TAYLOR WALTON
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Protecting Wealth Across Generations – What You Need to Know About Inheritance Tax, Wills, and Future Changes

[Nick Coffer]
Hello and welcome to TW Law Talk, the podcast from Taylor Walton, where we make sense of the legal world and what it means for your life and your future. Now, passing on wealth isn't what it used to be, with house prices at historical highs, frozen tax allowances and some major rule changes on the horizon. Inheritance tax is no longer just a concern for the very wealthy, it's increasingly catching out ordinary families. And the consequences can be expensive, emotional and sometimes avoidable. So today, we're diving into how to protect wealth across generations. What you can do now, what's changing soon, and by that, I mean, very soon, and why your will might not be doing the job you think it is. Joining me are two experts who spend their days simplifying these complex questions for clients. Zoe Sivelle, partner at Taylor Walton's private client department, and Lynsey Lord, who is a chartered tax advisor and partner in the private client team at Mercer & Hole. Lynsey provides income tax, capital gains tax and inheritance tax advice to individuals and trusts. Having met her before the recording, I can confirm that she loves tax law and numbers more than I love sourdough, wine and cheese, and if you know me, you know that that is a lot. Is that true, Lynsey?

[Lynsey Lord]
That is true.

[Nick Coffer]
Lovely to have you both on the podcast. Zoe, great to have you back for your second attempt at this. Lynsey and Zoe work together to craft and implement succession planning strategies for their clients which meet their overarching aim while minimizing any tax implications. If you've got something to pass on or someone you want to look after, this episode is going to be for you. Let's get into it. Zoe let's start with perhaps the obvious question. Why are we here on a law podcast for a law firm talking fundamentally at quite geek level, sorry, Lynsey, but that's what's coming, talking at quite geek level about numbers and tax law and accounting and financial advice.

[Zoe Sivelle]
Absolutely well, people often come to me, Nick, firstly, to say, review their will, or look at what they've got in terms of assets, and that really boils down to their own inheritance tax position. They've worked really hard over their lifetime to build up the wealth they

have. And they want to be able to pass it on to their children or future generations without having a large IHT bill. There's often a crossover, then, between the work that I do with them and the work that Lynsey does with them. In terms of advising on inheritance tax and how they can minimise that. And then also making sure that their will is up to date.

[Nick Coffer]
And I think that's the picture we've seen throughout this series, is that your work as lawyers often goes hand in hand with other experts, whether it's an IFA, a CTA, is that your technical term, Lynsey?

[Lynsey Lord]
Correct, yes.

[Nick Coffer]
Barristers. It's a big part of the work you do for your clients, though, is bringing other experts into the mix. Lynsey, why has succession planning become such a hot topic lately? I mean, we see it in the news, we see it in politics. Is it just about inheritance tax?

[Lynsey Lord]
Well, from where I'm sat as a tax advisor and the clients I see, the reason they come to us is largely inheritance tax driven. I mean, we've seen the nil rate band and that's the inheritance tax exemption that everybody gets, everybody gets £325,000 and that's been frozen at that level since 2009.

[Nick Coffer]
And just so I understand correctly, that means that if I've got in my estate £325,000, that can be passed on and Rachel Reeves will not take any of it for her friends at the exchequer?

[Lynsey Lord]
Correct.

[Nick Coffer]
Okay. And if I'm married?

[Lynsey Lord]
If you're married, what happens is it gets a bit more complicated. So, on the first death, if all your assets pass to your spouse, they'll receive the spouse exemption, and therefore there won't be any inheritance tax. But then it comes back to the will. And

does your will say that? Does your will allow for assets to pass to the spouse on the first death?

[Nick Coffer]
But I'm already spotting the problem. So, £325,000, potentially plus £325,000 if you are married, takes me to £650,000. I own a relatively small house in a suburb of Watford, and that's what that house is worth. I don't think you have to try very hard, once you move up the M1, come off at Junction 6 or Junction 9 towards St. Albans and Harpenden, or any of those areas to find a property around £600,000 is, let's be blunt, really, quite tricky. And in the area that you look at around Taylor Walton, million-pound houses, £1.2 million houses, £1.5 million houses are really, really common. Does this mean that a lot of people are being drawn into the difficulty of inheritance tax that perhaps even 10, 12 years ago weren't?

