

WEB RELEASE FROM:

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WHO SHOULD BENEFIT FROM YOUR WILL?

THE TAXMAN OR YOUR CHILDREN?

In its most simple form Inheritance tax (IHT) is a tax on the value of the assets left behind after death. If you have worked hard all your life to build your wealth, why let the government take up to 40% of it when you die, or lose it all to the local authority if you have to go into nursing care?

You don't have to be mega-rich to be liable for IHT. Anyone with assets worth more than £312,000 (in the 2008-09 tax year) is affected - and with the average house price tripling in value over the past ten years, more people than ever need to be aware of the steps to tackle their IHT liability. Taking good advice in advance will help avoid the many potential pitfalls.

Take this example: for a home valued at £250,000, plus insurance policies with an assured sum of £50,000, and some investments and building society accounts with an overall value of £50,000, the assets on death easily exceed the IHT 'Nil Rate' threshold of £312,000. This means the taxman will claim £15,200. Are you happy to lose this amount in tax when there are legally valid ways to avoid paying it?

With careful planning you can reduce the IHT payable when you die to zero. An expertly drafted will is the first step in ensuring that the estate is shared out exactly as wanted, and can help reduce the tax burden. You can then make sure that it's your family that benefits from your hard work rather than the Chancellor of the Exchequer. It's your money, so why should

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someone else decide who gets it? Carefully planning finances in advance should help to ensure that everything owned goes where it was intended, but this is a complicated area and advice should be taken on the most effective ways of reducing IHT and how to maximise returns on investments.

IHT has become an increasingly thorny problem for farmers, yet many are still putting off the task of IHT planning, putting the futures of their family and farm at risk, so farmers should grab the IHT bull by the horns rather than sit back and hope for the best. The rules on Agricultural property relief are complex so it is important to take guidance on personal situations.

Hamiltons Chartered Surveyors partner, Barry Hutchinson, says: "We have assisted numerous clients with tax planning issues. No two farm businesses are alike, and for this reason it's vital to seek professional guidance on your potential IHT liability from an adviser with experience and thorough understanding of the issues surrounding farms and land. The costs involved in consulting a professional in IHT planning and general asset strategy can be more than justified by the considerable savings made."