education caveat.

- The following content has been designed and relies upon the detailed explanation provided by the presenter at the time of the seminar and should be considered in conjunction with this and not in isolation.
- All copyright or other intellectual property rights in the material constituting this presentation which has been provided by Wealth at Work Limited remains the property of the Wealth at Work group of companies.
- The content of this presentation is provided for illustrative purposes only and is not intended to be used for individual investment or financial planning and does not constitute financial advice.
- Whilst every effort is made to ensure the accuracy of information contained in the presentation it cannot be guaranteed. In particular the rules relating to tax can frequently change. Wealth at Work Limited will not be held liable for any inaccuracies in this presentation due to a change in law after the date of delivery of this presentation.
- Any references to tax or the operation of tax or tax reliefs are illustrative only and the tax treatment in respect of any individual depends upon the circumstances of each individual.
- It is important to recognise that the value of investments related to the stock market (and any resulting benefits such as interest or dividends), can rise or fall and an investor may not get back the amount invested. Past performance data used is for illustrative purposes only and is not necessarily a guide to future performance.
- Any hyperlinks or references to third parties or their websites are provided for information only and it does not mean that we endorse their products or services. We have no control over these and accept no legal responsibility for any content, material or information contained in them.

welcome to:
estate planning

part of the Wealth at Work group

about us.

We are a leading financial wellbeing and retirement specialist - helping those in the workplace to improve their financial future.

Established in 2005, we work with hundreds of organisations across both the private and public sector.

Our financial education services are delivered on a bespoke basis.

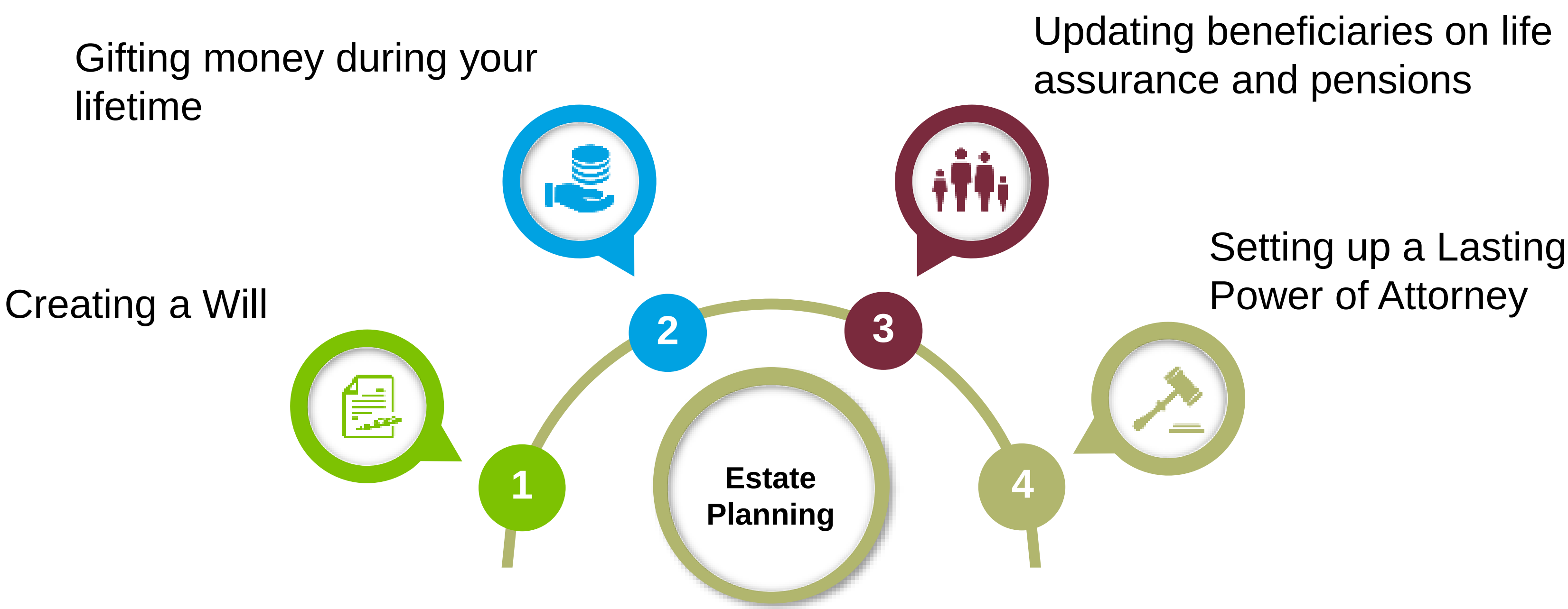
agenda.

