



20 24 Budget and Planning

Simon Martin FPFS

Heritage Financial Consultancy



- Senior Partner Practice of St. James's Place
- Established in 1996
- Providing holistic advice to individuals, businesses and trusts.

Nathan Steele



FINANCIAL & MORTGAGE ADVISERS SOLICITORS ACCOUNTANTS REGISTER LOGIN

Financial and Mortgage Advisers > South West England > Bath > Radstock > Nathan Steele



Nathan Steele

Heritage Financial Consultancy Ltd

Minimum savings/pensions: Over £50,000

Minimum mortgage: Over £250,000

0330 038 8940

CONTACT

Based in Radstock
[View location](#)

Top Rated 2024 Verified since: February, 2019

5 out of 5 205 reviews

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Gooding Accounts

- After working in Accountancy for more than 20 years Sam Gooding established Gooding Accounts in 2014 (so the firm celebrates 10 years in business this year)
- Gooding Accounts are a dynamic accountancy firm offering a full range of services including; company accounts, tax, VAT, bookkeeping and payroll. We strive to stand apart from other accountancy firms, focusing on providing a friendly and approachable service where no question is too small. Our dedicated team will help ease the pain of keeping your finances in order.
- Serve Wiltshire and beyond from our 3 offices in Westbury, Warminster and Melksham
- Contact details www.goodingaccounts.co.uk [goodingaccounts.co.uk] Westbury - 01373 510020, Warminster - 01985 390010, Melksham – 01225 636014 email - info@goodingaccounts.co.uk