[Lynsey Lord]
Yeah, absolutely. I mean, we talk about the £325,000 figure. I'm now going to throw another figure at you, Nick, which is £175,000. So that is called the residence nil rate band. So, it's something the Conservatives brought in, and you might have seen in the press, the £1 million nil rate band. And how you get there is £325,000 plus, 175,000 is 500,000, so per cup you've got the million.

[Nick Coffer]
Sourdough, wine, cheese, as I mentioned at the start of the podcast, and we're just warming up here. I can see the excitement on your face as you bring these numbers. So serious hat back on, that million means what? That is, in effect, the buffer that you've got before you get taxed.

[Lynsey Lord]
Exactly. But that is only for individuals who have got an estate less than 2 million. So, if your estate is less than 2 million, then you get this £500,000 nil rate band. If you are over £2 million, then it starts to be tapered away. So that's kind of, I talk about these easy wins. So, an easy win is making sure your will is structured. So, on the first death, your spouse receives the assets. Another easy win is if you're hovering around that £2 million, and you might be when we include the pension, and we'll talk about that, then try and getting it under that £2 million will release some extra nil rate band and save some tax.

[Nick Coffer]
And I was going to say that we're talking about these huge figures, two million pounds, but actually, and I say this respectfully, I'm not trying to sound too sort of out of the real world, but by the time you've got a property in and around AL1, and by the time you've

got a pension, you can really quite quickly be headed over that two million pound band. You may have noticed that I'm being slightly light in some of my tone here, because, of course, fundamentally, Zoe, we're talking about death. And, you know, when you look at those typical trigger moments that get you thinking about estate planning, death is going to be one of them. But it's not the only one, is it?

[Zoe Sivelle]
No, absolutely. And people often want to think about how they can pass things on in their lifetime, either to minimise the impact that their estate has post-death, or to simply see their children or their grandchildren enjoy a bit of extra cash whilst the donor is still alive.

[Nick Coffer]
Can I ask a random question just before we move on to the nuts and bolts? Do you ever get the opposite? Do you ever get people that come to you resolutely not wanting to pass anything on to them? You're nodding, Lynsey.

[Lynsey Lord]
All the time.

[Nick Coffer]
Really, is it all the time? I'm sad now.

[Lynsey Lord]
I think people spend their life building up their balance sheet. We call it their personal balance sheet. And looking at those numbers get bigger and bigger. And that makes them feel good. And so, our job is to talk to them and try and reduce that number and divest them of those assets. And that's a really hard mind shift.

[Nick Coffer]
And I guess a big part of what both of you do is around family dynamics and systemic dynamics. Because you're going to have grievances, people falling out with each other, historical fallouts, divorces.

[Zoe Sivelle]
They're really key issues. So not only do I get people come to me who are concerned about their inheritance tax liability and therefore ask advice as to what they can do about it, but actually, when it comes to the crunch, they are reluctant to give things up because they are worried about who's going to pay for their care in the future. So, there's a real sort of conflict there. But also, again, divorce and their children is a thing. So, passing something on to them, but actually not wanting their children to divorce and

their ex-spouse to get it, in which case, you know, you're possibly looking at their children then getting some kind of prenuptial agreement in place to say that actually, whatever's been gifted by the parent goes to that child and doesn't form part of the marital assets.

[Nick Coffer]
I think it's really important to say at this point, Lynsey, that there are some very big changes coming. And we're talking about what is now. But April 2026 is no longer very far away, we're recording this middle of July 2025, so we're what, nine or ten months away. There are big changes coming, particularly to these acronyms APR and BPR. You can explain what they are, but equally importantly, what is changing and why does it matter?

