LUCAS FETTES

Intergenerational Wealth

A guide to your options

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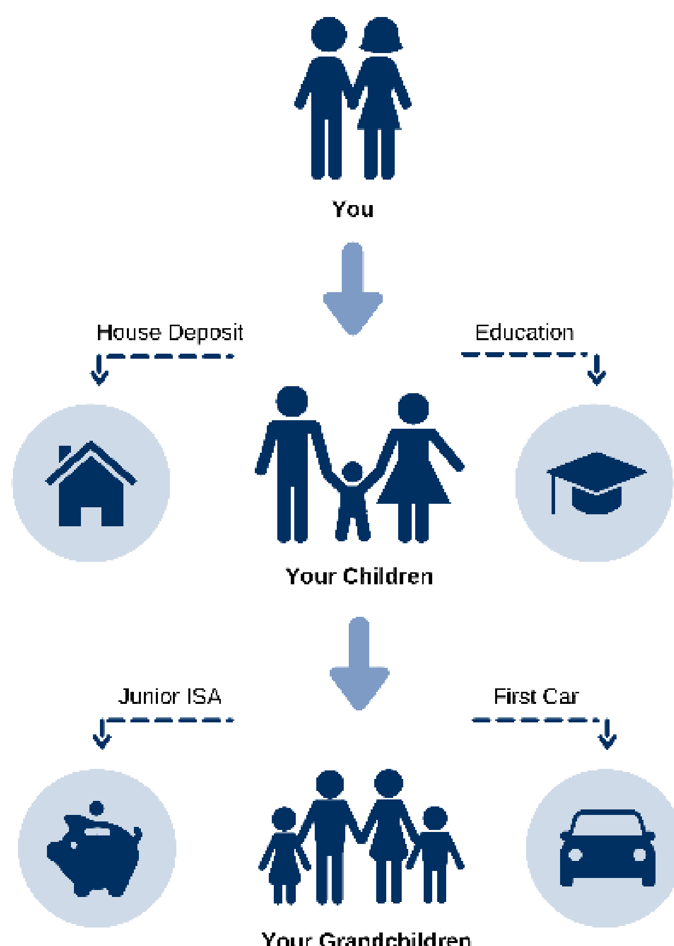
Introduction

Intergenerational wealth can be defined as the transfer of assets, from one generation to the next, to help financially support family members during their lifetimes: usually via inheritance or gifts. It is becoming an increasingly important topic as 'the great wealth transfer' begins. Despite global economic weakness, £5.5tn will pass between generations in the UK over the next 30 years . We are shifting towards an inheritance economy as more than a million adults are expected to receive an inheritance in any given year.

This will create a whole new generation of wealth, owned by individuals with different priorities, goals and challenges.

This guide will cover some of the reasons you may wish to transfer wealth as well as:

- How you can go about this
- The items you will need to get in order to be able to transfer wealth effectively
- The issues you may encounter, and
- How a financial planner will be able to guide you throughout this process.



Reasons to transfer wealth

Transferring wealth has become a popular feature of estate planning in recent years, as more people begin to support younger generations of their family and charitable causes they care about.

Education costs

University tuition fees have risen considerably in the last decade (currently up to £9250 per year). As a result, students will now leave university with considerable debts, which some will never be able to repay in full. In 2021, the average UK student graduated university with more than £45,000 worth of debt . Only a decade ago, this figure was £14,670 and it is likely this will continue to rise. Many parents and grandparents do not wish to see their children/grandchildren begin their adult lives overwhelmed by debt from their education, which will only grow further with the addition of interest.

House deposits

Getting onto the property ladder has become increasingly difficult for young people due to rising house prices. In 2022, the average home costs nine times the average wage. This forces young people to rent as they struggle to save towards a house deposit, even if they could comfortably afford the mortgage repayments. Families have begun gifting lump sums to allow young people to buy their first homes.

Legacy gifting

Legacy gifting has become increasingly popular in recent years. Charitable donations, left within wills, increased by 56% in 2020 . Legacy gifts are not just left in the form of cash. They can be made up of any type of asset including property, cars or valuable equipment. You can leave a gift to any charity or non-profit organisation. Leaving a donation to charity can also be tax efficient and reduce inheritance tax (IHT).
Whatever your reason for wanting to transfer your wealth to another individual or organisation, a financial planner can help you decide the best course of action on how to complete this. They will take into consideration your thresholds and tax allowances, so you receive the best option for your circumstances.

