



# Inheritance Tax Planning

An Expat's Guide To  
What You Need To Know

# Why Do I Need To Consider Inheritance Tax?

Perhaps the most precious gift you can give your loved ones is time both when you are here, and after you pass away. At Skybound Wealth Management it's our mission to allow you to do just that by taking care of your financial planning both now and for generations to come.

When you have worked hard all your life to create personal wealth or build assets, it's important to know that this will be appropriately distributed after you have gone. Inheritance tax and estate planning allows your family and loved ones to benefit from your hard work, without seeing a slice of your estate unnecessarily surrendered to the tax man.

Conversely, any IHT planning shouldn't be at the expense of your wealth in the present. That said, dealing with the administration of your estate now so you can rest assured that plans are in place for your wealth to be managed and distributed in accordance with your wishes, and fulfill your legal obligations is vital. And, especially as an expat with wealth in varying countries, it is imperative that the inheritance process is simplified.





# How Skybound Can Secure Your Family For Generations

Financial Planners at Skybound are experienced in dealing with all aspects of financial and wealth management including Inheritance Tax. We can advise specifically on this subject, or more appropriately, we are well placed to offer advice across your portfolio to ensure a cohesive approach is adopted, delivering you the very best results now and in the future.

Bespoke advice is tailored to your specific circumstances and we can explore a variety of ways to protect your wealth by ensuring you are managing your funds appropriately and taking advantage of readily available tax allowances and exemptions to help mitigate your exposure to inheritance tax charges.

# What's It All About?

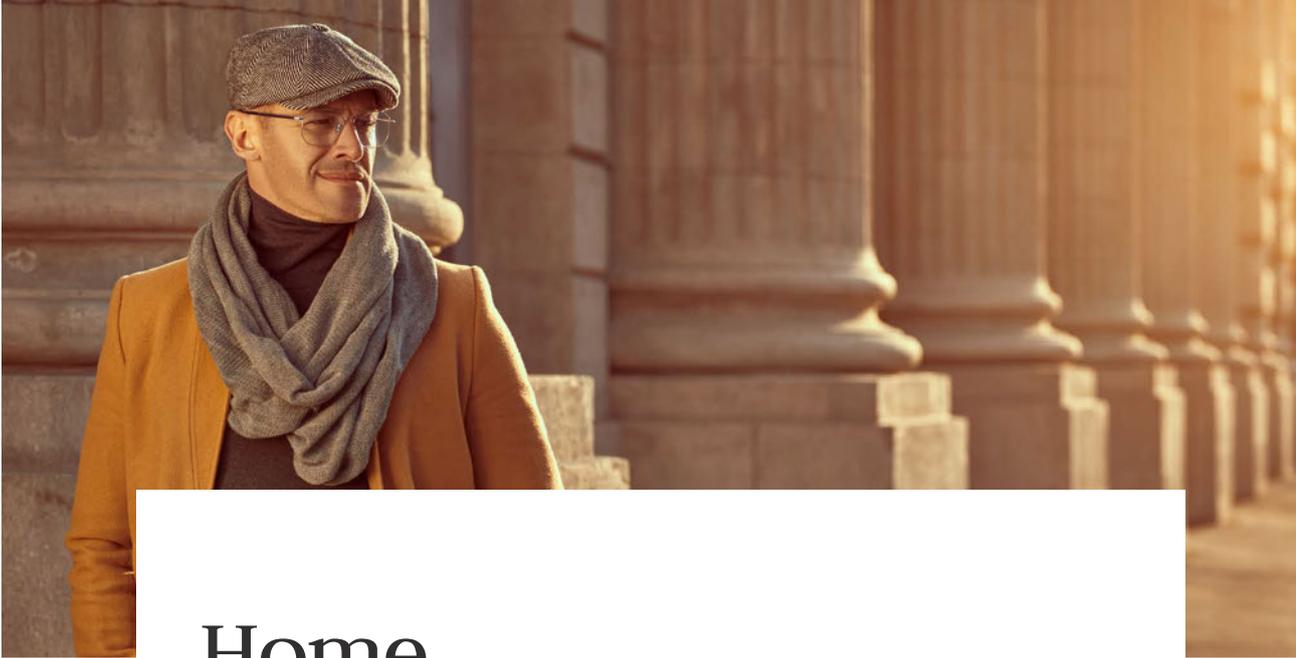
Existing in the UK since the 1700's, IHT planning has again come into prominence following Rishi Sunak's decision to freeze the lifetime exemption in March 2021's Budget.

