Inheritance Tax Planning Services
Mattioli Woods plc

Mattioli Woods plc provides integrated wealth management services, embracing pension consultancy and personal investment. For corporate clients we provide a comprehensive range of employee benefits services. Our aim is to provide trusted advice, high quality service standards and personalised delivery, against the backdrop of long-term client relationships.

We employ over 450 staff throughout our Aberdeen, Buckingham, Glasgow, Leicester, London, Newmarket and Preston offices and hold over £6 billion of assets under advice and administration.

Our principal services include:

- Wealth management
- Employee benefits
- Self-invested personal pension schemes (SIPP)
- Small self-administered schemes (SSAS)

We provide our clients with an all-embracing approach designed to develop a clear strategy for their financial plans, supported by sound investment initiatives.

Mattioli Woods is authorised and regulated by the Financial Conduct Authority to provide investment advice in the UK.
Inheritance tax as part of your wealth planning

In recent years, there has been a greater focus on the impact inheritance tax (IHT) has on the amount of wealth that is passed down to the next generation of families. With increasing house prices alone, many individuals will find themselves with an exposure to this penal tax.

IHT, however, is often referred to as a voluntary tax. This is due to the fact that a good, balanced approach to financial planning can mitigate or avoid it and ensure hard-earned wealth can pass to loved ones after you have gone.

As part of our continued drive to become our clients’ trusted advisers, Mattioli Woods has invested heavily in ensuring that our consultancy team has the skills and knowledge to help you through all areas of financial planning.

We are able to deliver consultancy services you will value and will help you build a financial plan that takes into account all your wealth, not just your pensions that you have entrusted us with.

WE RECOGNISE THAT OUR CLIENTS NEED TO KNOW THAT THEIR ESTATE PLANNING HAS BEEN FULLY CONSIDERED AND INTEGRATED WITHIN THEIR OTHER FINANCIAL NEEDS

Bob Woods, Chairman
Inheritance tax – the basics

Most clients work throughout their lives to accumulate wealth, to enjoy this in retirement, and to pass it on to their close family and friends. Unless plans are made in advance, IHT may take a large bite out of what you can leave for them.

Assets of any amount can normally pass on death to a surviving spouse or civil partner without any IHT being levied. In any other circumstances, only the first £325,000 (the nil rate band) is left to beneficiaries without any IHT being payable.

This nil rate band can also be increased by any transferable nil rate band from a predeceased spouse or civil partner. Any amounts not covered by the available nil rate band are taxed at 40%.

Example:

The following example assumes an estate of £900,000, with three beneficiaries, and one nil band available:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estate on death</td>
<td>£900,000</td>
</tr>
<tr>
<td>Nil rate band</td>
<td>(£325,000)</td>
</tr>
<tr>
<td>Estate subject to IHT</td>
<td>£575,000</td>
</tr>
<tr>
<td>IHT @ 40%</td>
<td>(£230,000)</td>
</tr>
<tr>
<td>Net estate</td>
<td>£670,000</td>
</tr>
<tr>
<td>Amount to each beneficiary</td>
<td>£223,333</td>
</tr>
</tbody>
</table>

Residence nil rate band

You may have heard that it is intended to introduce a residence nil rate band in addition to the basic nil rate band. This additional relief will not be introduced until after April 2017 and even then it will not be fully applicable until after April 2020. Your consultant will take this additional relief into account when the rules are implemented and can give you more details of how this might apply to you, when you meet.
Mattioli Woods IHT planning service

Our approach starts with a full and comprehensive fact finding meeting. It is of critical importance that we understand your personal circumstances before helping you to build a plan which is specific to your goals and aspirations.

We will assess your situation and give you an indicative figure of your current IHT liability. This will give a starting point to work from and we will then explore the best way for you to build a plan that best suits your family circumstances.

Wills and powers of attorney

We will initially look at your current will planning and where action is required we will ask you to seek legal advice to ensure you have up-to-date and appropriate arrangements in place.

We would also strongly recommend that anyone who does not have suitable power of attorney provisions in place takes action to do this. Your Mattioli Woods consultant can give you more information about these aspects when you meet.

Financial planning

We consider solutions across a wide range of options that include:

- Life assurance
- Appropriate gift planning utilising the allowances available to you
- IHT tax-privileged investments such as Alternative Investment Market (AIM) shares
- Lump sum inheritance tax schemes such as loan trusts, discounted gift trusts and reversionary interest trusts
- Use of outright gifts and gifts into trust
- Pensions death benefit trusts

The list is not exhaustive, but at the centre of what we recommend will be your requirements and your goals. With any financial plan, you have to be comfortable with the actions being taken, and it is our role to help you through the process.
Next steps

We will arrange an in-depth review of your estate and wider family requirements to gain a better understanding of your position in terms of IHT and the opportunities available to minimise taxation.

Our advice does not have to be restricted to the mitigation of IHT. We are able to help you with your financial plans in every area of wealth building and protection.

To start planning for the future today, please contact your Mattioli Woods consultant directly or contact us on the following:

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