The issues with transferring wealth

Transferring wealth has its own set of issues and complexities. You must consider how these may affect you and your loved ones when deciding on the best approach for you and your wealth.

Your financial security

Whilst gifting within your lifetime can be beneficial in many ways, it is important to consider how these gifts will affect your financial position whilst you are still alive. The loss of assets may result in your financial security being diminished. If unforeseen circumstances were to arise, such as a need for later life care, would you be left financially vulnerable or see a reduction in your financial freedom? Gifting is a permanent action which cannot be reversed and, therefore, it is important to consider whether it is suitable for you.

Inheritance tax (IHT)

This is the tax applied to your estate after you die. There is normally no tax to pay if your estate is below the value of £325,000 or if you leave anything above this threshold to your spouse/civil partner, a charity or community amateur sports club. Leaving your home to your children or grandchildren can increase your threshold to £500,000. Any unused threshold from a civil partner or spouse can be combined meaning your threshold could reach up to £1m.

IHT is normally charged at 40% on the remaining estate not covered by your threshold. This rate will be reduced to 36% if you leave 10% of your net taxable estate to charity in your will. Some gifts are subject to IHT even if they were gifted before your death. Any gift given up to seven years before your death could be added to your taxable estate. Taper relief is available depending on when you gave the gift. It reduces tax on gifts given six to seven years ago to 8%. This increases each year closer to your death the gift was given. People you have gifted to may have to pay this tax on the gifts they received but the rest of your IHT will be taken from your estate.

It is typically adult children who receive this wealth transfer unless the individual is survived by a spouse. The number of people in the UK who are living beyond 90 has tripled since the 1980s. This means that the 'children' now receiving this wealth will most likely be in their 60s or 70s.

Years Between Gift and Death	Tax Rate
less than 3	40%
3-4	32%
4-5	24%
5-6	16%
6-7	8%
7 or more	0%

They do not typically have much use for large cash lump sums at this age as they will have already paid off their mortgages, their dependents will have left home and they are spending the wealth they have accumulated from their own careers. It means that large amounts of money reside in savings accounts and are then passed to the next generation with a percentage likely lost through tax. If the estate of the beneficiary exceeds their allowance when they die, the assets will be subject to another IHT charge.

It may be worth considering a life insurance policy to help cover the costs of IHT. It will not reduce the amount you pay but will help provide a cash lump sum to your family members to help pay the bill. It is important that the insurance pay-out is directed into a trust for this to be effective. If it is not, it will increase the value of your estate and increase your IHT bill. A life insurance policy will allow your family to protect important assets like your property which may otherwise be sold to pay your IHT bill.

There are tax efficient methods of reducing your IHT bill. Consulting a financial planner will put you in the best position to pay the least amount of IHT possible.

Conflict between beneficiaries

Finances are already a sensitive topic in any situation, so it is important that these conversations are approached delicately.

Beneficiary disputes can have a significant negative impact on both your wealth and your family. Conflicts can reduce your level of finances due to potential asset freezing and various legal fees if disputes take a formal turn.

These procedures can lead to certain family members living in unfavourable circumstances whilst litigation takes place. Aside from the financial implications, conflicts between beneficiaries have the potential to cause irrevocable damage to your family unit.

Three key factors are cited by Ocorian, which increase the chance of tension and conflict during situations of wealth transfer.

These are:

- **Authoritarian Patriarchy** – this conflict often originates from resentment from children towards their parents from their strict upbringing and a want to rebel against this authority.
- **Mixed Messages** – This stems from children being engaged with key family decisions but at the same time, having their wealth tied up in trusts which they have no access to or power over.
- **Equal Division without Condition** – this is the family's decision to leave equal amounts of the estate to all their children without any requisites which can cause some issues for certain children who are unable or ill-equipped to deal with a large cash lump sum.

Conflict can also arise from separation, divorce and remarriage. These events can cause strain on family ties as well as your finances. These acts may influence the relationship you have with your beneficiaries. You may suffer from a reduced income following divorce or gain new dependents from remarriage. Each of these elements can affect your quality of life and will need to form part of the conversation you have with your financial planner.

If you are aware of potential conflicts between your beneficiaries, you should inform your financial planner so they are aware of the difficulties which may appear further down the line. They will remain impartial and be able to guide you through potentially disruptive decisions such as how assets are divided between beneficiaries, charitable contributions from your estate or the involvement of extended family members as the result of remarriage. Financial planners will also work closely with other professionals such as Solicitors and Accountants to achieve the best possible outcome for the client. Clear communication is the best method for preventing and resolving beneficiary disputes.

