



VISION WEST & WALES

Independent Financial Planners

Inheritance Tax Planning for Example Client

Created by Mark Barden

Vision West and Wales

Introduction

The following report contains an inheritance tax planning forecast. This analyses your assets and liabilities in order to illustrate how much of your estate is liable to inheritance tax, and how your estate will grow in the coming years.

Throughout this report several assumptions have been made including an expected rate of Consumer Price Index and the forecast begins in line with the start of the tax year. In reality these figures may fluctuate and have a significant impact on your finances in comparison to those shown. We recommend regularly reviewing the assumptions made in this report.

Overview

Forecasts included:

- Simple Example - Just Home and some Cash - NO children
- Simple Example - Just Home and some Cash - YES children
- Simple example - home cash DC pension life cover

Forecast: Simple Example - Just Home and some Cash - NO children

Current Asset Values (2017)

Name of Asset	IHT Planning Currently in Place	Growth Rate	Asset Value
Family Home	Leave to Residual Estate	5.0%	£650,000.00
Halifax Gold account	Leave to Residual Estate	0.0%	£100,000.00
Nationwide silver account	Leave to Residual Estate	0.0%	£100,000.00
Total Assets Value			£850,000.00

Asset Values - Before Advice (2019)

Name of Asset	IHT Planning	Total Value (2019)	IHT Calculated on 1st Death Example (2018)	IHT Calculated on 2nd Death Example (2019)	Trust
Family Home	Leave to Residual Estate	£716,625.00	£0.00	£716,625.00	
Halifax Gold account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
Nationwide silver account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
		£916,625.00	£0.00	£916,625.00	

Liability Overview: Before Advice

Name of Liability	Growth Rate	Liability Value (2018)	Liability Value (2019)
IHT Liability (First Death)	0.0%	£0.00	£0.00
Total Liabilities Value		£0.00	£0.00

Inheritance Tax Summary - Before Advice (2019)

The table below outlines the client's position if their current situation persists without your advice and Example spouse is assumed to pass in 2018 with Example Client assumed to pass in 2019.

On Death of Example spouse (2018)	
Example spouse's Estate	£441,250.00
Liabilities	£0.00
Value outside Estate	£0.00
Net Estate Exempt from IHT	£441,250.00
Net Estate Liable to IHT	£0.00
NRB Transferred	--
NRB Used	£0.00
Main Residence NRB Used (Included in Exemption)	--
Main Residence NRB Transferred (Exemption)	--
Net Estate Liable (to be taxed at 40%)	£0.00
IHT To Pay	£0.00

On Death of Example Client (2019)	
Example Client's Estate	£916,625.00
Liabilities (Already deducted from above)	£0.00
Value outside Estate	£0.00
Net Estate Exempt from IHT	£0.00
Net Estate Liable to IHT	£916,625.00
NRB Transferred	£325,000.00
NRB Used	£325,000.00
Main Residence NRB Used (Included in Exemption)	--
Main Residence NRB Transferred (Exemption)	--
Net Estate Liable (to be taxed at 40%)	£266,625.00
IHT To Pay	£106,650.00

Asset Values - After Advice (2019)

Name of Asset	IHT Planning	Total Value (2019)	IHT Calculated on 1st Death Example (2018)	IHT Calculated on 2nd Death Example (2019)	Trust
Family Home	Leave to Residual Estate	£716,625.00	£0.00	£716,625.00	
Halifax Gold account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
Nationwide silver account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
		£916,625.00	£0.00	£916,625.00	

Liability Values - After Advice (2019)

Name of Liability	Growth Rate	Liability Value (2018)	Liability Value (2019)
IHT Liability (First Death)	0.0%	£0.00	£0.00
Total Liabilities Value		£0.00	£0.00

Inheritance Tax Summary - After Advice (2019)

The table below outlines the client's position if they take your advice and Example spouse is assumed to pass in 2018 with Example Client assumed to pass in 2019.

