My estate planning recommendations

In this section I’ll explain my recommendations to meet your needs in the area of ‘Passing on your wealth’.

Summarise the customer’s needs in this area/reason for reviewing. Ensure this is personal using relevant soft facts. Keep concise and take care not to repeat information from elsewhere in the report.

INSERT\_2

My recommendations include:

Include all that apply

* investments to help reduce the potential Inheritance Tax due on your estate
* life cover to help pay your estate’s potential Inheritance Tax bill
* other estate planning advice

My advice is based on your estimated Inheritance Tax liability of approximately **£INSERT\_3**, which I calculated from the information you provided.

Ensure calculation is contained in the FPR Appendix or added to the report

Please see the report appendix for a summary of my calculation.

My calculations and advice take account of the following:

Include all that apply and personalise as appropriate. Keep bullet points concise (1-2 lines each) and add any further explanations after the list

* the current estimated value of your estate
* Field\_1
* current intestacy rules
* the Nil Rate Band available to you of Field\_2. This is the value of your estate that isn’t subject to Inheritance Tax
* your current Residence Nil Rate Band
* the current rate of Inheritance Tax
* the assumed second hand value of any personal effects not mentioned in your Field\_3 is no more than £INSERT\_4
* any gifts you’ve made or plan to make, and your available gift allowances
* your previous Inheritance Tax planning

INSERT\_5

Include any other relevant factors such as gifts, other estate planning, other available allowances.

INSERT\_6

Explain whether pension benefits included/excluded for joint life cases and reason/implications.

INSERT\_7

I also considered your following preferences:

Include all that apply and personalise as appropriate. Keep bullet points concise (1-2 lines each) and add any further explanations after the list

* you don’t want to give up access to Field\_4 capital
* you’re happy to give up access to £INSERT\_8 of your capital, Field\_5
* you want to retain access to £INSERT\_9 of your capital, but are prepared to give up access to the capital growth on it
* you’re happy to pay for life cover to provide a lump sum to use towards the tax bill
* you don’t want to pay for life cover to provide a lump sum to use towards the tax bill
* you Field\_6 to leave money to charity

INSERT\_10

Add any further explanations where relevant and not already covered eg personal reasons for these preferences.

INSERT\_11

You should read my recommendations together with our **Guide to Inheritance Tax and Estate Planning**.

## Investments

My estate planning investment recommendations

### New

#### HSBC OIB

Repeat tables for each customer / different funds if applicable

|  |  |
| --- | --- |
| **Name** | **INSERT\_12** |
| **Product** | **HSBC Onshore Investment Bond** |
| **Trust type** | **S\_FIELD\_7\_6** |
| **Income** | Field\_7 **a year fixed, payable** Field\_8 |
| **Lives assured** | **INSERT\_13** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Investment fund** | **Amount invested** | **Ongoing charges (%)** | **Ongoing charge estimate (£))** |
| Cash Account | £INSERT\_14 | INSERT\_15% | £INSERT\_16 |
| S\_FIELD\_11\_10 | £INSERT\_17 | INSERT\_18% | £INSERT\_19 |

This investment includes the following:

Repeat rows for all relevant parts of your recommendation. Delete irrelevant rows. (If table contains a single line, delete the total row).

|  |  |  |
| --- | --- | --- |
| **Summary** | **Funded from** | **Amount** |
| S\_Field\_13\_12 | Field\_9 product | £INSERT\_20 |
| Switch fund | S\_Field\_16\_15 | £INSERT\_21 |
|  | **Total** | **£INSERT\_22** |

#### Pru Investment Plan (onshore)

Repeat tables for each customer / different funds if applicable

|  |  |
| --- | --- |
| **Name** | **INSERT\_23** |
| **Product** | **Prudential Investment Plan (Onshore Investment Bond)** |
| **Trust type** | **S\_FIELD\_18\_17** |
| **Investment fund** | Field\_10 |
| **Ongoing charges** | **INSERT\_24% a year, £INSERT\_25 (estimated)** | |
| **Income** | Field\_11 **a year** Field\_12**, payable** Field\_13 |
| **Return of premium death benefit option** | Field\_14 |
| **Lives assured** | **INSERT\_26** |