Case Study

Open communications between parent and child builds trust

Caroline, 71 and Laura, 47 are mother and daughter. They are very comfortable with discussing how to financially plan for their future. Caroline sometimes requires some support in actioning her financial plan and has found her relationship with her planner incredibly useful. They both value their financial planner as an individual who takes the time to explain simply how their finances are managed. The planner has built up their financial knowledge and increased their confidence through continued and reliable support.

Laura explains that Caroline has a very reserved attitude towards money. "She doesn't spend more than she earns and closely monitors her accounts." She is very conscious about maintaining her lifestyle and not returning to the low-income environment she grew up in. This frugality has allowed her to invest in property.

As a child, Caroline was aware of her parents' efforts to save as much money as they could, assigning money to different funds through various tins for each expense they had. Caroline married a man of a similar background. Her husband always knew the exact state of their affairs with every penny being accounted for. Caroline's planner is currently trying to encourage her to spend some of her wealth in order to reduce her inheritance tax bill in the future. She is, however, finding this difficult due to her upbringing and the belief that she does not need to purchase anything more than she already has.

"I worry about being in the same financial position as my parents were when I was a child. Having money reassures me and makes me feel secure."
CAROLINE

Caroline's daughter, Laura, received a very good financial education from her parents; learning to manage and control every detail of her estate and wealth.

"Every outgoing was budgeted for including our pocket money."
LAURA

She has mirrored her parent's financial attitudes and these lessons allowed Laura to purchase her first home at 24 and when her marriage broke down, she was able to support herself through a particularly complicated divorce. Whilst working in Singapore, she was able to save a large percentage of her high salary. She has also benefitted from some risky but profitable investments during this time. Her want to be financially secure stems from her desire to be able to support herself and her children during any future difficulties.

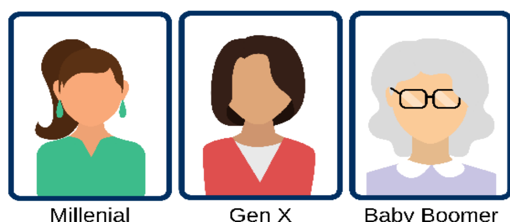
Laura's ex-husband is not financially responsible and she is concerned that he is trying to buy the children's affection with extravagant presents and expensive treats. She wants to make sure that her children benefit from a similar upbringing as she did, ensuring that they are savvy with their money and plan well for their futures. Laura has encouraged them to save a proportion of their allowance and prepare for their future life stages such as learning to drive or going to university.

Their financial planner is currently working with Caroline and Laura to help tackle the future inheritance tax bill which will have an impact on their finances. Caroline is worried about how it will affect her beneficiaries but is currently avoiding the topic. Both Laura and their planner are working sensitively to help her through this.

"I don't want money to control our lives. It should help us live our lives instead."
LAURA

Generational differences

Traditionally, each generation was expected to have a better quality of life than the last, but this is no longer the case. Increasing life expectancies, rising house prices and a shift in priorities has dramatically changed the financial landscape. Those now living in their 40s and 50s are worse off than those of the same age a decade ago. You can split the generations into three key types; individuals, couples and young families (Millennials), established, mature households with adult children (Generation X) and elderly couples whose children have left home and are enjoying their retirement (Baby Boomers). Each of these age groups have their own financial priorities and attitudes which are different from the generation before them. This can cause issues for intergenerational wealth in various ways.



Commonly we see grandparents concerned about leaving large financial gifts to their children and grandchildren as they are unsure that they are financially responsible and will use the wealth sensibly.

Generation X are in the unique and difficult situation where they have financial dependents above and below with elderly parents who are living longer and require care and their adult children who are unable to be financially independent as they are not benefitting from the same economy which allowed their parents to thrive. They are concerned that they cannot provide for their parents increasing health costs and their own retirement.

Young millennials are struggling because of rising house prices and mounting student debts which have prevented them from beginning their adult lives in the same ways their parents had. Younger people tend to be more flexible in their work commitments, more focussed on experiences than commodities and less focussed on financial commitments such as mortgages due to the belief that it is a largely impossible goal for them. This can cause tensions between families who wish to help the generations beneath them but are unsure as to how best achieve this.