When you consider the current Nil Rate IHT Band threshold of £325,000 (£650,000 for couples) combined with £175,000 Residence Nil-Rate Band (RNRB) introduced in 2017 effectively gives married couples a threshold of £1m, you could be forgiven for thinking IHT doesn't apply to you. However, once you take into account all your assets such as pensions, rental property etc, you could be closer than you might think to facing an unnecessary tax bill.

While the threshold remains frozen, and your assets keep increasing in value, it's likely that more families will become subject to IHT which carries a 40% tax penalty - a significant amount and one which can cause dismay if plans are not made.

By taking the time now to implement a long-term wealth planning strategy, you may be able to mitigate your IHT liability and ensure you keep hold of more of your hard-earned money today and your loved ones receive as much of your wealth as possible in the future.





# Home And Away

Contrary to popular belief living abroad as an expat does not preclude you from UK Inheritance Tax laws. If you still hold ownership on any property within the UK you could find that your entire estate is liable for UK Inheritance Tax.

This is down to legal definitions and how this affects your Inheritance Tax liability. It all boils down to whether your status in another country is regarded as residence or domicile. This legal process is extremely complex and appropriate advice should be taken both legally and financially. Skybound can help you negotiate both of these elements.

Changing domicile does not always negate your need to pay UK Inheritance Tax and often there is no need to make this major change – it really does depend on an individual's personal circumstances.

At Skybound, we have a team of expert financial planners to guide you through the complexities of estate planning and inheritance for expats.

We work with you to ensure you fully understand the implications for you and your family and develop a wealth management strategy that investigates the various solutions open to you to protect your wealth against your tax liability whilst achieving the best return on your investments.

We also help you to negotiate the emotive subject of discussing your death with you and your family and, whilst it is something none of us want to think about, careful estate planning now will help those you love at a time when they need to feel your reassurance most.

# Time To Plan

Choosing to neglect your Inheritance Tax responsibilities may invoke considerable repercussions after your death and this is why we strongly urge you to work with us to make your plans now.

If your beneficiaries are faced with a big inheritance tax bill, they may be forced to sell your physical assets quickly in order to meet payment which will have a detrimental effect on the money they receive. This may even involve selling something that has great sentimental value, such as the family home, in order that the tax demands are met in a timely fashion.

**Often with IHT planning, the focus is so heavily on providing for your loved ones after you die, but this doesn't have to be to your detriment either today or throughout your life.**

At Skybound we always take a long-term approach whether the subject be investing or tax planning. Our team of experts are on hand to help you through this complicated process and give you specialist advice on how to mitigate your tax liabilities both in life and death in compliance with the law.





# Tailor Made Plans

Our financial planners at Skybound will talk you through a variety of options and solutions that you can take advantage of in order to put your family and loved ones in the strongest possible financial position after your death.

These include -

**Will Writing** – We will help you with legalities, explore whether you need more than one (depending on residence status) and guide you through the decisions you need to make.

**Trusts** – We will advise you on whether you should consider putting your properties in trust. This may reduce your inheritance tax liability, yet you can still say how the property is to be distributed upon your death.

**Gifts** - Making a gift from your estate may sound simple, yet sometimes it can complicate matters due to liability and asset benefit. We will advise you on this to ensure it is a positive financial decision.

Remember that HMRC has access up to 7 years of your financial matters and they will look into all your financial matters if you fail to have adequate estate and inheritance tax plans meaning your beneficiaries could face a long investigation into the affairs of your estate which often results in being financially worse off than you had hoped for them.

**In conclusion, we all have to pay tax. But as an international expatriate there are various tax allowances available to you that enable you to create a plan tailored to your individual circumstances. A plan which can mitigate your tax exposure and ensure a secure future for you and your family by enabling you to keep hold of more of your hard-earned wealth.**



## Securing Your Future.

Wherever You Are Today.

We exist to educate and guide you through the important decisions required today, to ensure you benefit from the freedom of tomorrow.