This investment includes the following:

Repeat rows for all relevant parts of your recommendation. Delete irrelevant rows. (If table contains a single line, delete the total row).

|  |  |  |
| --- | --- | --- |
| **Summary** | **Funded from** | **Amount** |
| S\_Field\_25\_24 | Field\_15 product | £INSERT\_27 |
| Switch fund | Field\_16 | £INSERT\_28 |
|  | **Total** | **£INSERT\_29** |

#### PIIB (offshore)

Repeat tables for each customer / different funds if applicable

|  |  |
| --- | --- |
| **Name** | **INSERT\_30** |
| **Product** | **Prudential International Investment Bond** |
| **Trust type** | **S\_FIELD\_29\_28** |
| **Investment fund** | Field\_17 |
| **Ongoing charges** | **INSERT\_31% a year, £INSERT\_32 (estimated)** | |
| **Income** | Field\_18 **a year** Field\_19**, payable** Field\_20 |
| **Lives assured** | **INSERT\_33** |

This investment includes the following:

Repeat rows for all relevant parts of your recommendation. Delete irrelevant rows. (If table contains a single line, delete the total row).

|  |  |  |
| --- | --- | --- |
| **Summary** | **Funded from** | **Amount** |
| S\_Field\_35\_34 | Field\_21 product | £INSERT\_34 |
| Switch fund | Field\_22 | £INSERT\_35 |
|  | **Total** | **£INSERT\_36** |

#### Aims/preferences

Your investment aims

Field\_23 will help meet your aims to:

Include all that apply and personalise as appropriate. Keep bullet points concise (1-2 lines each) and add any further explanations after the list

* ensure that as much of your estate as possible passes to Field\_24
* reduce the potential Inheritance Tax by placing your capital in a trust that will help remove Field\_25 from your estate
* provide the opportunity for better investment returns than cash
* provide a fixed income of £INSERT\_37 a Field\_26, which you said you’ll need for the rest of your life
* provide a fixed income of £INSERT\_38 a Field\_27, which you said you’ll need for the rest of your life, while also giving the opportunity for capital growth
* provide funds on your death to pass to Field\_28 to pay any potential Inheritance Tax liability without the need for probate

INSERT\_39

I’ve used an assumed investment term of INSERT\_40, based on average life expectancy information.

Add any further explanations where relevant and not already covered eg personal reasons for these aims

INSERT\_41

Your investment preferences

Field\_29 account of your following investment preferences:

Include all relevant investment preferences. Don’t repeat the customer’s aims. Keep bullet points concise (1-2 lines each) and add any further explanations after the list

* for expert investment management
* HSBC managed to have your funds managed to stay in line with your agreed risk Field\_30
* to Field\_31 the return of premium death benefit option because INSERT\_42
* for an investment approach that considers the environment and society
* ‘Smoothing feature’ for an investment approach that minimises extreme short-term ups and downs

INSERT\_43

Add any further explanations where relevant and not already covered eg personal reasons for these preferences

INSERT\_44

Provider diversification

I’ve recommended an investment with INSERT\_45 to offer further diversification. Spreading your investment across different providers means the returns from your investments aren’t reliant on just one company’s performance.

Specific reason for provider if relevant

I’ve recommended an investment with INSERT\_46 because INSERT\_47.

Reason for offshore

I’ve recommended an offshore investment because INSERT\_48.

Add any other relevant rationale for your recommendation

INSERT\_49

Add any relevant considerations or impacts eg any tax consequences, potential loss of allowances, factors affecting the amount/payment of income

INSERT\_50

If recommendations relate to goals with different risk levels, edit as appropriate

Field\_32 in line with your agreed risk Field\_33: Field\_34 RPPGINSERT\_51Field\_35 RPPG**INSERT\_52**

Please refer to **‘Your agreed risk level’** later in this report.

#### Trusts

Using a Trust

To provide Inheritance Tax benefits, it’s essential that your investment is placed into an appropriate Trust. I’ve provided you with detailed information regarding Trusts, how they work and their tax treatment. I’ve included a brief explanation below.