- Estate Planning
- Inheritance Tax (IHT)
- Making gifts during your lifetime
- Intestacy rules, will writing and trusts
- Power of Attorney
- Next steps

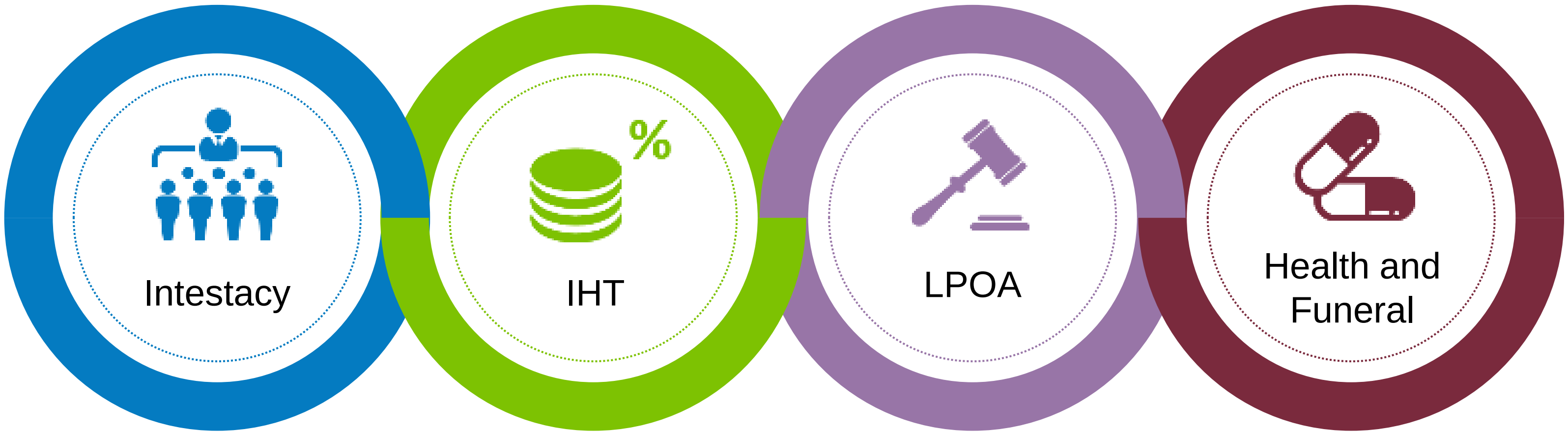
estate planning.

estate planning.

- During your life you build up personal wealth, your ‘estate’
- Estate Planning involves protecting your wealth and ensuring it passes to the people you want it to
- It’s an evolving process and may include:



why is estate planning important?



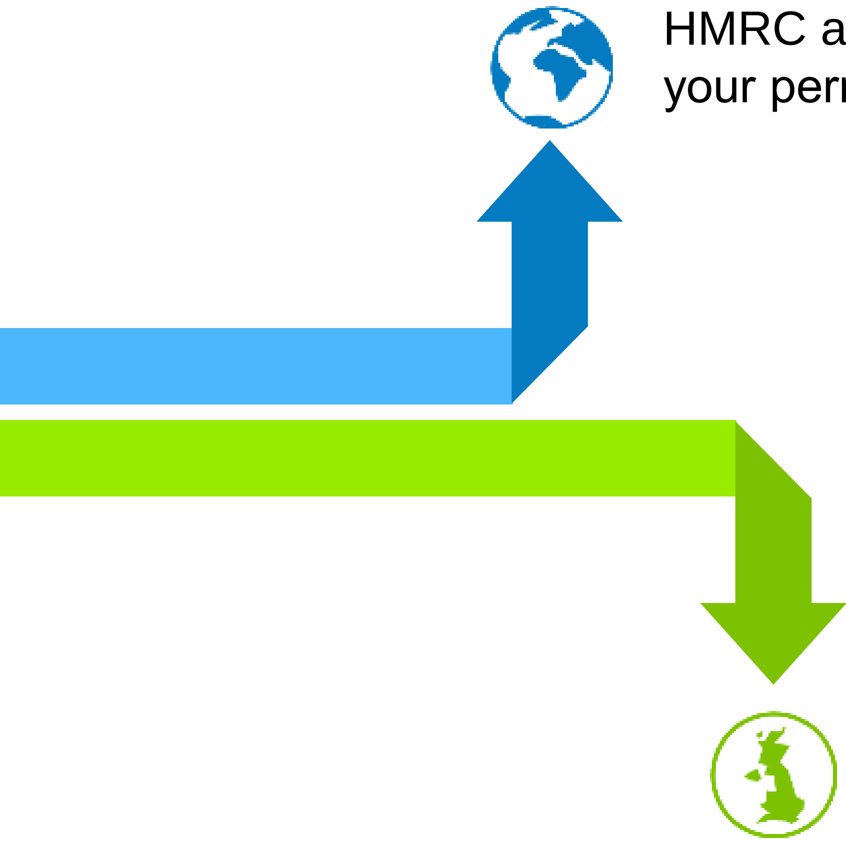
- Without a Will, Intestacy Laws decide who gets what
- Make the most of the allowances available to you
- Assign someone to look after your money if you lose mental capacity
- Detail your health and funeral wishes

inheritance tax.

