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IFA urges advisers not to forget IHT issues

Story by: Aamina Zafar

Financial adviser Carl Lamb has urged IFAs to raise awareness of the need for estate planning for clients as part of a long-term financial health check, rather than focusing on market turmoil.

Mr Lamb, managing director of Norfolk-based Almary Green Investments, said the challenges of volatility in global stock markets and recent falls in investment values meant that it was all too easy for advisers to focus on firefighting and to forget about the thorny issue of inheritance tax.

He said: "Despite the respite given by combining a couple's nil-rate band, a substantial proportion of estates, perhaps as many as one in five, will still fall foul of a hefty 40 per cent tax charge on death.

"The fact is that IHT is a voluntary tax. It is completely avoidable with the right planning and the right investment vehicles. However the rules and parameters change regularly. For example, the recent changes to drawdown rules have brought new options for IHT planning after age 75.

"Advisers need to reassess and remind clients of the importance of planning in this area. In my view it should form an integral part of every review."

Mr Lamb said there were many useful tools available on the internet that could help advisers to create lifetime cash-flow forecasts so future needs could be assessed accurately and any surplus wealth measured.

He insisted that, from a client viewpoint, assessing potential IHT liability was just as important as delivering investment valuations and pension projections.