

Can you really avoid Inheritance Tax ?

Inheritance Tax (IHT) was once famously described as “a voluntary levy, paid by those who distrust their heirs more than they dislike the Inland Revenue” by Roy Jenkins, a former Chancellor of the Exchequer.

When Gordon Brown was Chancellor of the Exchequer, he called IHT a “voluntary tax” because he said there were many ways to avoid it.

It is clear, however, that not everyone has taken this message on board. The details of the estate of a well-known and recently deceased figure in the world of entertainment were recently published. In the will, £15 million was to be divided between her three children. Each son would receive just over £3 million, but the biggest beneficiary will be the Exchequer in the shape of a huge tax bill of nearly £6 million.

The billions that could be saved...

The office for Budget Responsibility released figures in 2014 which estimated that 1 in 10 deaths would be subject to IHT in the 2018/19 tax year. This number is eventually expected to reduce as a result of the new Main Residence nil- rate band introduced in the summer budget 2015, but the Exchequer is still expected to receive receipts of around £5.6 billion of IHT each year by 2020 / 2021.

If you aim to take advantage of the voluntary nature of IHT, it is essential to do your tax planning in good time. **That means starting now - as soon as possible – because most of us cannot foresee when we are going to die.**

The first step is to make an appointment with us and put together a plan of action. An initial meeting is without charge. ***What have you to lose – other than 25 minutes of your time?***

The value of tax reliefs depends upon your individual circumstances. Tax laws can change. The Financial Conduct Authority does not regulate Estate planning or tax advice. The value of your investment can go down as well as up and you may not get back the full amount you invested. Past performance is not a reliable indicator of future performance.

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