WEALTH at work

part of the Wealth at Work group

inheritance tax (IHT).



HMRC apply IHT to your worldwide assets if your permanent home ('domicile') is in the UK

If your permanent home ('domicile') is abroad, IHT is only paid on your UK assets
(e.g. property or bank accounts you have in the UK)

domiciled in the UK.

An individual will be treated as domiciled in the UK for all tax purposes if either Condition A or Condition B is met.

A

be born in the UK

have the UK as his/her domicile of origin

was resident in the UK for 2017 - 2018 or later years

B

The individual has been UK resident for at least 15 of the 20 tax years immediately before the relevant tax year.

inheritance tax (IHT).

Nil Rate Band

£325,000

Applied to any part of an estate that is chargeable to IHT

Residence Nil Rate Band

£175,000

Only applied to a home that is left to a direct descendant

Transfer unused portion

up to £500k

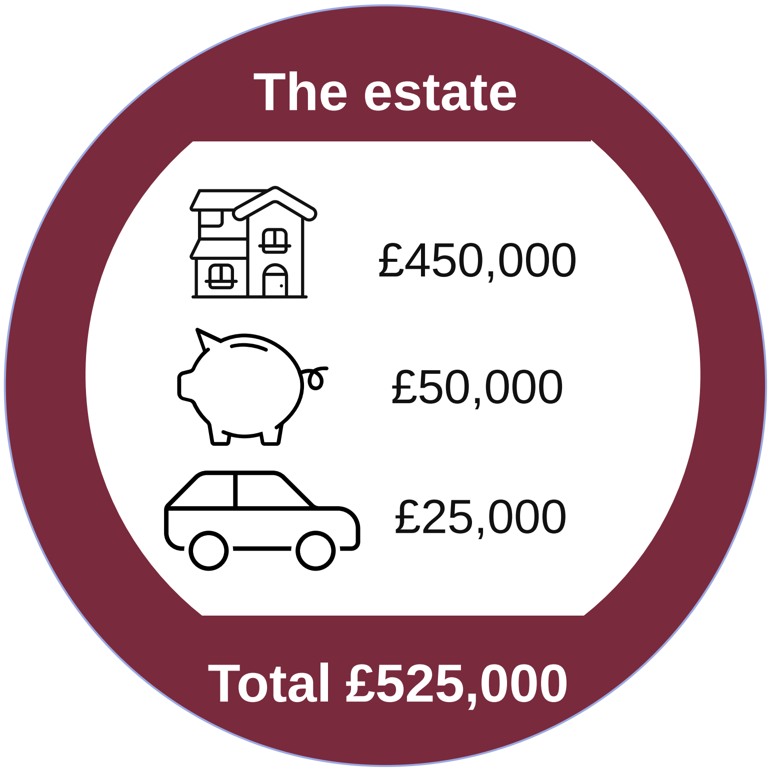
A couple could potentially pass on up to £1m before IHT becomes due*

IHT Charge

40%

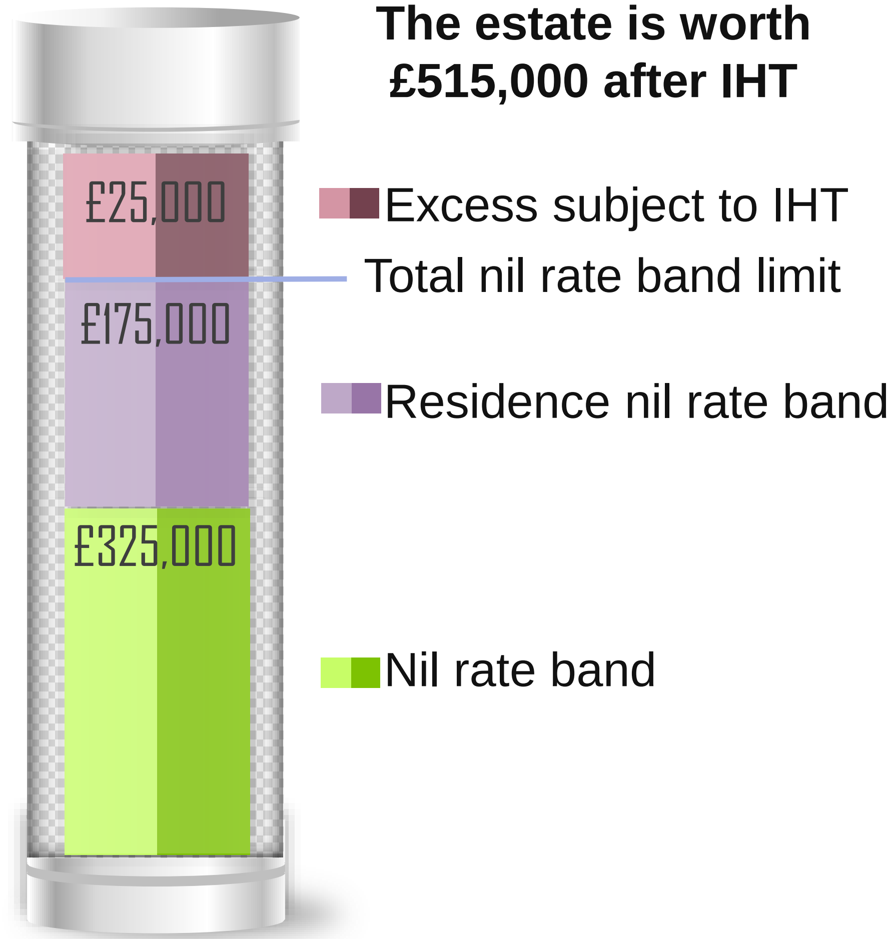
* A couple in this context is a spouse or civil partner