On Death of Example spouse (2018)	
Example spouse's Estate	£441,250.00
Liabilities	£0.00
Value outside Estate	£0.00
Net Estate Exempt from IHT	£441,250.00
Net Estate Liable to IHT	£0.00
NRB Transferred	
NRB Transferred	--
NRB Used	
NRB Used	£0.00
Main Residence NRB Used (Included as Exemption)	
Main Residence NRB Used (Included as Exemption)	--
Main Residence NRB Transferred (Exemption)	
Main Residence NRB Transferred (Exemption)	--
Net Estate Liable (to be taxed at 40%)	
Net Estate Liable (to be taxed at 40%)	£0.00
IHT To Pay	
IHT To Pay	£0.00

On Death of Example Client (2019)	
Example Client's Estate	£916,625.00
Liabilities (Already deducted from above)	£0.00
Value outside Estate	£0.00
Net Estate Exempt from IHT	£0.00
Net Estate Liable to IHT	£916,625.00
NRB Transferred	
NRB Transferred	£325,000.00
NRB Used	
NRB Used	£325,000.00
Main Residence NRB Used (Included as Exemption)	
Main Residence NRB Used (Included as Exemption)	--
Main Residence NRB Transferred (Exemption)	
Main Residence NRB Transferred (Exemption)	--
Net Estate Liable (to be taxed at 40%)	
Net Estate Liable (to be taxed at 40%)	£266,625.00
IHT To Pay	
IHT To Pay	£106,650.00

Forecast: Simple Example - Just Home and some Cash - YES children

Current Asset Values (2017)

Name of Asset	IHT Planning Currently in Place	Growth Rate	Asset Value
Family Home	Leave to Residual Estate	5.0%	£650,000.00
Halifax Gold account	Leave to Residual Estate	0.0%	£100,000.00
Nationwide silver account	Leave to Residual Estate	0.0%	£100,000.00
Total Assets Value			£850,000.00

Asset Values - Before Advice (2019)

Name of Asset	IHT Planning	Total Value (2019)	IHT Calculated on 1st Death Example (2018)	IHT Calculated on 2nd Death Example (2019)	Trust
Family Home	Leave to Residual Estate	£716,625.00	£0.00	£716,625.00	
Halifax Gold account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
Nationwide silver account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
		£916,625.00	£0.00	£916,625.00	

Liability Overview: Before Advice

Name of Liability	Growth Rate	Liability Value (2018)	Liability Value (2019)
IHT Liability (First Death)	0.0%	£0.00	£0.00
Total Liabilities Value		£0.00	£0.00

Inheritance Tax Summary - Before Advice (2019)

The table below outlines the client's position if their current situation persists without your advice and Example spouse is assumed to pass in 2018 with Example Client assumed to pass in 2019.

On Death of Example spouse (2018)	
Example spouse's Estate	£441,250.00
Liabilities	£0.00
Value outside Estate	£0.00
Net Estate Exempt from IHT	£441,250.00
Net Estate Liable to IHT	£0.00
NRB Transferred	
NRB Transferred	--
NRB Used	
NRB Used	£0.00
Main Residence NRB Used (Included in Exemption)	
Main Residence NRB Used (Included in Exemption)	--
Main Residence NRB Transferred (Exemption)	
Main Residence NRB Transferred (Exemption)	--
Net Estate Liable (to be taxed at 40%)	
Net Estate Liable (to be taxed at 40%)	£0.00
IHT To Pay	
IHT To Pay	£0.00

On Death of Example Client (2019)	
Example Client's Estate	£916,625.00
Liabilities (Already deducted from above)	£0.00
Value outside Estate	£0.00
Net Estate Exempt from IHT	£0.00
Net Estate Liable to IHT	£916,625.00
NRB Transferred	
NRB Transferred	£325,000.00
NRB Used	
NRB Used	£325,000.00
Main Residence NRB Used (Included in Exemption)	
Main Residence NRB Used (Included in Exemption)	--
Main Residence NRB Transferred (Exemption)	
Main Residence NRB Transferred (Exemption)	--
Net Estate Liable (to be taxed at 40%)	
Net Estate Liable (to be taxed at 40%)	£266,625.00
IHT To Pay	
IHT To Pay	£106,650.00