What might have changed

What did change

What didn't change

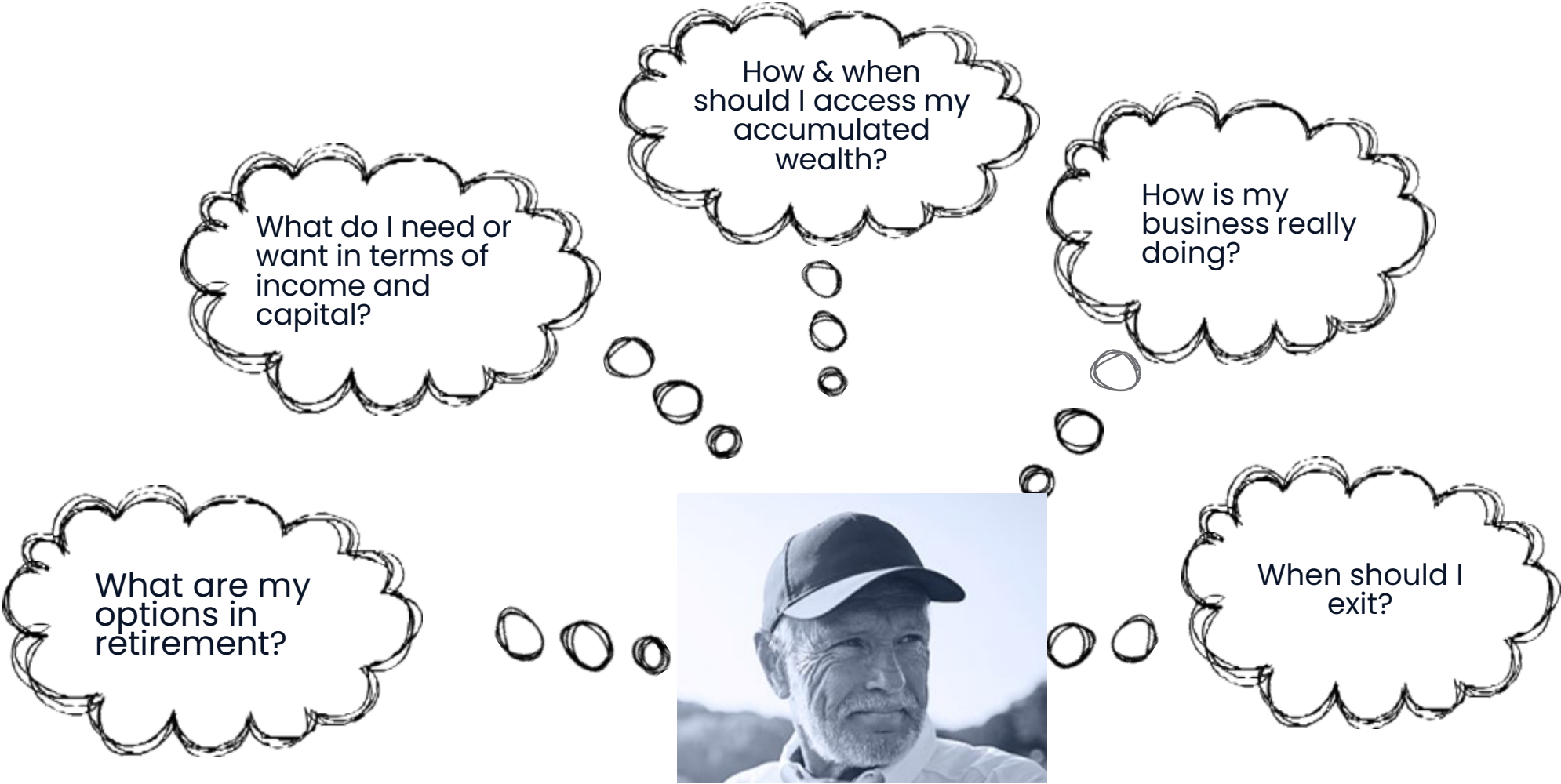
Initial Thoughts and Opportunities

“The net, non-market dependent, improvement in financial well-being delivered as a result of adviser know-how, experience and expertise.”

Tony Wickenden

Director – Technical Connection

Preparing for your future



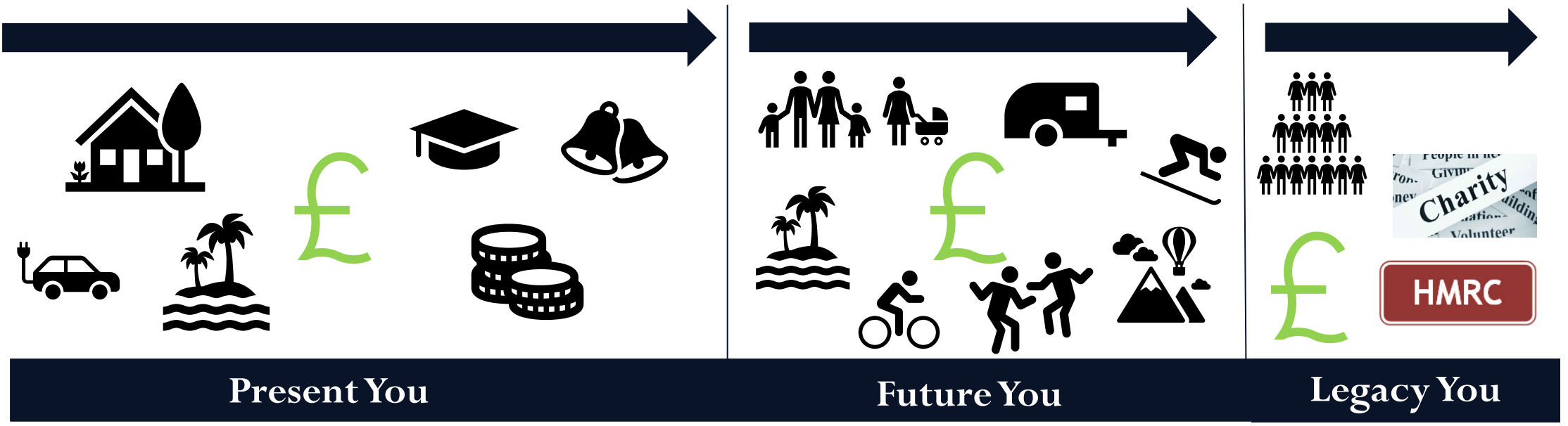
Goals and objectives

Every plan starts with a goal. These need to be distilled into a cohesive, individual plan. This needs to be based upon a detailed picture of your future and tracked over time.



Financial Planning

What are your desired outcomes?