inheritance tax (IHT) - example.



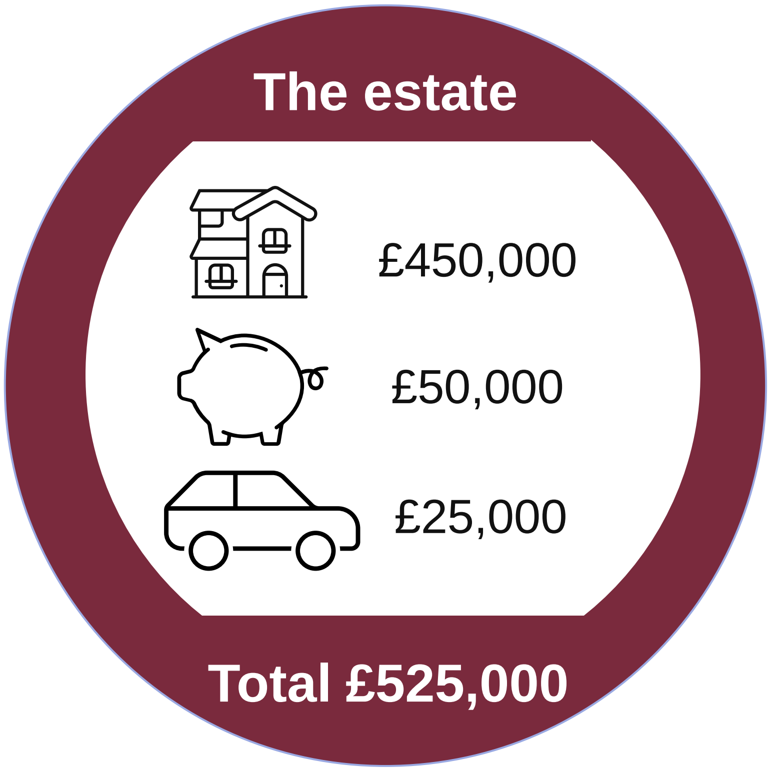
The estate is being passed to a direct descendant

