

VIEWPOINT

BRAYBROOK & CO

Please enjoy reading our newsletter. If you would like to discuss any of the articles further, please do not hesitate to contact us.



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Protecting and passing on more of your estate

Inheritance tax planning can feel complicated or easy to put off. Yet a few simple steps taken early can give your family more clarity, more control and greater peace of mind.

Thinking about what happens to your money after you're gone isn't always easy. Many people intend to sort it out one day, only for years to pass and failing to put the appropriate plans in place. But before going too far into the details, it's helpful to understand whether inheritance tax (IHT) is likely to affect you at all.

Check whether IHT might apply

Currently, the rules state that each person can leave up to £325,000 free from IHT. For a married couple or civil partners, this can be combined up to £650,000. Anything above these amounts may be liable for IHT.

If you're leaving your main home to your children, grandchildren or other direct descendants, an additional allowance can apply. Many people in this situation can leave up to £500,000 IHT-free as an individual or up to £1 million for a couple.

Understanding the thresholds gives you a clearer picture of whether you need to focus on more complex estate planning strategies, or to focus on getting organised and making sure your wishes are up to date.

Start with a clear, up-to-date will

A will is the foundation of any estate plan. It sets out who should inherit what and ensures your wishes are followed. Without one, the law decides, which may not match what you want.

Life events such as marriage, divorce, having children or buying property can all affect your will. Reviewing your will every few years (or after any major change) helps prevent confusion for loved ones later.

Use gifts to support family during your lifetime

Many people like the idea of helping family while they're still around to see the benefit. The annual gifting allowance, small gifts and wedding gift exemptions are simple ways to support children or grandchildren. These gifts can help with education costs, a first home or general financial stability.

Gifting over time can also gradually reduce the size of your estate, which may be helpful if you are likely to exceed the tax thresholds.

Think beyond the numbers

Passing on wealth is about more than tax rules. It's about supporting your family in a way that reflects your values. Some families want to treat children equally, while others want to tailor gifts to different needs. A properly drafted will not only determines who receives what but it can also set a timeline to ensure that those receiving a legacy are mature enough to manage it responsibly.

These decisions can be emotional as well as practical, and there is no right answer – only what feels right for you.

Why an adviser can help

Estate planning involves a mixture of financial, legal and personal decisions. A financial adviser can explain the rules simply, help calculate your potential tax liability and guide you through your options. They can also work alongside solicitors to make sure everything fits together, including your will, pensions, investments and protection policies.

Many people find the process surprisingly reassuring once they start. Planning ahead means fewer surprises for your family and more confidence that your wishes will be carried out.

Simple steps to start your inheritance plan

- Check whether your estate is likely to incur a potential IHT liability
- Make sure your will is up to date
- Use gifting allowances where appropriate
- Think about the needs and priorities of different family members
- Keep important documents safely organised
- Speak to an adviser to create a clear plan that reflects your wishes

HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen. Will Writing is not regulated by the Financial Conduct Authority.