[Lynsey Lord]
So, APR and BPR are changing. So, APR stands for Agricultural Property Relief, and BPR stands for Business Property Relief. They are inheritance tax exemptions and if you have agricultural property, i.e. a farm, business property, i.e. a business, an interest in a business, then those assets are exempt from inheritance tax, and they can pass to next generation without any IHT. So, what is changing is that from April 2026, there's going to be a cap. And you can have a million-pound exemption for either of those assets. Anything over that, the IHT rate will be 20% i.e. It'll be 50% of what it currently is.

[Nick Coffer]
Is this what everyone's up in arms about, and the protests and the petitions and the anger?

[Lynsey Lord]
Exactly, yeah. It's interesting, inheritance tax, when you look at the numbers, brings in less than 1% of total tax take. But you'll read the newspapers, inheritance tax gets...

[Nick Coffer]
Front page.

[Lynsey Lord]
Yeah, you know, the newspaper headlines, the column inches are, you know, a greater percentage of the other taxes.

[Nick Coffer]
Is anything else changing in April 2026? I've heard also about pensions becoming part of the pot now. I remember, even quite recently, the advice that I always saw was keep

your pension, keep it intact if you can because you pass it on, because you don't pay tax on it. But that's changing, isn't it?

[Lynsey Lord]
Exactly. So, like with APR and BPR, we've got no legislation, but it was announced in the October budget 2024, that from April 2027, your pension will become part of your inheritance tax estate.

[Nick Coffer]
So, you should spend it.

[Lynsey Lord]
So, as you say, it's always been, or the advice we've given is that it's the pot of last resort. You could pass on effectively a million pound of your pension to the next generation and not pay any tax. Well, all that advice has turned on its head now, because potentially this pension could be subject to double tax. Because if you pass away after 75, your beneficiary will pay income tax on taking it out, and it will be hit with an inheritance tax bill.

[Nick Coffer]
Which really does mean that if you've got a million pounds in your pension, they're going to pay 40% on that so that brings it down to 600 grand. And on that 600 grand, they're going to pay 40%, which brings it down to 300 and 600. I'm doing the calculations off the top of my head. That brings it down to a third of what that pension pot was. You can understand, and I'm not here to get political in any way, but you can understand why people are concerned about that on an emotive level.

[Lynsey Lord]
Yeah, absolutely. I mean, the government, as I say, they're bringing in less than 1% with the IHT intake, and they're looking at ways to increase that revenue without having to take the bold view of increasing the number.

[Nick Coffer]
And what this tells me, and we're going to get into tactics very shortly, and your buckets, which I like the image of, Lynsey, but what this tells me is that for you, Zoe, as a lawyer, and for you, Lynsey, as a chartered tax advisor, you have to absolutely be nimble and on your toes, and across what's changing all the time. Because otherwise, to be blunt, you're going to be giving the wrong advice.

[Zoe Sivelle]
Yeah, absolutely. And I think for a long time, inheritance tax actually didn't change at all.

[Nick Coffer]
It was quite stable, wasn't it?

[Zoe Sivelle]
It really was. Of all the taxes, it was probably the most stable. And then suddenly we've had these massive changes, which really are significant. And certainly, with the pension, changes will impact a huge number of people who, as Lynsey said, had kept their pension pot, had grown it to quite a large level and had kept it as a last resort. And are now suddenly having to think, OK, I've got 18 months to use some of this up, otherwise it's going to fall within the IHT net.

[Nick Coffer]
I do wonder whether part of the government's thinking, and I can say this as the presenter, you can't say this as professionals, was might this actually pump some money into the economy? Because if people are actually releasing the funds from their pensions to, you know, go on holidays and do renovations, and maybe that money is now being unlocked at a time when perhaps the economy needs it to be unlocked, I wonder whether that was part of the equation. With my listener hat on, I know that anyone listening to this right now is saying, tell us what to do. Give us advice. Give us tips and tricks. And that's obviously what you're here for as well. And Lynsey, you were talking to me about your notion of buckets, you've got this visual idea of dividing assets into buckets. And that's Lifestyle, Rainy Day fund, and other buckets. How does this help someone plan? How can we help our listeners get a sense of what they need to do, particularly by visualizing those buckets?