The estate is worth £515,000 after IHT

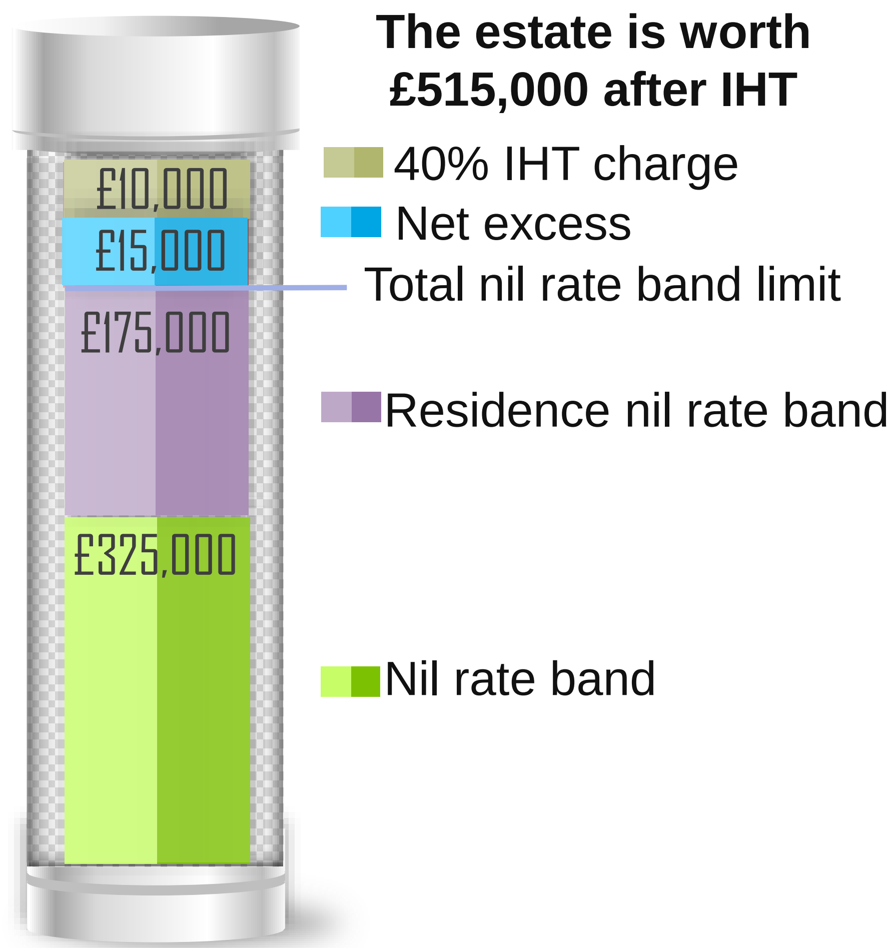


WEALTH at work
part of the Wealth at Work group

inheritance tax (IHT) - example.



The estate is being passed to a direct descendant



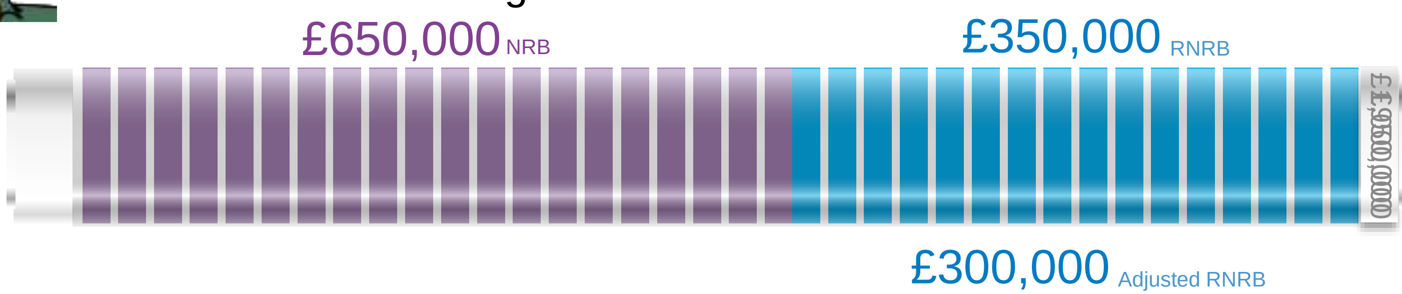
taper threshold (TT).

For estates valued at over £2,000,000 a taper may apply to the RNRB.

- RNRB is reduced by £1 for every £2 an estate exceeds the taper threshold.
- There will be no RNRB if the estate exceeds £2.35m or £2.7m including available partner's unused allowance.*

Maria’s Example:

- Estate valued at £2,100,000 including a home worth £500,000
- Maria has inherited her husband’s full NRB + RNRB from his death
- Maria dies leaving the full estate to their children



*Based on current RNRB of £175,000

downsizing addition.

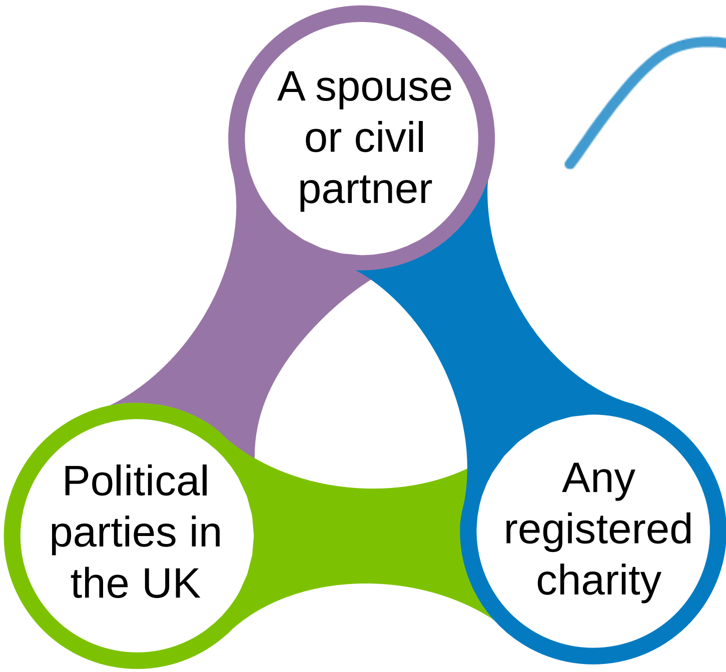
An individual may still qualify for the RNRB in cases where they have sold their home or moved to a less valuable home.

To qualify, all these conditions must apply:

- The person sold, gave away or downsized to a less valuable home on or after 08.07.2015
- The former home would have qualified for the RNRB if they'd kept it until they died
- Their direct descendants inherit at least some of the estate

your estate.

In addition to the nil rate bands, there are a number of other gifts that can be made free from IHT. These include gifts to:



+

Gifts that are free from IHT regardless of who the recipient is:

- The proceeds of a Life Assurance policy held in trust
- Discretionary payments from a pension on death to any nominated beneficiary

making gifts during your lifetime.