##### Discounted Gift Trust

Discounted Gift Trust

Placing your investment within a Discounted Gift Trust allows this money to be gifted to your chosen beneficiaries. It will remove funds from your estate over time, whilst providing you with a fixed income agreed at outset. However, if you don’t spend this income it will simply become part of your estate again.

Depending on your age, health, the amount of the investment and income, a discount may apply. This is a reduction in the value of the gift you’ve made, purely for Inheritance Tax calculations. It can, therefore, reduce the size of your estate immediately.

You won’t be able to access the capital, or the growth on it, that is held in trust.

If you die within seven years of the investment start date there may be an Inheritance Tax liability.

##### Loan Trust

Loan Trust

Placing your investment within a Loan Trust allows you to loan your capital to the trust. Any growth on the capital won’t be included in your estate for Inheritance Tax purposes, but instead will be held for your chosen beneficiaries.

You’ll retain the right to access your original capital through regular or ad-hoc withdrawals and once you’ve taken the loan back, you’ll have no further access to the funds. However, your trustees should be aware that if the funds held in the trust are insufficient to repay the loan in full on demand, depending on the terms of the trust, they may have to meet any shortfall from their own personal resources.

##### Gift Trust

Gift Trust

Placing your investment within a Gift Trust allows this money to be gifted to your chosen beneficiaries. As long as you survive for seven years, the money, including any growth, will fall outside your estate, potentially reducing the amount of Inheritance Tax due.

You won’t be able to access or benefit from the money held in trust.

##### Probate Trust

Probate Trust

Placing your investment within a Probate Trust won’t reduce your potential Inheritance Tax liability, whether now or in the future. However, it will allow you access to the capital and any growth in your lifetime whilst then allowing for the funds to pass upon your death to your chosen beneficiaries without the need for probate.

##### Excluded Property Trust

Excluded Property Trust

Placing your investment offshore within an Excluded Property Trust, whilst being non-UK domiciled but UK resident, allows you to gift this money to your chosen beneficiaries, while retaining the right to access the capital and growth for your own benefit.

If you become UK domiciled in the future, these funds will remain outside of your estate for Inheritance Tax purposes.

My advice is based on your confirmation that you’re currently non UK domiciled. However, if HM Revenue & Customs subsequently deem that you were UK domicile when creating this trust, you may become liable for an immediate lifetime tax charge, penalty charges and interest.

### Investment disposal/switch

Changes to your existing estate planning Field\_36

As indicated earlier, my recommendations will be Field\_37 from your existing investments.

Having reviewed Field\_38 against your current circumstances, agreed risk level, objectives and preferences, I concluded Field\_39 no longer right for you because:

Include all that apply. Edit if necessary to specify which product/fund each point applies to. Keep bullet points concise (1-2 lines each) and if necessary add any further explanations after the list.

* the product type isn’t suitable for estate planning purposes
* the risk level, potential losses and fluctuations are greater than your agreed risk level
* the risk level is lower than your agreed risk level, which means the potential returns are lower
* your Field\_40 managed to stay in line with your agreed risk Field\_41
* you have a high proportion of investments in INSERT\_53
* the ongoing charges are higher than for other investments, meaning less of your money is actually invested
* INSERT\_54.

Add any further explanations/rationale where relevant and not already covered by these reasons

INSERT\_55

Income comparison

This investment currently provides you with an income of Field\_42 a year Field\_43, payable Field\_44. INSERT\_56

Out of market/value may change

You may miss out on some investment growth while this change is being made. The actual value won’t be known until these changes have taken place.

ISA disposal

Having discussed other options, we agreed that using your ISA funds was the most suitable option. You’re aware that by closing your ISA investment you’ll lose the associated ISA allowance(s).

Cost incurred

Please refer to the **‘What this will cost you’** section for details of any additional costs this will incur.

PIMS/PDMS disposal

By closing your discretionary portfolio you’ll lose the following benefits:

* free annual reviews
* management of any capital gains within your portfolio
* automatic use of your annual ISA allowance
* quarterly reports
* annual tax summaries
* valuations via HSBC Online Banking.