Asset Values - After Advice (2019)

Name of Asset	IHT Planning	Total Value (2019)	IHT Calculated on 1st Death Example (2018)	IHT Calculated on 2nd Death Example (2019)	Trust
Family Home	Legacy to Direct Descendant	£716,625.00	£0.00	£416,625.00	
Halifax Gold account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
Nationwide silver account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
		£916,625.00	£0.00	£616,625.00	

Liability Values - After Advice (2019)

Name of Liability	Growth Rate	Liability Value (2018)	Liability Value (2019)
IHT Liability (First Death)	0.0%	£0.00	£0.00
Total Liabilities Value		£0.00	£0.00

Inheritance Tax Summary - After Advice (2019)

The table below outlines the client's position if they take your advice and Example spouse is assumed to pass in 2018 with Example Client assumed to pass in 2019.

On Death of Example spouse (2018)	
Example spouse's Estate	£441,250.00
Liabilities	£0.00
Value outside Estate	£0.00
Net Estate Exempt from IHT	£441,250.00
Net Estate Liable to IHT	£0.00
NRB Transferred	
NRB Transferred	--
NRB Used	
NRB Used	£0.00
Main Residence NRB Used (Included as Exemption)	
Main Residence NRB Used (Included as Exemption)	--
Main Residence NRB Transferred (Exemption)	
Main Residence NRB Transferred (Exemption)	--
Net Estate Liable (to be taxed at 40%)	
Net Estate Liable (to be taxed at 40%)	£0.00
IHT To Pay	
IHT To Pay	£0.00

On Death of Example Client (2019)	
Example Client's Estate	£916,625.00
Liabilities (Already deducted from above)	£0.00
Value outside Estate	£0.00
Net Estate Exempt from IHT	£300,000.00
Net Estate Liable to IHT	£616,625.00
NRB Transferred	
NRB Transferred	£325,000.00
NRB Used	
NRB Used	£291,625.00
Main Residence NRB Used (Included as Exemption)	
Main Residence NRB Used (Included as Exemption)	£150,000.00
Main Residence NRB Transferred (Exemption)	
Main Residence NRB Transferred (Exemption)	£150,000.00
Net Estate Liable (to be taxed at 36%)	
Net Estate Liable (to be taxed at 36%)	£0.00
IHT To Pay	
IHT To Pay	£0.00

Forecast: Simple example - home cash DC pension life cover

Current Asset Values (2017)

Name of Asset	IHT Planning Currently in Place	Growth Rate	Asset Value
Family Home	Leave to Residual Estate	5.0%	£650,000.00
Halifax Gold account	Leave to Residual Estate	0.0%	£100,000.00
Nationwide silver account	Leave to Residual Estate	0.0%	£100,000.00
Transact pension	Leave to Residual Estate	6.0%	£400,000.00
Aviva Term Assurance policy	Leave to Residual Estate	0.0%	£250,000.00
Total Assets Value			£1,500,000.00

Asset Values - Before Advice (2019)

Name of Asset	IHT Planning	Total Value (2019)	IHT Calculated on 1st Death Example (2018)	IHT Calculated on 2nd Death Example (2019)	Trust
Family Home	Leave to Residual Estate	£716,625.00	£0.00	£716,625.00	
Halifax Gold account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
Nationwide silver account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
Transact pension	Leave to Residual Estate	£449,440.00	£0.00	£449,440.00	
Aviva Term Assurance policy	Leave to Residual Estate	£250,000.00	£0.00	£250,000.00	
		£1,616,065.00	£0.00	£1,616,065.00	

Liability Overview: Before Advice

Name of Liability	Growth Rate	Liability Value (2018)	Liability Value (2019)
IHT Liability (First Death)	0.0%	£0.00	£0.00
Total Liabilities Value		£0.00	£0.00

Inheritance Tax Summary - Before Advice (2019)

The table below outlines the client's position if their current situation persists without your advice and Example spouse is assumed to pass in 2018 with Example Client assumed to pass in 2019.