How can I transfer wealth?

Traditionally, inheritance is gifted following your death. Your assets, which form your estate, will be divided amongst your beneficiaries as dictated in your will, if you have one in place, or following the rules of intestacy.

However, you do have the ability to transfer wealth tax-efficiently throughout your lifetime, providing it is suitable for you to do so.

This can be beneficial for a range of reasons including:

- Gifting your wealth whilst you are still alive allows you to see the positive impact you are having on the lives of your loved ones and to create memories they will be able to cherish once you are gone.
- It allows you to support your children when they are most financially vulnerable. Adults in their 20s and 30s are the most likely age group to need financial support as they try to buy their first home and start their own families. Gifting wealth to them is likely to have a much larger and more positive impact on their lives than if you were to gift it once you have died and they are much older and settled.
- It provides you with peace of mind that you know the financial position your children were in before you died. You could potentially guide them in their financial decisions and help offer advice on how to utilise the money you gift, rather than it being wasted once you have died. Your influence may allow them to be more financially responsible and better prepare them for later life.
- It may also be financially more effective. By gifting whilst you are still alive (providing you live for at least 7 years following the gift) you are able to avoid paying inheritance tax on them.
- You can ensure that your wishes are carried out as you would want. Wills can be contested and ultimately your wishes could be overridden.

Case Study

Carrying forward the stories and influence of past generations

Father and daughter, Matthew, 57 and Bridget, 28 are based in Manchester. Matthew has spent many years involved with investing and is very confident in his ability to manage his own portfolio and make good choices about his funds. Despite his extensive understanding of the markets, he is currently looking for a financial planner who is willing to take the time to learn of his circumstances. He wishes for his planner to adopt a flexible approach, allowing him to be involved as much or as little as his lifestyle allows.

Matthew grew up in a very impoverished area in the north of England following his parent's migration as a part of the Windrush generation. Their household income was limited which meant all resources were pooled and shared amongst all family members. Despite this, Matthew was very talented at football and was able to turn pro following the marriage to his wife.

Due to his increased income, he was able to purchase his first home and his quality of life quickly improved. Matthew's wealth grew exponentially as his sporting career took off. Due to his childhood experiences, Matthew is cautious towards his finances and wants to provide financial security for his family in the future.

"I am not interested in the complexities of finance and the difficult jargon that is associated with it. My planner will need to know us incredibly well for our relationship to be effective."

MATTHEW

Matthew's wife is not as cautious as he is. She is quite content in her abilities with financial planning whereas he likes to take time to absorb and understand the information he is provided with. They have invested in a vast property portfolio as well as allocating funds in bonds and shares. Although he has a financial planner, it has taken them an extensive period time to form a good working relationship due to Matthew's hesitancy to trust external sources. In order to gain the most from financial advice, he feels that he will need to understand more about the sector and work to improve the relationship with his planner.

Bridget has a very different set of requirements from her financial planner due to her circumstances, but she still chooses to consult her father about particular decisions to draw on his experience as she trusts his opinion.

Bridget's childhood was starkly different to her father's due to the increase in income. They moved frequently and the properties grew in size and value with each move due to her father's profession.
She wants to achieve independently of her father's wealth and has worked hard from an early age with part time jobs. She has saved extensively, far more than her friends in similar positions, and has discussed her situation frequently with her family.

"I have learnt a lot from my parents as they were very open about money and have taught me how important it is to save for the future."

BRIDGET

As Bridget reaches adulthood, she is building on her financial understanding and is confident in her abilities to manage her own finances. She has learnt from both of her parent's different approaches and combined them to create her own. She appreciates that the previous generations have had to work very hard for what they achieved and therefore has a positive but realistic approach to money. She still feels that there are opportunities for her to further improve her financial wellbeing and believes that these will come from the influence of her parents. She wants to be able to pass on this knowledge to her own children in the future.

"I am still learning but my parents are my guide. I understand where I have come from and how difficult the past has been for my parents and grandparents. I value the luxuries I get to enjoy and have been taught how to be wise with my money. I feel I have a good foundation for my future."

BRIDGET

Methods

The ways in which you can choose to transfer your wealth are vast and their suitability will depend entirely on your circumstances and financial objectives.

The methods available to you include:

Utilising unused pensions

Funds taken from your pension whilst you are alive will form part of your taxable estate when you die, but unused pension funds will not. If drawdown has not begun, the pension can remain in place and be used by other individuals it is transferred to. A pension can also be split amongst numerous beneficiaries of your choice. You have the ability to transfer your pension to a beneficiary and avoid it contributing towards your IHT bill.