Explain any other implications of the recommended changes

INSERT\_57

### Retain investments

Keep your existing estate planning investments

Still suitable

I reviewed Field\_45 against your current circumstances, agreed risk level, objectives and preferences. I concluded Field\_46

List investments (or refer to the report appendix if more appropriate). Repeat products/funds as required.

|  |  |
| --- | --- |
| **Name** | **INSERT\_58** |
| **Product** | **S\_FIELD\_63\_62** |
| **Trust type** | Field\_47 |
| **Investment fund** | **S\_FIELD\_66\_65: £INSERT\_59** |

Not suitable but no change recommended

Having reviewed Field\_48 against your current circumstances, agreed risk level, objectives and preferences, I concluded Field\_49 no longer right for you because:

Include all that apply

* the risk level, potential losses and fluctuations are greater than your agreed risk level
* the risk level is lower than your agreed risk level, which means the potential returns are lower
* your Field\_50 managed to stay in line with your agreed risk Field\_51
* you have a high proportion of investments in INSERT\_60
* the ongoing charges are higher than for other investments, meaning less of your money is actually invested
* INSERT\_61.

List investments (or refer to the report appendix if more appropriate). Repeat products/funds as required.

|  |  |
| --- | --- |
| **Name** | **INSERT\_62** |
| **Product** | Field\_52 |
| **Trust type** | Field\_53 |
| **Investment fund** | **S\_FIELD\_74\_73: £INSERT\_63** |

However, I don’t recommend any changes to Field\_54 because INSERT\_64.

### Review investments (declined)

Review your existing estate planning investments

You declined a review of Field\_55 because INSERT\_65. I recommend you review Field\_56 your current circumstances, agreed risk level, objectives and preferences. There may also be lower cost options available to you.

OPTIONAL: List investments. Repeat products/funds as required.

|  |  |
| --- | --- |
| **Name** | **INSERT\_66** |
| **Product** | Field\_57 |
| **Trust type** | Field\_58 |
| **Investment fund** | **S\_FIELD\_81\_80: £INSERT\_67** |

Single company shares

You want to keep your shares, however holding shares in individual companies carries a high level of risk. The share price, and therefore the value of your holding, may fluctuate significantly. There’s also a risk of losing all your money if the company becomes insolvent.

Concentration risk

Your Field\_59 makes up INSERT\_68% of your overall investment portfolio. Therefore, there’s a risk from being overly reliant on the performance of this investment.

Recommend sell shares

I recommend you consider selling or reducing your shareholdings in order to reduce the risk in your investment portfolio.

Explain any additional risks if applicable eg FSCS protection, may not meet income need

INSERT\_69

Please note that I’ve taken account of the value of Field\_60 as part of my estate planning review.

## Protection

My estate planning protection recommendations

Repeat the following product paragraph for each recommended policy. Ensure all details match the illustration(s). For joint cases, add customer names if applicable.

|  |  |
| --- | --- |
| **Name** | **INSERT\_70** |
| **Product** | **S\_Field\_85\_84** Field\_61 policy type |
| **Sum assured** | **£INSERT\_71** |
| **Term** | Field\_62 |
| **Premium** | **£INSERT\_72** Field\_63 |
| **Payable on** | Field\_64 |
| **In trust** | **Yes** |
| **Purpose** | Field\_65 |

This will meet your need to provide Field\_66 that can be used to help pay your estate’s Inheritance Tax bill.

Field\_67 will be written in trust so that, on death, the benefit is paid out to the trustees, rather than into your estate. The trustees can then pass it more quickly to the person or people you want to receive it.

The enclosed Trust Information Sheet explains how a policy trust works and the tax implications.

Multiple gifts covered by single policy

Field\_68 will be used to cover gifts with differing Field\_69. I’ve recommended this, rather than separate policies, Field\_70.

Existing policy

This will Field\_71 the following Field\_72:

Repeat for multiple policies

|  |  |
| --- | --- |
| **Product** | **INSERT\_73 S\_Field\_99\_98 INSERT\_74** |
| **Sum assured** | **£INSERT\_75** |
| **Term** | Field\_73 |
| **Premium** | **£INSERT\_76 a month** |
| **Guaranteed insurability option available** | Field\_74 |

Replacement

This policy no longer meets your needs because INSERT\_77. Please see ‘**My other recommendations’** later in this report.

Sum assured

Sum assured matched

The recommended sum assured matches your need.