[Lynsey Lord]
I think it's quite an overwhelming exercise for individuals to look at their estate and think, what am I going to do with it? So, the starting point is really to, as much as I like numbers, I also like Excel spreadsheets, to form...

[Nick Coffer]
Zoe, are we not surprised by that? I don't know.

[Zoe Sivelle]
I'm not surprised.

[Nick Coffer]
It hasn't come as a major shock in this room. So, Lynsey, back to the numbers and the spreadsheet.

[Lynsey Lord]
So, start with a spreadsheet. And I would try and put all of your assets, all of your shareholdings, all of your cash, your different bank accounts onto a spreadsheet and look what the total number is. And then that will give you an idea of what the inheritance tax is going to look like. And then we talk to clients about putting these assets into buckets. So, you start off with your lifestyle assets, so, they're the assets that you currently need to live. So, your house, it might be a holiday home that you use regularly, and you're not going to do anything with those. Then you'll have the assets that you'll die with, so, these are the income producing assets. So, you need to keep hold of those because they're going to produce your income the rest of your life, they're going to stay on the balance sheet. And then you'll also likely have some security blanket assets, assets that you need to see on that balance sheet.

[Nick Coffer]
To feel okay about life.

[Lynsey Lord]
Exactly. Might be your rainy-day fund. And then, finally, we'll have the assets you don't need, their surplus, their excess assets. And they're the ones we will look to divest a client of in order to reduce the inheritance tax bill.

[Nick Coffer]
And we'll talk about how to do that in a second, But I will just, for the only moment in this episode, talk about my experience as a family mediator. In the context of the spreadsheet, it sounds like such a prosaic and obvious thing to do, but when we're talking about finance settlements in divorce, we put everything on a spreadsheet, and it is such a salutary moment when you have the number there. Because it's in your head, you've got, well, I've got a bit here and a bit, and then you put it in a spreadsheet, so we were teasing you about it, Lynsey, but it is actually really important because having it in black and white, or on my spreadsheets, it's green, yellow and blue. But, having it in technicolour in front of you is an incredibly useful and also vital part of the process.

[Lynsey Lord]
Yeah, I think it also helps. If something happens to you, there's one piece of paper saying what everything is, where it is, that really helps the executors.

[Nick Coffer]
Word of advice, leave the password to your Excel document in a place where people can find it. Can you imagine, like, there's a document! Oh, there's a password, remind me of the name of his football team. So, let's look at, you mentioned divesting, so that, for me, is triggering giving away, that's what that's saying to me. Gifting, it sounds

simple, just give it away. But what are the traps, both legal and tax, that we need to avoid?

[Lynsey Lord]
So, if we start with tax, I mean, gifting is the most simple and effective way of inheritance tax planning. And probably one of the reasons the IHT intake is less than 1%, because you give an asset away and you survive seven years, then it falls out of your estate completely. When you give an asset away, the tax you've got to bear in mind is capital gains tax, so, when you give an asset to an individual, you're essentially treated as selling the asset to that individual, and a capital gain might arise.

[Nick Coffer]
For the individual?

[Lynsey Lord]
For the donor, yes.

[Nick Coffer]
Right.

[Lynsey Lord]
There's one really important point I want to make on CGT on gifting, which is that there is a risk of double tax. So, if you make a gift and do not survive seven years, there might be inheritance tax payable if you've paid CGT on making that gift, there's no refund of that CGT. So that is potential double tax. So, it's something we look at when identifying assets to make a gift, the ones carrying a CGT bill might not be the first ones we choose.

[Nick Coffer]
When it comes to gifting, I've heard of, is it you gift out of income? So, you may have income, either actual income or pension income, and then if you have an excess or surplus, correct me if I'm wrong, you can give that away, and that then works in your favour.