On Death of Example spouse (2018)	
Example spouse's Estate	£691,250.00
Liabilities	£0.00
Value outside Estate	£0.00
Net Estate Exempt from IHT	£691,250.00
Net Estate Liable to IHT	£0.00
NRB Transferred	--
NRB Used	£0.00
Main Residence NRB Used (Included in Exemption)	--
Main Residence NRB Transferred (Exemption)	--
Net Estate Liable (to be taxed at 40%)	£0.00
IHT To Pay	£0.00

On Death of Example Client (2019)	
Example Client's Estate	£916,625.00
Liabilities (Already deducted from above)	£0.00
Value outside Estate	£0.00
Net Estate Exempt from IHT	£0.00
Net Estate Liable to IHT	£1,616,065.00
NRB Transferred	£325,000.00
NRB Used	£325,000.00
Main Residence NRB Used (Included in Exemption)	--
Main Residence NRB Transferred (Exemption)	--
Net Estate Liable (to be taxed at 40%)	£966,065.00
IHT To Pay	£386,426.00

Asset Values - After Advice (2019)

Name of Asset	IHT Planning	Total Value (2019)	IHT Calculated on 1st Death Example (2018)	IHT Calculated on 2nd Death Example (2019)	Trust
Family Home	Legacy to Direct Descendant	£716,625.00	£0.00	£416,625.00	
Halifax Gold account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
Nationwide silver account	Leave to Residual Estate	£100,000.00	£0.00	£100,000.00	
Transact pension	Expression of Wish	£449,440.00	£0.00	£0.00	X
Aviva Term Assurance policy	Legacy to Trust	£250,000.00	£0.00	£0.00	X
		£1,616,065.00	£0.00	£616,625.00	

Liability Values - After Advice (2019)

Name of Liability	Growth Rate	Liability Value (2018)	Liability Value (2019)
IHT Liability (First Death)	0.0%	£0.00	£0.00
Total Liabilities Value		£0.00	£0.00

Inheritance Tax Summary - After Advice (2019)

The table below outlines the client's position if they take your advice and Example spouse is assumed to pass in 2018 with Example Client assumed to pass in 2019.

On Death of Example spouse (2018)	
Example spouse's Estate	£441,250.00
Liabilities	£0.00
Value outside Estate	£0.00
Net Estate Exempt from IHT	£441,250.00
Net Estate Liable to IHT	£0.00
NRB Transferred	
NRB Transferred	--
NRB Used	
NRB Used	£0.00
Main Residence NRB Used (Included as Exemption)	
Main Residence NRB Used (Included as Exemption)	--
Main Residence NRB Transferred (Exemption)	
Main Residence NRB Transferred (Exemption)	--
Net Estate Liable (to be taxed at 40%)	
Net Estate Liable (to be taxed at 40%)	£0.00
IHT To Pay	
IHT To Pay	£0.00

On Death of Example Client (2019)	
Example Client's Estate	£916,625.00
Liabilities (Already deducted from above)	£0.00
Value outside Estate	£449,440.00
Net Estate Exempt from IHT	£300,000.00
Net Estate Liable to IHT	£616,625.00
NRB Transferred	
NRB Transferred	£325,000.00
NRB Used	
NRB Used	£291,625.00
Main Residence NRB Used (Included as Exemption)	
Main Residence NRB Used (Included as Exemption)	£150,000.00
Main Residence NRB Transferred (Exemption)	
Main Residence NRB Transferred (Exemption)	£150,000.00
Net Estate Liable (to be taxed at 36%)	
Net Estate Liable (to be taxed at 36%)	£0.00
IHT To Pay	
IHT To Pay	£0.00

