

Inheritance Tax Planning

When it comes to Inheritance Tax Planning there are some things you might like to be aware of. Our Inheritance Tax Planning Guide points these things out.

Inheritance Tax Planning

Nothing in life is certain except death and taxes - Benjamin Franklin

Inheritance Tax is the tax paid on your assets when you pass away, these include assets owned both solely and jointly.

Assets may include:

- Your home
- Investments / Savings
- Insurance Policies
- Cars or expensive personal belongings
- And many more!

For the Tax Year 2009/2010 Inheritance Tax is due on the value of your estate that is over the nil rate band, the nil rate band is currently £312,000 per individual.

After the nil rate band your assets are charged at 40%.

An important detail to remember is that any Inheritance Tax due following a death, **MUST** be paid before the funds held in the estate are released. For Example, if there is an Inheritance due to a child of £2,000,000 but the Inheritance Tax bill is £1,000,000, the one million will need to be paid before he or she can have access to the two million.

We regularly present financial seminars across South Wales

and the UK, discussing the options surrounding Inheritance Tax.

We feel there are 5 main routes that can be taken where there is an IHT liability:

1. Nothing!
2. Spend your Money!
3. Make Lifetime Gifts
4. Life Cover
5. Estate Planning

Each area is subject to circumstance and regulation, Not every option is ideal for everyone, when we meet people and there is an Inheritance Tax liability, we assess personal situations and suggest options that best fits the individual's needs.

It may be that a combination of options could provide the most advantageous position for spouses and beneficiaries.

If you believe that you may incur an Inheritance Tax Bill it is important that you have a chat with an Independent Financial Planner as soon as possible, to ensure that the correct measures are in place.

The first step is usually to draft a will; if you already have a will now would be a good time to have a chat with an adviser or solicitor to ensure that your will has been structured correctly to encompass any Inheritance Tax liability.

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We can also suggest measures that may help in regards to Long Term Care liability; as well as planning for Inheritance Tax liability when you are substantially over the nil rate band.

The important factor is to act quickly and ensure that any literature or information you read or receive is followed up with a meeting with a professional, ensuring that all of your questions are answered and your circumstances have been taken into consideration prior to any action being taken.

Lord Jenkins once said that Inheritance Tax was:
"... essentially a voluntary levy paid by those who distrust their relatives more than they dislike the Inland Revenue"

To speak to a friendly voice you can call us now on, 02920 301014

Alternatively please feel free to browse the other guides;

- 10 Things to Consider Before Investing
- Retirement Options
- Will and Estate Planning

Or send us an email. We would be delighted to provide you with the advice you require.

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