There are certain conditions that must be met and time frames which may affect its taxable status.

This is also subject to the conditions of your scheme rules.

- If a pension holder passes away before they reach 75, their pension and any benefits relating to it, will be tax free.
- If the pension holder passes away after they are 75, any lump sum or drawdown amounts will be subject to the beneficiary's personal tax rules (which may be less than IHT).

The relationship between IHT and pensions is relatively simple. Pension benefits are not typically subject to tax following the pension holder's death, although there is an exception. If you transfer your pension in the two years before your death, HMRC will investigate to determine if you were knowingly trying to avoid IHT. If it can be proven that you transferred your pension for another reason, the pension will not be considered as part of your estate and will instead follow normal pension tax rules. To avoid this, it would be wise to transfer your pension as early as financially possible.

ISAs

ISAs are a tax efficient way of saving and transferring wealth. Each individual is entitled to an ISA allowance every financial year. It is currently £20,000 (2023/24) per person, per tax year.

If you are survived by a spouse, your ISA can be transferred to your spouse free from IHT. Any ISA transferred to a spouse will not contribute to their yearly ISA allowance, so they are able to continue saving as normal. Despite its benefits, this tax break is underutilised. Less than a fifth of eligible couples made use of inheritable ISAs in 2017/18 .

You could also choose to deposit money into a junior ISA for your children or grandchildren. This is another option for reducing the size of your taxable estate. You can gift £3,000 a year without it forming part of your estate. Anything over £3,000 may be subject to IHT if you die within seven years of gifting the funds. It is important to note than you can carry over any unused gift allowance from the previous tax year to the next, but it cannot be carried any further.

You can also gift larger amounts if you can prove it has not affected your standard of living. This means you could potentially gift the full junior ISA allowance (£9,000 for 23/24) every year for your children and grandchildren, further reducing the size of your IHT bill.

Trusts

A trust allows you to control how your wealth is to be used following your death. You can set out how it is spent and by whom. You can choose for it to pay out lump sums or a regular allowance. This is useful if you are concerned about how a large amount of money may affect someone who is not financially responsible.

You can also dictate for the trust to pay following a milestone birthday, when a child is mature enough to receive the value. Assets within a trust do not form a part of your estate which means they will not be subject to IHT, as long as you survive for seven years from when you placed them within the trust.

Different trusts are subject to different tax rules but utilising one may allow you to avoid IHT. The rules regarding trusts can be complicated and may cost you more in the long run. It is important to obtain professional advice when considering a trust to fully evaluate its effectiveness.

Gifting

HMRC allows you to make a certain number of tax-free gifts per financial year. There are three main tax exemptions.

1. Gifts up to £250

You can give as many gifts of up to £250 per person, as you want during a tax year, as long as you have not used another exemption on the same person.

2. Exempted Gifts

HMRC allows you to gift up to £3,000 tax free, per financial year, without it counting towards your estate. The allowance is per individual and can be carried forward to the next tax year. This means a couple who have not used their allowance in one year could gift up to £12,000 in the next.

You can also give wedding and civil ceremony gifts of up to £1,000 per person. This rises to £2,500 for a grandchild and £5,000 for a child.

3. Normal Expenditure

You may give 'normal' gifts out of your income, as long as they are made regularly. In order for these to remain tax-free, you must be able to maintain your standard of living once they have been gifted and prove this is a regular occurrence.

You may also help with someone's living costs; this may include a child under the age of 18 or an elderly relative.

Charitable donation

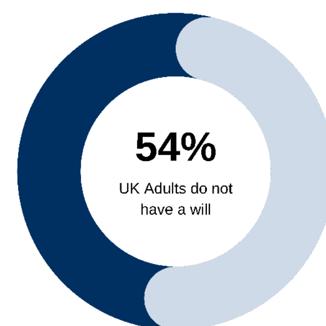
Donations made to charity are exempt from tax and can also help reduce the rate of inheritance tax due on your estate. Any amount donated to charity will not count towards your estate. If you choose to donate at least 10% of your net taxable estate to charity in your will, your rate of IHT is also reduced from 40% to 36%. This means that a lower rate will be applied to a smaller estate following a charitable donation. This is sometimes referred to as leaving a charitable legacy.