Life Planning



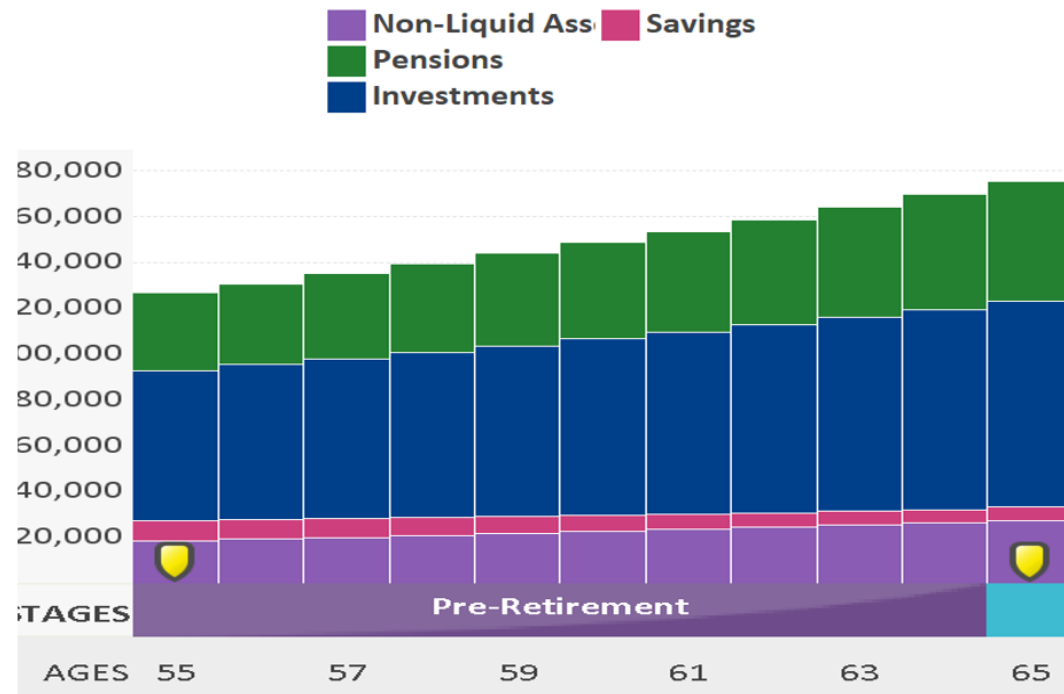
Financial Advice

Financial Planning



Asset Values

Having established your total current assets, these figures have been projected forward to your retirement age of 65.

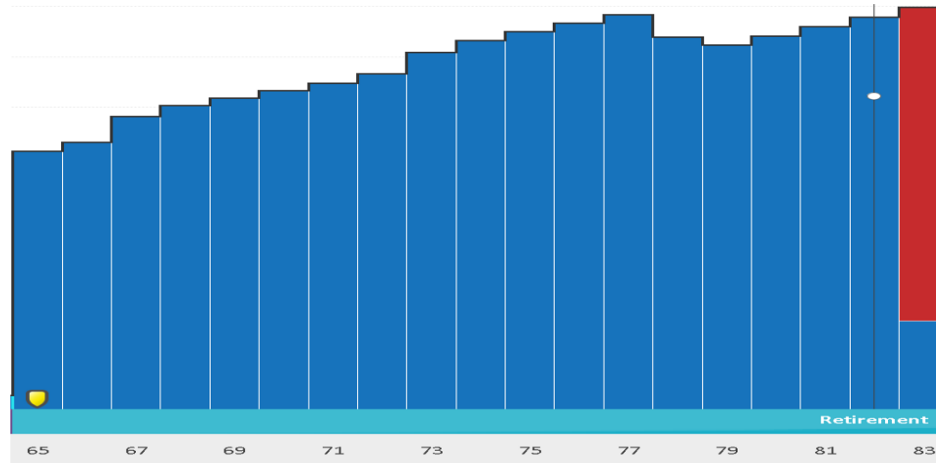


The report shows your total assets, from which retirement income can be drawn, will be worth £3,093,000 when you reach age your planned retirement age.

Income in retirement

FINANCIAL FREEDOM FIGURE

During our discussions, you informed me you would like to retire at age 65 with a net income of £80,000, including your other income. The graph below shows your income in retirement, if you take no further action to increase your investment holdings or business value.



As you can see, our report shows your funds will cease to provide the required income when you reach age 83; this will well inside your life expectancy and leave very few assets for the next generation.

Current Projected Wealth at retirement	£3,093,000
Financial Freedom Figure	£3,496,188
Current Shortfall at retirement	£403,188

- We currently project that at the assumed asset growth rates you will enjoy income of **£65,195** in retirement. This is **£14,805** less than your target annual income.
- You will need to generate an additional **£403,188** of wealth to achieve your target annual income

Three critical questions following the budget

◆ Will you still reach your financial objectives following the budget changes?

◆ Do you need to make any changes?

◆ Are there any new opportunities?

What was rumored to change?