[Lynsey Lord]
Absolutely. So, a lot of people know about the £3,000 exemption, but the gifts out of excess income is a brilliant relief, but I would say lesser well known. So, where you've got excess income, so you, again, you need a spreadsheet, total up your income, and that'll be your taxable income, your ISA income, pension income, deduct your regular expenditure, so your insurance, your mortgage costs, holidays, food, and look what the net figure is. Have you got an excess? And if you have got an excess, then you can gift that away, and if you're making regular gifts out of excess income, that is exempt from

inheritance tax, i.e. There is no seven-year tail, it automatically falls out of your inheritance tax estate. It's really important that you keep a record of this excess every year because it's your executors that will claim the relief. And they'll need to look at the position for the last seven years. So, it's almost impossible for executors to be digging out insurance, food cost bills.

[Nick Coffer]
So, in terms of gifting, as long as you survive by seven years, there will be no tax implication. And am I right in saying that it's not an either or? So, if, for example, you do pass away after, I don't know, five years, the implication, the tax implication is different if you pass away after one year or six years.

[Zoe Sivelle]
Yes, potentially it can be. So, if you've made an outright gift to an individual, and that gift, or cumulatively, over the seven years before your death, the gifts you have made exceed £325, 000, which is, of course, the nil rate band. Then you'll look at some looking at those gifts becoming taxable now, the tax that is calculated on those gifts will reduce by virtue of a relief known as taper relief. Depending on how far into that seven-year period you survive, so if you survive more than three years into that seven-year period, the amount of tax payable on that gift will taper away, and it reduces by 20% every one year that you survive after three years. What that means is that, actually, if you are making significant gifts and you die within a seven-year period, then overall, the tax liability that you would have generally is less because of the taper relief than if you had held onto that cash or that asset until your death.

[Nick Coffer]
Which leads me to the next question, which has often intrigued me. Who keeps track of this? So, say, for example, my dad gives me a chunk of money and say he dies six years down the line. Have HMRC kept a track of that? Is there actually someone keeping a track of that? As in, do I have to declare that as having come as a gift from a parent? And there is somewhere in the system that is keeping track of that should he pass away? To be clear, I'm not suggesting to defraud the system. I'm just wondering, at what point do you actually have to declare if someone passes away before seven years?

[Lynsey Lord]
So, we operate a system of self-assessment. So, like with income tax, and you've received a payment, you self-assess, you report it to HMRC, and you pay the tax. So, similarly with inheritance tax, the executors on your death would file an inheritance tax return.

[Nick Coffer]

Right.

[Lynsey Lord]
And there is a schedule in there called Schedule of Gifts, and you'll report any gifts in the last seven years.

[Nick Coffer]
What is the difference between a gift and putting something in a trust, and why might you choose one over the other?

[Zoe Sivelle]
Gifting can come in many different guises. You can gift to an individual, and that is what we would call an outright gift, or you can gift into a trust. And a trust is, in essence, a separate entity to an individual. There are many different types of trusts that can occur, but the one that I think is most commonly used for gifting is a discretionary trust. And that is where the donor, or in the case of a discretionary trust, what's called the settlor, sets up the trust, they appoint trustees to manage the assets that are in that trust, and the trustees have the absolute discretion to decide what happens to the income and the capital of those assets in the trust. And they sort of manage them on behalf of potential beneficiaries. So, the idea of a discretionary trust is that the beneficiaries that are named in the trust document don't have an automatic right to anything. They can potentially benefit at some point in the future.

[Nick Coffer]
At someone's discretion.

[Zoe Sivelle]
Exactly.

[Nick Coffer]
Which is why it's called...

[Zoe Sivelle]
A discretionary trust. And it is the trustees who hold that discretion. So, they are quite useful vehicles, I think, if you want to get some money outside of your estate, but you're not entirely sure where you want it to go yet. One might have disabilities, and one might be on benefits, and you don't want it to affect their benefits. But you want them at some point in the future to be able to benefit from the assets in the trust.

[Nick Coffer]
One might be at university which is not the time to give them £50,000.

