

## **“IN THIS WORLD NOTHING CAN BE SAID TO BE CERTAIN, EXCEPT DEATH AND TAXES” (Source: Benjamin Franklin)**

There's a natural reluctance to think about death and getting older. Life gets in the way. However, having a good Will which reflects your wishes and estate planning is a vital part of financial planning and wealth preservation.

Getting your affairs in order could save you and your family a great deal of money and heartache. As a practical starting point, is there a single record showing all your finances and affairs and does someone other than you know where it is?

If you have excess income you could also consider gifting away some surplus income to avoid a potential IHT liability. After all, it makes sense to prevent an IHT liability before one is triggered and if income, which you don't need, is gifted into a trust, it falls outside of your estate for IHT purposes.

Changes to the pension rules could also trigger unwanted IHT. Under current legislation, you can invest up to £50,000 per tax year. If you start to redirect your retirement savings over and above the new £50,000 limit into savings vehicles, such as ISAs or unit trusts, they will form part of your estate (not the case with pensions). It is now therefore important to consider the IHT implications when funding for your retirement.

Also, have you ever considered what would happen if you were affected by serious illness, disability or mental impairment in the future?

We are all living longer, but this means that there is a greater chance that you may need someone to look after your finances when you are older in the event that you can't.

This is why people should consider appointing a relative or trusted family friend as an attorney who could step into the breach. It is just as important for those who are fit and healthy and of sound mind to have proper plans in place for the future.

It is not just your own estate affairs that you need to consider. If you are expecting to inherit large sums of money it is worth checking that your parents or grandparents affairs are set up to mitigate as much IHT as possible as wealth is passed down through the generations.

Talk of estate planning is not the cheeriest of subjects and it is easy to put something off that doesn't affect you today, or even in the near future. But it is a vital part of financial planning and once addressed you can rest easy that the loved ones you leave behind will be looked after.

To discuss your financial planning in more detail, please do not hesitate to contact us on 01522 536108 or by email at [enquiries@sfcplc.co.uk](mailto:enquiries@sfcplc.co.uk).

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**IHT planning, pension planning and investment planning are all long term planning strategies. It is particularly important that you review your objectives and options on a regular basis.**

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