- Pensions
 - Removal / Reduction of TFC
 - Reduction in tax relief, flat rate?
 - Taxable pre – 75
 - Subject to IHT on death
 - Employer NICs on pension contributions
- CGT
 - Increase in rates. 39% or income tax?
 - No write off on death
- IHT
 - Increase the 7-year rule (10 years)
 - Extend the freeze past 2028
 - Removal of BR/AR/AIM
- Income tax freezes past 2028
- Increase NICs for employers
- Carried interest tax changed



The levels and bases of taxation and reliefs from taxation can change at any time. The value of any taxation relief depends on individual circumstances. The value of a pension may fall as well as rise. You may get back less than you invested.

What are the major changes

- Pensions
 - Liable to inheritance tax from 2027
 - Consultation being launched
- CGT
 - Increase to 24% for share disposal
 - Basic rate from 10% to 18%
- IHT
 - Freeze extended to 2030 – 21 years before a change
 - BR and AR limited to £1m, taxed at 20% in excess of this
 - 50% IHT relief on unlisted shares
- Employer Tax
 - ER NICs increase to 15%, from 13.8%
 - Payment threshold reduced from £9,100 to £5,000
- Non Dom, moved to a residence-based arrangement.



What are the major changes

- Property
 - Stamp Duty – 5% surcharge, from 31/10/2024
 - Furnished Holidays Lets, changes confirmed
- BADR being scaled down, 14% to 18% over the next couple of years
- Carried interest tax changed, 28% to 32%.



*The inheritance tax Nil Rate Band and Residents Nil Rate Band remains **frozen** until April 2030*

Pensions have been brought into the IHT estate from 2027



What does that mean for you?

IHT Liability

Jane is widowed and her estate and IHT Liability is broken down as follows:

Asset	Included £
Non ISA Collectives	£300,000
ISA	£250,000
Property	£350,000
Cash Deposits	£50,000
Pension	£400,000
Total	£1,350,000

For illustrative purposes only

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NRB x2	(£650,000)

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Pension Exemption	(£400,000)
Liability	£0 @40% = £0

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IHT Liability

Let's assume her assets grow at 6% a year between 2021 and 2030:

Asset	Included £
Non ISA Collectives	£514,110
ISA	£428,425
Property	£599,795
Cash Deposits	£85,685
Pension	£685,480
Total	£2,313,495

For illustrative purposes only

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- Nil rate band x2	(£650,000)

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ISA	£428,425
Property	£599,795
Cash Deposits	£85,685
Pension	£685,480
Total	£2,313,495
- Nil rate band x2	(£650,000)
RBRB x2 (tapered)	(£193,292)

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Pension Relief	£0

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Pension	£685,480
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- Nil rate band x2	(£650,000)
RBRB x2 (tapered)	(£193,292)
Pension Relief	£0
Liable to IHT	£1,470,203

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IHT Liability

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Pension	£685,480
Total	£2,313,495
- Nil rate band x2	(£650,000)
RBRB x2 (tapered)	(£193,292)
Pension Relief	£0
Liable to IHT	£1,470,203
IHT @40%	£588,081

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The levels and bases of taxation and reliefs from taxation can change at any time. The value of any taxation relief depends on individual circumstances.

Initial Planning Thoughts

- The need for advice is greater than ever.
- Does your plan still work? Understand your personal impact
- Potential ideas below, please seek individual advice

- Pensions
 - ***wait for the consultation to finish***
 - Drawing income more attractive, certainly to the basic rate
 - Annuities more interesting, combine with WOL?
 - Draw and gift from income, children's; pension?
 - Draw PLCS and gift?

- CGT
 - Still more attractive than income tax, death write off. No major change.
 - BADR changes, any action now?

- IHT
 - Impact so many more people, freeze and pensions
 - Key advice focus – ensure you are comfortable
 - Use PCLS to create IHT efficient income, DGP.
 - Whole of life, retained the gift from income exemption



The value of a pension with St. James's Place may fall as well as rise. You may get back less than you invested. The levels and bases of taxation and reliefs from taxation can change at any time. The value of any taxation relief depends on individual circumstances.

Initial Planning Thoughts

- Businesses
 - Remuneration structure changed again! Review with accountant.
 - Use of freelancers?
 - Pensions retain interest
 - Gifting Businesses and farms above £1m each, now on the agenda. Gift hold-over relief still available
 - Consider where the assets are passed on first death, allowance not transferrable
- Domicile
 - Seek advice, complex changes
- What might change in the future? We don't know.
 - Use allowances and exemptions, ISAs, Pensions, Dividends etc
 - Review regularly
 - Consider what else might change?



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Thank you for listening.
Any questions?

Simon Martin
07731 357 999

