

## Here's how it works

This example is based on an estate worth £1.5m being passed on to the children of the deceased.

	Example if single	Example if married or in a civil partnership (on 2nd death after the first deceased leaves the full estate to the surviving spouse)
Nil-rate band	£325k	£650k
Residence nil-rate band	£175k	£350k
Amount subject to IHT	£1m	£500k
40% IHT	£400k	£200k

### Did you know...

The government has frozen the inheritance tax (IHT) thresholds until April 2028. This is often described as a 'stealth tax' by the government as not increasing the thresholds in line with inflation means more and more families are automatically brought into the IHT net.

## Three things to consider:

**1** Drawing up a will\*, or reviewing your existing will, is the easiest and most effective way to express the way you would like your wealth distributed when you die.

Without a will, your assets will be distributed on your behalf and may be liable to IHT that might otherwise be avoided.

**2** One way of reducing your IHT liability is to make the most of your annual gifting allowance. You can gift £3,000 per tax year (£6,000 for a couple) and it won't be counted as part of your estate for IHT purposes. You can also use last year's allowance if it was unused provided you use it first. This means a couple could remove £12,000 from their estate in this tax year.

**3** Pensions are a great way to save for retirement, but they can also be a useful estate-planning tool, too. Regardless of when you pass away, the money you save into your pension falls outside of your estate, and so shouldn't be subject to IHT.

With our **invaluable advice** we can help you maximise your allowances - and create the future you want. Contact us now to discuss this and other ways of protecting your family wealth.

The value of a pension with St. James's Place will be directly linked to the performance of the funds you select and the value can therefore go down as well as up. You may get back less than you invested.

The levels and bases of taxation, and reliefs from taxation, can change at any time and are generally dependent on individual circumstances.

\*Will writing involves the referral to a service that is separate and distinct to those offered by St. James's Place. Wills are not regulated by the Financial Conduct Authority

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