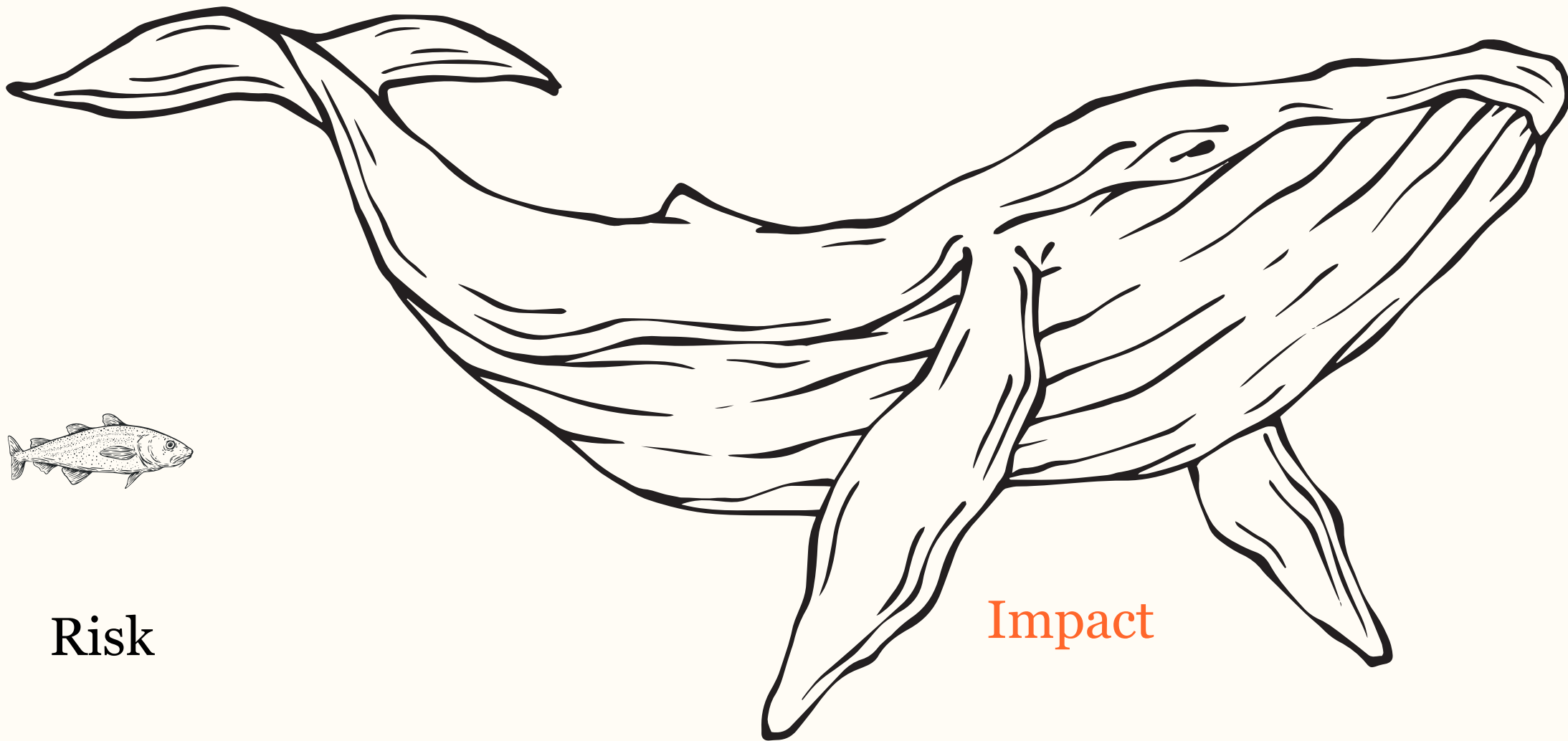
Calculating your emergency fund

Fixed costs = £x,xxx a month

3/6/12 x fixed costs + expenses within 5 years = *Emergency fund*

Emergency fund = £xx,xxx





Risk

Impact

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What would you rely on *if you ...*

- were *unable* to work?
- *lost* a co-parent?

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Your assets

Property equity

Cash at
bank

Employer
pension

Other
investments

Future earnings

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Insurances in place?

	Death	Long-term ill health	Critical illness
Person 1	Repay debt = <i>term assurance</i>		Specialist treatment = <i>term assurance</i>
Person 2	Loss of income = <i>Death in service and family income benefit</i>	Loss of income = <i>sick pay and income protection</i>	Family support = <i>term assurance</i>

Your misconceptions about insurance

“Insurance companies never pay out”

“It won’t happen to me”

“We can’t afford it”

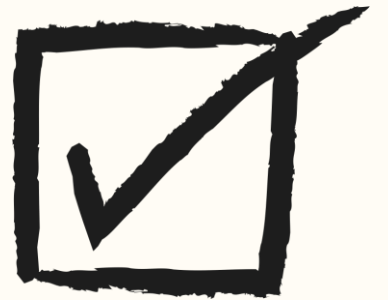
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Protect what's important

“Nobody ever complained about having too much insurance when they claimed”

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Summary

Manage your family's finances effectively

- ✓ Maximise government benefits
- ✓ Know your adjusted net income
- ✓ Planning your two mortgages
- ✓ Allocate surplus income effectively
- ✓ Protect your family's lifestyle

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MUVADO's *mortgage and protection advice*

A plan to buy your dream home and keep it

- Mortgage advice to fit your plans
- Review of existing protection
- Advice to maintain your lifestyle

logo



Book a call to *find out more*



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Additional notes

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