[Zoe Sivelle]
Exactly.

[Nick Coffer]
I mean, it could be the time, depending on how they spend their money.

[Lynsey Lord]
They're great for paying school fees, actually.

[Nick Coffer]
Really?

[Lynsey Lord]
We use them a lot for grandchildren settlements, so a grandparent might settle assets onto trust for the grandchildren to fund school fees. Their trust ends up paying tax at 45% so there's a bit of administration and tax reporting.

[Zoe Sivelle]
That's income tax.

[Lynsey Lord]
Yes, that's income tax. And then a distribution is made to the beneficiary. But if they've got no other income, they can use their personal allowance and reclaim some of the tax paid by the trustees.

[Nick Coffer]
This is where you need tax advisors. When you put money in a trust, do you have to give it and say goodbye to it, or can you loan that money into the trust?

[Lynsey Lord]
So, you can loan to a trust, and the occasions when we'd recommend a loan might be where you've already settled a trust. So, everybody's got a nil rate band of £325,000, and you can gift that amount into trust without a tax charge. If you gift more than £325,000, there's a tax charge at 20%. So, if you've already given £325,000 to a trust in the last seven years, you might loan more in. And the advantage of doing that is you're still, you're giving away the growth in those funds.

[Nick Coffer]
Right.

[Lynsey Lord]
And then, once seven years has expired since the last date you set up the trust, you can write off that loan.

[Nick Coffer]
I've been meaning to say this for about the last 20 minutes, but this is extremely complicated.

[Lynsey Lord]
It is extremely complicated. Yeah, there's really good planning you can do. I'm a real big fan of trusts; they allow you to use that nil rate band every seven years. And when you gift into trust, you can hold over the capital gain. So, we talked about a shareholding, gifting to an individual, and there might be capital gains tax. If you give those shares into a trust, you can hold over the capital gain, which means the trustees acquire the shares at the donor's base cost. They're effectively standing in their shoes.

[Nick Coffer]
I try really hard in these podcasts, not to say: ‘Come to Taylor Walton, come to our guests’. This is one of those subjects where I just think we are so out of our depth without professional advice and the risks of not getting it are huge. So, flexible will trusts Zoe, I'm looking to you for this. What makes them such a powerful tool, especially with the tax rules changing all the time?

[Zoe Sivelle]
Well, when I talked about discretionary trusts earlier in terms of gifting, we can also put a discretionary trust in a will. And that trust would come into effect after somebody's death, but works in a very similar way, in fact, exactly the same way, in that the assets after death go to trustees, they hold them, and they manage them, and they have the discretion to decide who, from the potential beneficiaries named in the will, can benefit from those assets. The reason they're really useful is going right back to the beginning of the podcast, when Lynsey was talking about the residence nil rate band, and the fact that this tapers away at a threshold of two million pounds, actually, lots of people come to me with assets, joint assets worth way more than two million pounds. And I say to them, well, actually, in your wills, there's no point in giving everything to each other, husband and wife, leaving everything to each other, because you're just leaving the second estate on the second death to be well over two million pounds, and you're going to lose that residence nil rate band tax allowance. So, what we do with a flexible will trust is to actually split the assets down. So, in each individual spouse's will, they leave their assets into a discretionary trust. The surviving spouse can still benefit from that discretionary trust, but you're not overloading the second estate on the second death, and therefore not increasing it to beyond the residence nil rate band threshold.

[Nick Coffer]
And therefore, it makes sense from an inheritance tax standpoint.