WEALTH at work

part of the Wealth at Work group

gifts during your lifetime.

There are certain gifts that can be made during your lifetime that are immediately exempt from any Inheritance Tax charge. These include:

Exempt
From
IHT

- An annual exemption of £3,000 (carry forward over 1 year is permitted)
- Small gifts up to the value of £250 per person
- Regular gifts or payments that are part of your normal expenditure out of income
- Gifts to a spouse or civil partner

potentially exempt transfers.

Other gifts made whilst alive may become exempt after a period of time has passed.

Outright Gift

The donor must give up all interest in the gift

Failed PET

The donor must survive 7 years from the date the gift was made

7 Years

After 7 years the gift is exempt from IHT

potentially exempt transfers.

2020

Sally makes a cash gift of £300,000

2027

survival date for the gift to be excluded from her estate

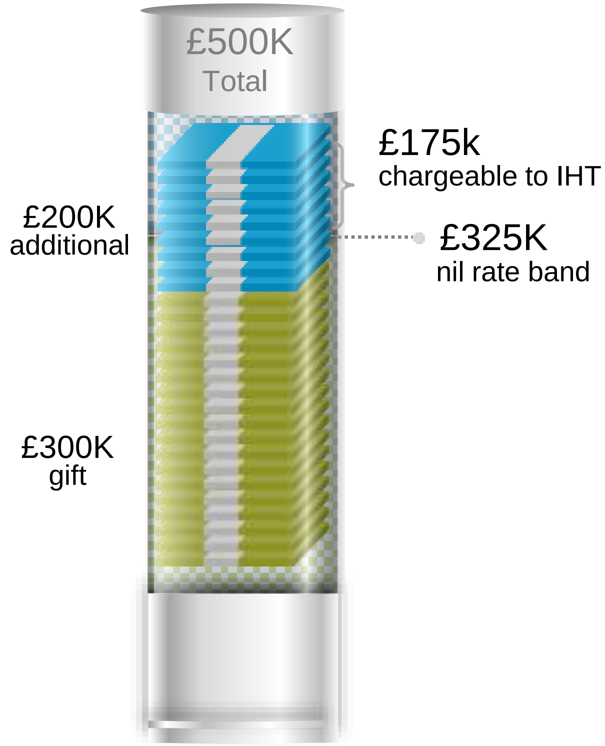
2020	2021	2022	2023	2024	2025	2026	2027

2024

Sally dies - leaving an additional £200,000 but no house

potentially exempt transfers.

- The gift forms part of the nil rate band
- The remaining estate is then added
- IHT applies to £175,000*
- 40% of £175,000 = £70,000



*Example assumes a home does not form part of her estate.

WEALTH at work
part of the Wealth at Work group

potentially exempt transfers.

If a Potentially Exempt Transfer was made within 7 years of death, taper relief may apply:

- Gifts made before death will use up the nil rate band first
- Taper relief applies where the total value of gifts exceeds the nil rate band

Time since death	Tax paid
Less than 3 years	40%
3 to 4 years	32%
4 to 5 years	24%
5 to 6 years	16%
6 to 7 years	8%
7 or more years	0%

intestacy rules, will writing and trusts.

intestacy rules – England & Wales.

If you were to die without a valid will, intestacy rules would apply. The rules that apply depend upon your personal circumstances.

Married / Civil Partner?

Children?

Children?

Spouse / Civil Partner - £322,000 + ½ the remainder

Children - the rest

Spouse / Civil Partner - everything

Children - Everything

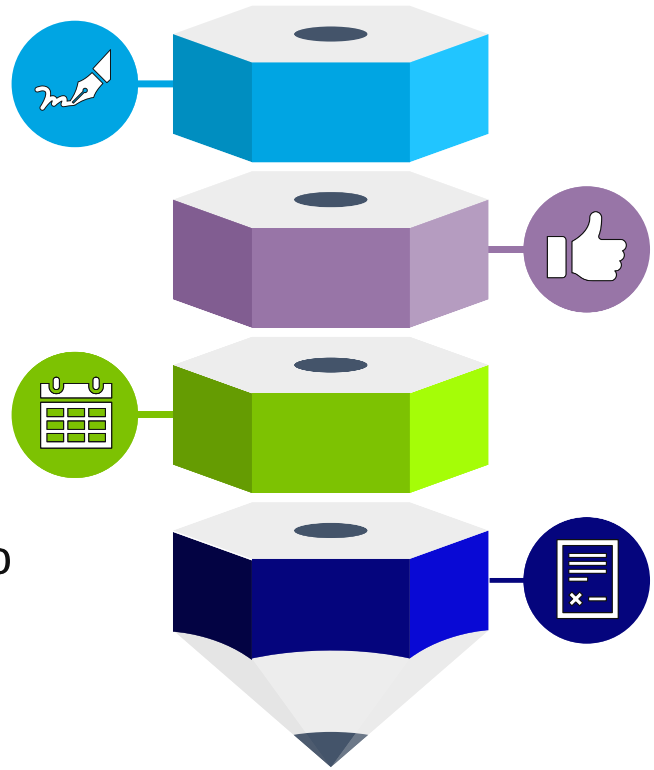
Parents, siblings, grandparents, aunts/uncles or crown takes all

WEALTH at work

part of the Wealth at Work group

writing a will.

