



At Peppercorn Tax we regularly advise our clients on inheritance tax planning. With the recent introduction of the main residence nil rate band it is even more important to make sure you have reviewed your inheritance tax position to ensure that your estate qualifies for as much of the available reliefs as possible.

If you are beginning to think about your inheritance tax position, or perhaps considering a review of your affairs, here are five initial ideas that you may want to give some thought.

Remember, inheritance tax is charged at 40%, so it's worth putting in place some planning!

- Give things away!

The easiest way to reduce your inheritance tax bill is to give assets away. Remember that if you don't survive within 7 years of making the gift then there is a potential clawback of inheritance tax on the value of the gift. This tapers away so the tax rates reduces depending on how long ago you made the gift.

Watch out for capital gains tax too if you are giving away assets that have increased in value since you acquired them, such as property or shares.

- Consider giving away your excess income.

If you earn more than you spend on a monthly basis then it may be possible to give away regular amounts without having to worry about the 7 year clock! This needs planning and specific advice to make sure you get it right.

- Consider using a Trust.

A Trust can be a great idea if you want to start the process of passing wealth to the next generation but you still want to retain some control over the assets.

- Choose your investments wisely.

Perhaps you have a portfolio of shares and you are worried about the inheritance tax charge on the value? It is possible to invest in certain types of shares that qualify for a particular inheritance tax relief, as long as you hold them for a minimum of 2 years.

- Revisit your will.

With the recent introduction of the main residence nil rate band for inheritance tax, it's more important than ever to ensure that your will is drafted correctly to allow your estate to benefit from this relief after your death.

Inheritance tax planning is bespoke and must be tailored for each individual. The above are just ideas and not everything will work for everyone.

If you would like to discuss your inheritance tax position with Peppercorn Tax, please contact Kelly (07545 890 482) or Emma (07377 674 616).



Copyright ©peppercorn tax limited 2017