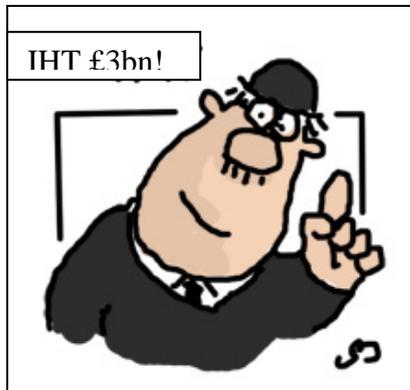


Treasury receiving more from inheritance tax

The money the Treasury receives from inheritance tax (IHT) has increased for the third year in a row, according to figures released by the Office for National Statistics (ONS).



In 2012-13, it reached a total of £3.147billion - a rise of 8% on the previous year and the highest figure since the start of the recession in 2007.

It's thought the increase is partly due to people saving more of their money rather than spending it during the economic downturn. The ONS believes that an increase in the value of shares and other investments could be another factor.

The report says: "Properties, household savings and to a lesser extent, equities make up the bulk of estates and hence receipts tend to reflect any fluctuations in these economic indicators. The level of receipts will also have been affected by the freeze in the inheritance tax threshold, which has been held at £325,000 since April 2009."

As the ONS points out, the inheritance tax threshold has been frozen at £325,000 for more than three years, during which time its true value has been eroded by inflation. Furthermore the UK is now beginning to see a rapid rise in property prices in all south east areas (whilst London was fortunate and didn't really see any major downturn in prices).

The ONS figures highlight the need to **plan ahead** in order to ensure that as much of your estate as possible is passed on in a tax efficient way to your beneficiaries, rather than being taken in tax. It is true to say that many clients will become higher rate tax payers for the first time after they have died!

A little careful planning now in relation to things such as wills, trusts and your overall financial arrangements can prevent thousands of pounds being lost in the future. This could make a huge difference to your family's future welfare.

As professional estate planners we recognise the need for a "complete service" and therefore we are proud to be the sister company of Scott and Casey Financial Management Limited who can provide someone for you to see to review your financial planning needs and assess whether any financial services solutions should be dovetailed with the advice we provide in relation to your Will and trusts.

Please contact us if you would like more information about inheritance tax planning.