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News & Views



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Welcome to the Spring edition of our newsletter.

Early April saw the introduction of the Residential Nil Rate Band, which has big implications on Inheritance Tax and estate planning.

It's a complex issue but I've come up with three simple steps that people can consider to get a much better understanding of it.

I'll also enlighten you on what my Wife's been up to and why I see a relevance to lifestyle financial planning.

I hope you enjoy it and if you have any questions or queries whatsoever please don't hesitate to call me.

What will the Inheritance Tax Changes Mean to Your Family?

At the start of April we saw a very important change to the Inheritance Tax rules. It is called the Residential Nil Rate Band (RNRB) and if you believed some sections of the media, it can cost and/or save you hundreds of thousands of pounds (depending on which newspaper you read). I read one article which claimed the changes were a £1 Million Government giveaway. To clarify, they most certainly aren't.

The RNRB is a complex piece of legislation which at first glance gives a bigger tax allowance to people when they pass on their residential property, or the sale proceeds thereof, to their loved ones.

I was contacted recently by a chap who had looked into the RNRB implications for his family and in his own words 'got tied up in several confusing circles'. He's not alone. Some of the available information hasn't been clear. These changes were first announced by the then Chancellor George Osborne in 2015.

I've spent a lot of time in the period running up to these changes learning more and how my clients can ensure they are prepared for it and plan accordingly.

So being conscious not to tie up the mass ranks of the potentially confused here's my simple three step guide to how to best understand the RNRB:-

1. When it comes to the RNRB, Google doesn't have the answers. I'd urge people to seek out professional advice on this issue as it is complex and if you get it wrong, has potentially serious financial consequences.
2. You need to understand the implications that the RNRB can have on any estate planning you may have in place. This will need to be reviewed.
3. No one likes thinking about their death and for many people the RNRB change won't affect them for years. But as most of us know when you put something off, it often never gets done. And this is too important to simply forget about and say you'll get round to it next month, next year or at some point in the future.

BMXs and Taking Action

In early September, my wife Caroline and I celebrate our 30th wedding anniversary. She's also recently turned 50. To mark the first of these momentous occasions, she asked me to set her some challenges. How romantic I hear you cry!

The challenges include an abseil 230 ft down the ArcelorMittal Orbit in the Olympic Park, riding the Olympic BMX Track, Hydrospeeding the rapids and a water skiing slalom.

So far she's successfully completed the water ski slalom (bearing in mind that she's only skied once before well over ten years ago with the objective being to get round at least one buoy) along with the BMX challenge. The latter I have to say being something I wouldn't have fancied doing. Firstly as the eye wateringly steep starting ramp alone sent a shiver down my spine and secondly as surprising as it might seem, I can't ride a bike. The remaining two are happening in the next few months and her can do attitude hasn't come as a surprise.

What prompted this? Well some years ago, she made a decision to not just get much fitter but also to live a healthier lifestyle. She didn't just make a decision, she took real action and stuck to her commitment, measuring and monitoring her progress.

To cut a long story short she's now in the best shape of her life and is re-training to become a qualified Personal Training instructor. I'm incredibly proud of her for what she's achieved and the determined way she's approaching things, including my challenges.

I've mentioned before that action is what's needed to create change in your circumstances whether it be financial and/or in life. Over the years many people have come to me, knowing that they need to do something to set in motion a plan to manage their lifestyle of which their finances are merely a part of it, to help them achieve what they want in life.

Some take action, others don't for whatever reason. It could be fear of change. Or thinking things will be too complicated. Or that they don't feel ready. The trouble is and I've said this before, that taking no action is in itself a decision and usually not the best one if you want to change things.

As Caroline has shown in that when you make a decision, set a goal and take real action the results can be fantastic and life changing. Having said that, let's see how she gets on with the remaining challenges.

Any of these must easier than the challenge of putting up with me.



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