[Zoe Sivelle]
Absolutely. The other thing that's really useful about flexible will trusts is they have a period of two years after the date of death, where they could be rearranged. And any rearrangement is what's called read back to the will, which means that actually, if you get to the point after death where you say, okay, well, the surviving spouse has got really high care needs, and they're going to eat through all this money super quickly, we need to give them some or all of it, and we think by the time of the second death, we're not going to have an estate over £2 million, you can, in essence, wind the trust up within that two-year period, give everything to the surviving spouse. You get the read back, and that means that the will is read as if the trust had never existed, and as if everything had gone to the surviving spouse. And in doing that, you also have no inheritance tax because you benefit from the spouse exemption. So, what they really give is a two-year window from the date of death to kind of think about how things should be best arranged and then rearrange them in that way. If, for some reason, nothing is done in that two-year period, then, in order to avoid an inheritance tax charge, because potentially, if you leave everything into a discretionary trust on your death and your estate is over £325,000, you could have an inheritance tax charge at that point. If the trustees of this discretionary will trust don't do anything within the two-year period, in order to avoid a tax charge, we can put in a kind of backstop provision whereby the surviving spouse gets what's called a life interest in those assets. A life interest is another type of trust, but it means that the surviving spouse has the right to any income that those assets generate. And for tax purposes, that is treated as if the surviving spouse has the assets outright, so, you also get the spouse exemption there.

[Nick Coffer]
Makes sense.

[Zoe Sivelle]
So, by being a flexible will, trust is, in essence, a will that has a trust in it, that provides a two-year window to be rearranged with a fail-safe backstop, that if nothing is done, you've got a spouse inheriting on the first death, and there's no inheritance tax payable.

[Lynsey Lord]
You don't have to use it. It's there if you want to use it.

[Zoe Sivelle]
Absolutely.

[Lynsey Lord]
And maybe work with the tax rules at that time if there's been a change. But if you think you don't need it, you don't use it.

[Nick Coffer]
So, in a nutshell, if I'm coming to you, or if my parents are coming to you, how does the Taylor Walton lawyer on my left, and the Mercer & Hole chartered tax advisor on my right work together? And why do you need to work together?

[Lynsey Lord]
We will look at the strategy, and we might, it might be that a trust is the right thing for this client. And if it is a trust, then we need Zoe to help us draft this trust deed and work with the client, so, the terms of the trust deed are appropriate for them.

[Nick Coffer]
And in these kinds of cases, Zoe, can you operate without a Lynsey? And in these kinds of cases, Lynsey, can you operate without a Zoe?

[Lynsey Lord]
No.

[Zoe Sivelle]
No, the reason being is that. I need to make sure that my clients are getting the best advice for their circumstances, and that means getting specific tax advice, which Lynsey is the ideal person to go for, for that.

[Nick Coffer]
Can I finish with this question? And I say it with sympathy for both of you. Are you both in a field of law and advice where, more than others, you're very, very exposed? What I mean by that is, say, someone comes to Tamara or Olive for family law advice at Taylor Walton. And they work through their divorce, and they get to the end of their divorce, and then everyone's divorced, and everyone's moved on. I mean, I'm giving a very schematic view of divorce there. But with what both of you do, the implications of your advice do seem particularly rarefied, and the possibilities for it to go wrong seem to be particularly rarefied. The possibilities for there to be changes after the advice seems to be particularly high. And the possibility for circumstances to change as well also seems to be particularly high. I guess what I'm asking is, are you both really exposed? And is that sort of part of what you weave into your daily work?

[Lynsey Lord]

I feel with a lot of our clients, we've got a long-term relationship. So, it's not a case of doing a piece of advice work and then saying goodbye. We tend to have annual meetings with them, we might be doing their annual tax returns, and that's a good opportunity to talk to them and say what's changed. And often, with inheritance tax planning, there is a trigger event. There's a marriage. There's somebody moving out. There's somebody moving abroad. There's a change. And that's what triggers somebody to want to do something and make a change.

[Nick Coffer]
And fundamentally, Zoe, the summary of all of this is stay on top of it, because the cost of not doing so could be way higher than the legal cost, the financial advice cost, of actually trying to deal with this now.

[Zoe Sivelle]
Yeah, absolutely. I mean, I always say, in the context of wills, look at your will every three to five years and see if it still does what you want it to do.

[Nick Coffer]
Check you're still alive.