Things to get in order

In preparation for transferring your wealth, there are key elements which you will need to organise and arrange to best equip yourself and your beneficiaries in the event of your death.

Wills

Despite wills forming an integral part of the transfer of wealth, 54% of UK adults do not have one .



A will is a legal document which allows you to express your wishes regarding your estate following your death. It also allows you to allocate guardianship of your children, should they be minors when you pass away. As it is a legally binding document, it must be valid to be effective.

Therefore, you should also ensure that you keep this up to date and in line with your circumstances.

Your wishes will be enacted by a named executor within your will. This can be any individual who you trust to manage your estate and the distribution of your assets. If there is a valid will following your death, a process will begin before your assets are distributed to ensure legal compliance. This is called probate.

A will is incredibly important as intestacy laws (the default if you do not have a valid will) may not allocate your assets in the way you would have wished. They may also lead to a less tax efficient situation regarding the value of your estate.

Powers of Attorney

Depending on your circumstances, it may be necessary to appoint a lasting power of attorney (LPA). This is a deed where permission is given by you (known as donor) to another person (known as attorney) to act on your behalf if you are no longer capable or of sound mind. This may occur due to illness or an accident. It can only be used if you are unable to make your own decisions. The authority you give may be in general or specific to a particular matter. This allows your attorney of choice to make decisions for you regarding your estate and assets as well as your health and welfare. It costs £82 to register an LPA. The person you choose as your attorney does not need any legal experience in order to fulfil the role. The Office of the Public Guardian can help you to decide whether you need to make an LPA.

A record of your documentation

Key Documents

We all know that certain documents and paperwork must be kept safely so they can be easily referred to and produced when asked for.

You should be familiar with where key items such as property deeds, bank statements, birth and marriage certificates are kept.

Other important documents may include details of savings and investments, tax certificates, divorce papers, insurance policies, outstanding bills and credit card statements. It is important that you inform the executor of your will where these are kept and to try and organise them before your death. This will make a very emotional time more manageable for your loved ones following your death.

Beneficiary and adviser relationship

Traditionally, conversations surrounding finances and death have been considered taboo. Combining these to understand and prepare for how your estate will be managed following your death is therefore typically a difficult discussion to have.

There are various challenges that families face when succession planning, but the most cited is the discomfort amongst family members when having these conversations. This can lead to various issues in the event of your death. A lack of preparation can lead to important documents being lost between your adviser and the person your beneficiary may choose to deal with in the future. It may also cause repercussions in relation to inheritance tax as your beneficiaries may not be aware of the most tax efficient practices or how to best manage your assets.

Whilst many think about succession planning as a task for later life, involving your beneficiaries in continuous conversations concerning your wealth allows for a working relationship with your financial adviser to be initiated. This gives you peace of mind knowing that your loved ones will be guided by someone you trust. It can allow for an easier transition period in what will be a very difficult time for your family. Involving your family as early as possible also allows them to build on their personal financial knowledge and improve their own financial wellbeing.

The value of financial advice

Measuring the value of financial advice can be difficult due to its abstract nature. Some may say it can be measured via the return on investment a client may receive, however, profit is not the whole story. The relationship between an adviser and their client is quite unique. Value should be rephrased to be understood as 'getting the best outcome for me' and that will change from each client to the next.

A good financial planner will not tell you how to spend your money but will guide you and explain how your wealth can help you achieve your financial objectives and life ambitions.

Although complex to quantify, there are some overarching themes which can help indicate how valuable financial advice can be.

Case Study

Need to simplify wealth management

David, 62 and Emily, 36 are father and daughter from East Sussex. Neither David nor Emily have consulted a financial planner and do not plan on doing so in the immediate future. They are both aware of what a financial planner could provide for them but are not fond of the idea of someone intervening with their personal matters such as their finances.

David and his wife originate from working class families with humble upbringings. He was visited at school by a representative from the local bank who spoke to his class about making regular savings for their future. Every child was given a small amount of money to help them open their first savings account and this became a competition to save the most between classmates. Despite this, it was David's wife who took the lead on the couple's savings.

When they got married, they adopted David's parents' methods of saving. They would assign an envelope to every expense and allocate a part of their income to each one in order to pay the bills. They would check how much was leftover every few months and use this towards holidays or larger savings goals.

Their financial base consists of good workplace pensions which they have paid into consistently. They have since invested in low-risk premium bonds with has provided them with a regular income of wins and bonuses, boosting their savings total over the years. Sadly, David's wife died recently.