A solicitor will write a Will that reflects your wishes or intentions



Only consider writing a Will yourself if you’re confident that it reflects your wishes or intentions

Keep your Will up to date

Regularly review your nomination forms for life assurance and pensions

Divorce automatically removes any entitlement to the ex-spouse*

A Will is automatically revoked on marriage*

* Unless your Will specifically states otherwise

WEALTH at work

part of the Wealth at Work group

your pension savings.

If you have investments in a defined contribution pension when you die, these are taxed differently to non pension savings.

Inheritance tax does not currently apply to benefits held in a registered pension scheme*

If death occurs before age 75, benefits paid to your chosen beneficiary are usually free of income tax

If death occurs after age 75 benefits are taxed on receipt at the beneficiaries marginal rate of tax

If a member has purchased an annuity, any payment after death will be dependent on whether cover for a partner has been selected and subject to income tax

***Unspent defined contribution pots are expected to form part of your estate from April 2027.**

trusts.

There are 3 groups of people involved in setting up a trust:

The Settlor
Puts assets into the trust

The Trustee
Holds legal title to the assets in the trust

The Beneficiaries
The people who benefit from the trust

Trust wording sets out how to manage and distribute the assets

trusts.

Two of the main reasons for setting up a trust are:

To keep control in some way until an event happens

As part of a tax planning exercise

trusts.

Other examples why an individual may look to set up a trust include:

- ✓ When someone is too young to manage their own finances
- ✓ When someone cannot manage their own finances because they are incapacitated
- ✓ To administer assets for charitable purposes
- ✓ To pass on assets when you die (a ‘will trust’)

It is not advisable to try and set up any trusts without expert advice from a solicitor and/or tax adviser.

updating nomination forms.

Review the nominations for your pension and life assurance policies

Review chosen beneficiaries for your pension and death in service cover

Review any legacy pensions from previous employment

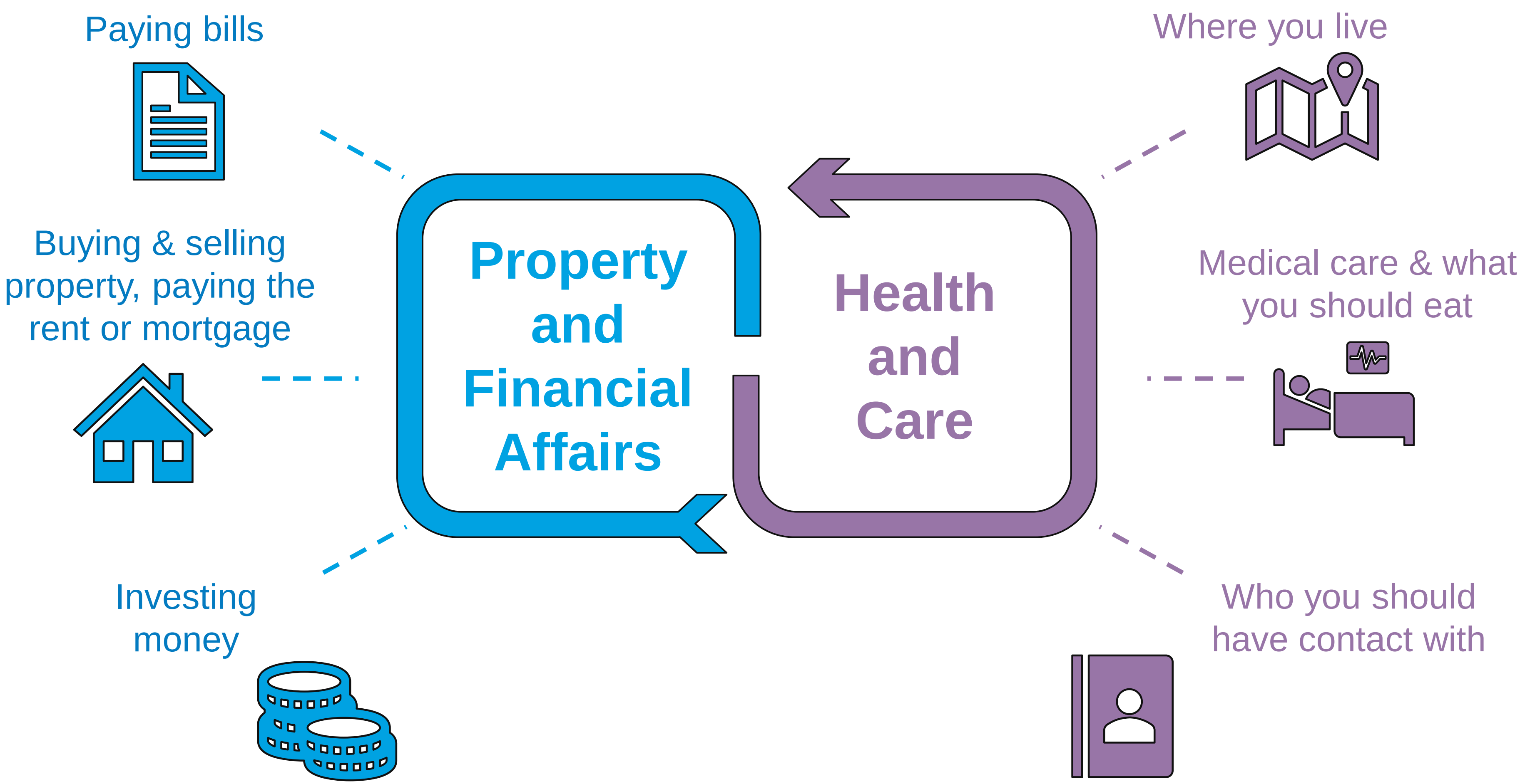
Proceeds from both are usually paid free of IHT

