

## 3 MISTAKES PEOPLE MAKE WITH INHERITANCE TAX PLANNING

### **Mistake number one:**

---

The first mistake is not making a Will.

The main reason people don't make a Will, is those old friends "procrastination and inertia".

There are always more urgent things that need doing and so 'Making a will' gets pushed to the bottom of the 'to do' list.

Another reason is you don't know who to go to, who you can trust to look after you properly.

The cost of not making a will can be high,

1. You can pay more tax,
2. The 'wrong' people can inherit what you own, and,
3. In the worst case it can all go to Her Majesty's Government.

If you take proper advice and then make a Will you take control of the outcome – the tax is minimised and the people you want to help inherit what you have decided.

This gives you satisfaction and peace of mind.

### **Mistake number two:**

---

Is not knowing exactly what assets you own and how much is your net worth.

Generally, you may have a rough idea of what assets you own – property, bank accounts, cars, investments etc.

But you probably don't know exactly how much they are worth and equally importantly where the documents are that prove you own them.

If you make this mistake it can mean the people who you want to inherit your assets might lose

out and get less than they would if you had planned properly.

By not being aware of the true value of your assets, you may fail to realise how much Inheritance Tax will be paid when you die and how it could have been reduced.

You may get less income during your lifetime.

Your children or other inheritors will probably find it more difficult to deal with your assets and it may well cost more to do so.

However, if you plan properly your children will thank you for it.

Very often it's easier to do this if you have someone independent to help you do it – often it's more difficult trying to look at it on your own.

### **Mistake number three:**

---

Is not reviewing their Will and not being aware that getting married will affect their Will.

It's important to remember that all previous Wills are revoked from the moment you say "I do".

Unless you make a Will following your marriage, the rules of intestacy apply.

This means that unless you have children, your surviving spouse will receive everything.

If you have children, your spouse will receive the first £250,000 and half of the remainder of your estate.

This means that couples who remarry in later life and already have children will probably need to make a new Will reflecting their wishes after marriage and preventing the intestacy rules applying.

Another issue that can arise is when the validity of the Will made after marriage is called into question, either because of mental capacity issues or because the Will has not been executed properly.

In this case you can't revert to the previous will, which will have been revoked on marriage, and the intestacy rules will apply.

If you make the mistake of not reviewing your Will after getting married, your children will probably lose out and get less than they would if you had planned properly.

However, if you review your Will when you get married and make a new one, you will know with certainty that your wishes are going to be carried out.

Reviewing your Will is not only a good thing to do financially but it also gives you the peace of mind of knowing that should the worst happen your wishes will be carried out as you want them to be.

**For a Free Consultation give us a call on 01244 569129 or Email [enquiries@nwllp.co.uk](mailto:enquiries@nwllp.co.uk)**



## LIFE PLANNING



**Peter Horgan**  
**Commercial Director**

NWL Life Planning

**T:** 0808 164 8042

**E:** [PeterH@nwllp.co.uk](mailto:PeterH@nwllp.co.uk)

**W:** [nwllife.co.uk](http://nwllife.co.uk)