At a recent meeting with his bank, David was introduced to saving money in a more formal way, stepping away from allocating funds to envelopes and his previous reliance on premium bonds.

"The bank has told me that I should invest my money. I'm not against the idea but I'm not sure there is much point at my age. It is important to be mindful of money but it shouldn't rule your life. I don't want to have to worry about it all the time."

DAVID

David is unsure of his next steps due to his wife's recent passing and the lack of a financial plan. He is happy to discuss his options with his family and progress further but requires guidance on how to do so correctly to mitigate the risk.

Due to the influence of her parents, Emily is also cautious with her finances. Her first savings goal was to buy her first car and she was able to achieve this thanks to her early financial education. Her mother advised her to pay into her workplace pension as early as she could. This was advice she followed closely which has placed her in a good position going forward.

Emily was heavily influenced by her parents and their approach to money. Although she is aware that support is available from her family, should she need it, she is hesitant to approach them because of the negative connotations that are attached to asking for money.

"I am not keen on investing money as the thought of losing what I have worked hard for is scary. I would only invest what I could afford to lose, which isn't very much, so I wouldn't receive a great return anyway. I am not very confident with money and worry about the future. I save well and will never get a loan in case I couldn't pay it off."

EMILY

Emily has chosen to approach her finances in a simple way to avoid risk and complex financial products. She is, however, aware that in order to be financially stable in the future, she will need to take a more active role in her finances. She understands that without a solid plan, she potentially puts herself in a difficult situation for the future and is looking for further guidance to protect the assets her and her husband have worked hard for over the years.

Providing peace of mind

Consulting a financial adviser allows you to make serious financial decisions with the comfort that you have considered your options carefully and are armed with tools and information you need to be successful.

Saving you time

Our lives are becoming increasingly busy and the financial sector is a complex. Therefore, researching products, investment options and pension plans is time consuming and sometimes difficult to grasp. By allowing an individual to take on these tasks on your behalf, you can free up time and spend it on matters which mean the most to you. Financial planners provide you with the freedom to live your life.

Help to prevent mistakes

Financial planners are highly qualified individuals who have spent considerable time studying and building experience to understand financial planning in its entirety. Their knowledge allows them to guide you in your financial journey, mitigating the mistakes you may make if you carry out your own financial planning.

Managing your expectations

There is a degree of uncertainty with many financial decisions. A financial planner is able to understand and analyse your personal circumstances and provide you with a pragmatic approach to your financial wellbeing. They are able give you reasonable expectations regarding your finances and your future.

How a financial planner can help you

A financial planner can help you plan your financial future.

As you build your relationship with your planner, they will come to fully understand your financial position and objectives. This level of insight allows them to help advise you of the best actions to take to achieve your goals.

They will work to understand your attitudes towards finance, the level of risk you are comfortable taking and the types of investments you may wish to make.

As an expert in the sector, your financial planner will have a deep understanding of the different requirements each generation may have, how priorities change over various age groups and how this may impact your financial objectives.

Financial products can be very complex. Utilising a financial planner delegates the task of research and understanding to someone who works with these products regularly. They will have in-depth knowledge over which option is the best for you and your family and will advise you accordingly.

Maintaining a good relationship with your adviser also builds the foundations for good financial knowledge and wellbeing in your dependents. Involving your children in financial planning early on will enable them to gain key knowledge surrounding the wealth they may inherit one day and how best to manage it. The nature of your estate is an important factor to be understood. Being transparent with your children will help them to understand how you and your wealth operate. This helps prepare your children for what may be a life changing sum of money. Educating your beneficiaries will also help ease any concerns you may have about the impact of your wealth on their lives.

Building a rapport between your adviser and your family is a great way of ensuring that your estate continues to be well managed once you have passed away. If they continue working with your financial planner, you have the peace of mind that they are being well guided by someone you trust.

At Lucas Fettes our experienced team of financial consultants offer a personalised financial planning service. We can assist you in transferring your wealth in a way that fits your financial circumstances, reduces the tax liability for your beneficiaries and provides the outcome you want.

How can we help?

We can work with you to provide a tailored financial plan that suits your needs and lifestyle.

One of our experienced financial planners will undertake a detailed review to help you meet your financial objectives, and determine the right option for you. Our on-going review service will ensure your plan adapts to any changes in your circumstances.