power of attorney.

WEALTH at work

part of the Wealth at Work group

lasting power of attorney.

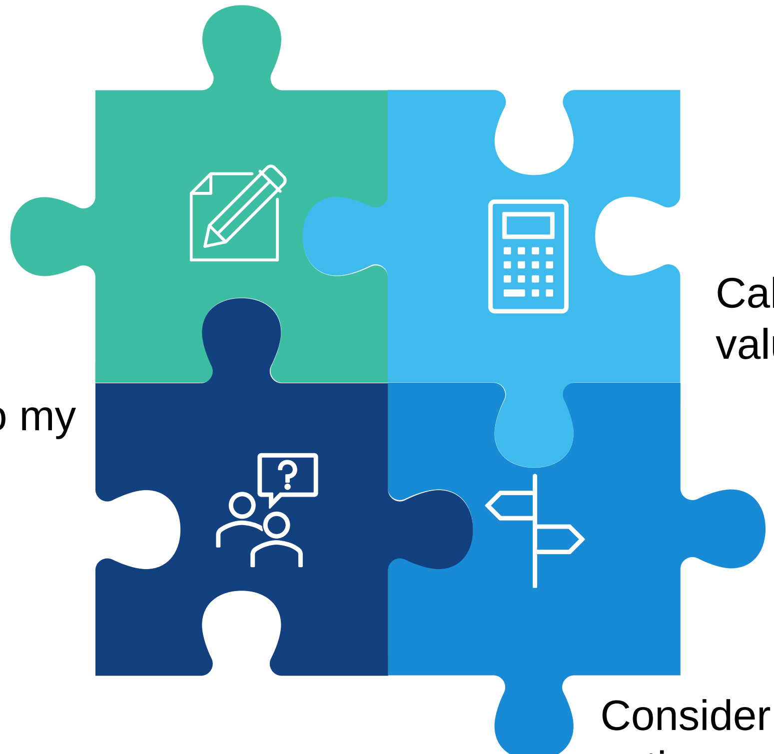


WEALTH at work

part of the Wealth at Work group

summary.

Review your Will



Calculate your potential estate value

How do I get answers to my concerns?

Consider what estate planning actions you may need to take

next steps.

further information.

J.P. Morgan contact details

- jpmelements@standardlife.com
- 0207 134 0606 (option 4)

Contacts

- General tax and National Insurance information - www.hmrc.gov.uk
- Information and guidance - www.moneyhelper.org.uk

seminars available to you.

In conjunction with Wealth at Work there are a range of financial education seminars available to you:

01 Early Career
"Start thinking about your financial future"

02 Mid Career
"Understand your finances and plan for the future"

03 Pre retirement
"Planning for your retirement"

04 Parental leave
Understanding your finances when going on (and returning from) Parental Leave

05 Saving and Investing
"Savings & investments"

06 Pension Tax Limits
"Annual allowance and other limits to pension tax efficiency"

seeking advice.

An adviser will assess your circumstances, objectives and risk profile and provide you with a personal recommendation to meet your objectives.

All regulated firms are listed on the Financial Services Register, this provides confirmation that the firm is authorised, the specific services they are authorised to provide and details of the advisers who work for them.

Financial Services Register link:

- https://register.fca.org.uk

contact us.

We provide a telephone helpline and a regulated investment advice service through **my wealth** - a trading name of Wealth at Work Limited which is part of the Wealth at Work group.

It helps individuals to understand their personal financial situation especially when selecting their retirement income options.

- Telephone **0800 028 3200**

my wealth
part of the Wealth at Work group

WEALTH at work
part of the Wealth at Work group

thank you.

0800 028 3200

www.wealthatwork.co.uk/mywealth

WEALTH at work

part of the Wealth at Work group