Sum assured excess - minimum premium

The recommended sum assured is higher than your need, due to the minimum monthly premium for this policy.

Sum assured shortfall

The recommended sum assured is less than your need, leaving you with a shortfall. Your full need could be met for a premium of £INSERT\_78, but this is higher than your budget of £INSERT\_79 for protecting this area.

By continuing with a lower amount the full Inheritance Tax liability may not be covered. This means the tax will need to be paid from elsewhere, for example by selling assets.

Indexation

The sum assured will increase each year as explained in the policy document. The premiums will also increase as the cover goes up.

Indexation declined

The policy includes an option to increase the sum assured every year. However, I haven’t recommended this as you don’t want the cover or premiums to go up.

Policy term

You need this cover Field\_75INSERT\_80

Term match

The policy term matches your need.

Term excess – due to whole years

As I can only recommend a policy term in whole years, you'll see that the term is longer than your need. At the end of your required term, you should review your need for the policy.

Term excess – multiple needs on a single policy

As I’ve recommended a single policy to meet more than one need, you’ll see that the policy term matches your longest need. When your earlier need ends you should review your need for the full sum assured, and reduce it if necessary.

Term excess – due to whole years - multiple needs on a single policy

As I can only recommend a policy term in whole years, you'll see that the term is longer than the term of your longest need. As each of your needs ends, you should review your need for the cover and consider reducing the sum assured or cancelling the policy.

Policy premiums

You expect to be able to pay the premiums after Field\_76.

Add rationale if immediate liability ie not exempt.

From the information you provided, I expect your premiums Field\_77 be fully exempt from Inheritance Tax. This is because they Field\_78 within your available gift exemptions.

Any part of the premium not covered by these exemptions would potentially be liable to Inheritance Tax.

INSERT\_81Policy provider

I recommend this provider because Field\_79INSERT\_82

## Other estate planning advice

Other estate planning advice

### Gifts

Make gifts from your capital and/or income

Making gifts will reduce the value of your estate as long as you survive for seven years from the date of each gift.

You should consider the gift exemptions available to you which will allow you to give assets away without incurring Inheritance Tax.

Annual gift allowance

I recommend you use your annual gift allowance of Field\_80. INSERT\_83 As you didn’t use your full allowance last year, you have a further allowance of £INSERT\_84.

Other gifts

I recommend you use INSERT\_85

Planned gifts

I’ve excluded £INSERT\_86 from my review as you plan to gift this amount. INSERT\_87

Our **Guide to Inheritance Tax and Estate Planning** provides information on the available gift exemptions.

### Pension benefits in trust

Consider placing your existing pension benefits in trust

I recommend you contact your existing pension provider to establish whether your pension benefits are written in trust. If not in trust, your pension benefits will form part of Field\_81 estate, which may then be subject to Inheritance Tax.

I recommend you seek specialist advice in this area.

### Investment bond in trust

Place your existing investment bond in trust

I recommend you place your existing investment bond in trust. INSERT\_88

I’ve provided you with detailed information regarding trusts, how they work and their tax treatment. I’ve included a brief explanation below.

Placing your investment within a trust allows this money to be gifted to your chosen beneficiaries. As long as you survive for seven years, the money, including any growth, will fall outside your estate, potentially reducing the amount of Inheritance Tax due.

You won’t be able to access or benefit from the money held in trust.

### Speak to a solicitor re trusts

Speak to a solicitor about placing INSERT\_89 in trust

I recommend you contact a solicitor to consider a suitable trust for INSERT\_90 because INSERT\_91.

You may have to pay fees to your solicitor.

### Other reliefs

Consider other reliefs

We discussed other reliefs such as agricultural and business property reliefs. INSERT\_92 details.

## Summary of potential IHT savings

Summary of your potential Inheritance Tax savings

No product recommendations

I haven’t recommended any new products for estate planning purposes because INSERT\_93.

Life cover not recommended when appropriate

I’d normally recommend you take out life cover to provide a lump sum to help pay the potential Inheritance Tax bill. However, INSERT\_94.

INSERT\_95Summarise the potential IHT position of the estate after your recommendations

INSERT\_96 free text.

As your circumstances, legislation and tax limits will change over time, you should regularly review your Inheritance Tax planning.