[Zoe Sivelle]
Exactly. And at the same time, check what assets you've got. Look at that spreadsheet that you drew up with Lynsey five years ago. Look at what the bottom line is. Has it changed? Has it got bigger? Has it got smaller? Why has it changed? And what do you need to do about it now?

[Lynsey Lord]
And with the changes to agricultural property relief and business property relief, it's never been more important for those with farmland and businesses to check their will. If the rules come in as we expect, there's a million-pound exemption, and it's use it or lose it. So, if you've got some farmland or a business which is worth more than a million pounds, then it won't be the right thing, most likely for your spouse to inherit all of it, and a change might need to be made.

[Zoe Sivelle]
And that's because, unlike the residence nil rate band and the nil rate band, that one-million-pound exemption is not transferable between spouses. So absolutely. I think, we are seeing a case where people are going to come in for their wills and say, let's split certainly the business assets and do something different with those in their wills.

[Lynsey Lord]
And it's worth also noting that you might need to revisit your expression of wish. So, like you have a will which directs where all your assets in your estate will go, your expression of wish will direct where your pension assets will go. Historically, that might have said to go to the children because they're IHT exempt. But now, following pensions falling into the IHT estate, it would be preferable for the spouse to be nominated to bank the spouse exemption.

[Nick Coffer]
Rarely have I done a podcast where I feel we've covered so much information, advice, and covered so little of the topic. By that, I mean, the detail has been incredible, the expertise and professionalism incredible. And yet I feel like there's about 95% of this topic still to be covered. Is that a fair assessment?

[Lynsey Lord]
Yeah, we could have spoken for hours on this. And it's an interesting topic and there's a lot to say.

[Nick Coffer]
There is. And again, I come back to the takeout for me is get the advice. The cost of not getting the advice strikes me as being very high, not least because when you're gone, the last thing you want is for family breakdowns because they're struggling due to your lack of planning, and there's arguments over badly worded wills, there's arguments over trusts that people don't know where they exist, there's arguments because they haven't got the password to the Lynsey spreadsheet. All of this now is preventing a lot of grief for those you leave behind, and also potentially enabling them to have a better life as well when you're gone, which I guess is part of why we work so hard, why we're here.

You've both been brilliant and you've both worked really, really hard. My head's spinning a little bit, which is probably a good sign. Zoe, to find you, it's at Taylor Walton, Zoe.Sivelle@taylorwalton.co.uk, is your email address.

[Zoe Sivelle]
That's right.

[Nick Coffer]
And the Taylor Walton website is TaylorWalton.co.uk. And if anyone's brave enough to come to you, Lynsey, with all of the tax advice that they need, how do they find you?

[Lynsey Lord]
It's Lynsey.lord@mercerhole.co.uk.

Okay. The spelling of your name, Lynsey, is in the show notes, but it's not got a D in it, is it?

[Lynsey Lord]
L-Y-N-S-E-Y

[Nick Coffer]
That's right. Thank you both. You've been magnificent today in trying to really create some clarity on what is a very, very difficult topic, both from a factual standpoint, but also from an emotional standpoint, because we are talking about death and what happens when we're gone. Don't they say the only two certainties in life are tax and death? And you bring them together in your work, Lynsey. That's what you do.

[Lynsey Lord]
Absolutely yeah. Although our marketing department tells us we're never allowed to put that in an article, it's naturally the opener of any article you write. And marketing say no.

[Nick Coffer]
Don't do it. It's a cliche, but it's also a very true cliche this is now the second series of these TW Law Talk podcasts. The first series contains some great episodes, if you want to find them, go to Spotify or Apple or the Taylor Walton website and dig into those episodes. And lots more to come in this series as well, if you get a chance, perhaps click on ‘Follow’ on your podcast app. That means you'll get notified as and when the new episodes come out, which they will be doing over the coming months. But for now, from me, Nick Coffer and Zoe, Lynsey, we're off to get, I think, a very well-deserved cup of tea it’s goodbye,

[Zoe Sivelle]
Goodbye.

[Lynsey Lord]
Thank you.