

## Guiding clients on their financial journey

*This case study illustrates the Waymark approach of personally guiding clients on their financial journey for today's circumstances with a degree of foresight. Most people are only prepared to give their attention to financial planning when there is a major event in their lives; marriage, divorce or receiving an inheritance, for example. The trigger for initiating this process was when my client reached 75 and wanted to mitigate the Inheritance Tax (IHT) liability on his estate.*

### Client Profile

New client in 2004  
Male age 76 at that time  
Single  
No children  
Basic rate tax payer  
Large potential inheritance tax liability

### Previous Planning

Life assurance policy written in trust to mitigate IHT  
Will and Lasting Power of Attorney (previously  
Enduring Power of Attorney) drawn up

### The Process

For this client the main issue was that although he wanted to mitigate the IHT liability on his estate, he did not know how long he would live for or if he would need long term care. The client invested in a Discounted Gift Trust which meant that if he survived seven years the capital invested would be IHT free. Importantly it also enabled the client to continue to receive the income on the investment. In the event, sadly the client entered a care home in 2011, when the Lasting Power of Attorney was implemented and he passed away in 2013. In total £160,000 of IHT was saved.

### And another thing...

Although the investment gain was subject to income tax when payable to the beneficiaries, the payouts were structured so that little or no tax was paid also saving about £160,000.

This case study does not constitute personalised financial advice. If you would like to discuss this case study further, or you would like Waymark to conduct a financial review for you please contact us.

Prepared quarter 4 2014, based on a real case undertaken between 2004-2014.



**T:** 020 3427 3205 / **M:** 07765 255 112 / **F:** 0844 579 0296 / **E:** [mark.wilson@waymarkfinancial.co.uk](mailto:mark.wilson@waymarkfinancial.co.uk)

Waymark Financial Limited is an appointed representative of Beaufort Financial Planning Limited, Beaufort House, 85-87 Basingstoke Road, Reading, Berkshire, RG2 0HA which is authorised and regulated by the Financial Conduct Authority. Registered office Becket House, 36 Old Jewry, London EC2R 8DD. Registered in England and Wales number 7700260.