Call us on **01603 706 820** email us at **info@lffp.co.uk** or visit **www.lffinancialplanning.co.uk**

Important information

The way tax charges (or tax relief, as appropriate) are applied depends on individual circumstances and may be subject to future change. Pension eligibility depends on individual circumstances.

This document is solely for information purposes and nothing in it is intended to constitute advice or a recommendation. You should not make any investment decisions based on its content.

The value of investments can fall as well as rise and you may not get back the amount you originally invested. While considerable care has been taken to ensure the information contained in this document is accurate and up-to-date, no warranty is given as to the accuracy or completeness of any information.

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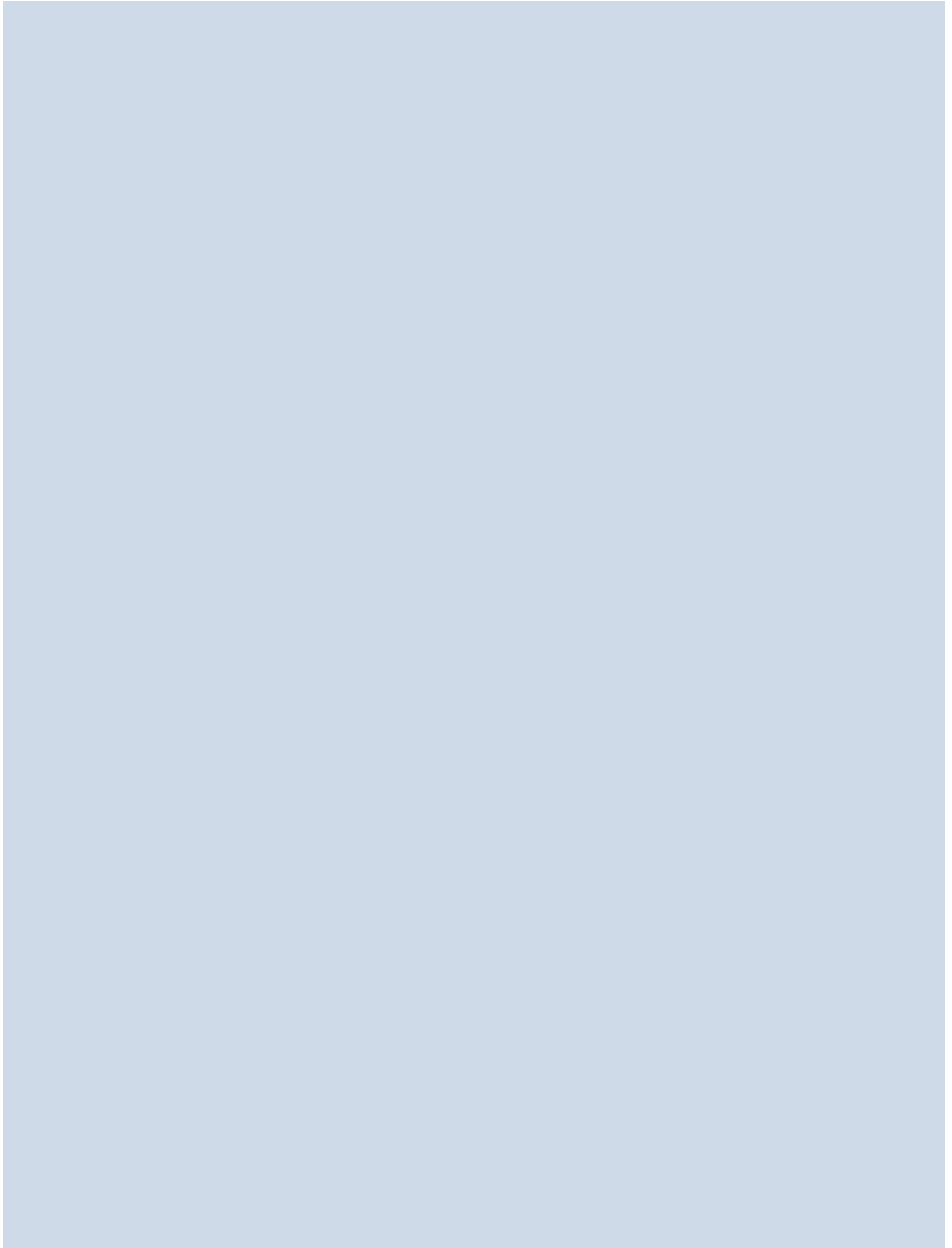
Notes



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