

## Over-50s unaware of Inheritance Tax risks

Submitted by: Alan Boswell Group

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Recent research by leading independent insurance broker and financial planner Alan Boswell Group has found that fewer than 30% of over-50s in the UK understand key Inheritance Tax terminology.

The findings showed that only 27% of respondents were able to correctly identify that 'nil-rate band' referred to the threshold at which an estate became liable to inheritance tax and that this threshold is set at £325,000.

This is in addition to only 44% being aware that the current rate of IHT was 40%.

The data comes following a survey into public awareness of IHT, which was launched when the Government announced record IHT receipts of £5.2bn in the year to May 2017.

The Norwich-based company has growing concerns because increasing property prices are pushing many more estates over the £325,000 threshold (a figure that has been frozen since 2010, although UK house prices have increased by 33% on average in that time) incurring tax at a rate of 40% on sums that exceed the threshold.

Says John Whitehead, Managing Director at Alan Boswell Financial Planning: "Inheritance Tax is affecting more people than ever before, and it is concerning to find that the majority of over-50s, who will be most affected by the trend, are unaware of the key facts. As a result, they are likely to pass on less to their heirs than they were expecting."

In addition, the research also found that only 30% were aware of Business Relief (also known as Business Property Relief), whereby an individual can invest in qualifying businesses and pass the shares on tax-free if they have been held for more than two years at the time of death. Of the respondents that had heard of it, only 31% were correct in stating that the IHT benefits only apply after two years.

John continues: "There is a real need for financial education, not just about the basics, but how families can pass on their estates in a tax-efficient way. Without an understanding of the terminology, it's difficult to know how it affects you and your family. Although it's a subject that may be difficult to discuss, there are professionals available to help you to understand your risks and how to minimise their impact."

Tax treatment depends on your individual circumstances and may be subject to change in future.

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NOTE TO EDITORS:

Attached image: Alan Boswell Financial Planners Director John Whitehead.

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#### About the research

Alan Boswell Group anonymously surveyed 450 clients aged over 50, across both its personal insurance and financial planning databases in order to ascertain awareness of estate planning. The group's clients are based across the UK.

Average house prices based on data from HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland and Office for National Statistics. House prices in March 2010 were £167,878, while average house prices in March 2018 were £224,000.

#### About Alan Boswell Group

Alan Boswell Group is a leading independent insurance broker and one of East Anglia's largest independent financial planners. The company was established by CEO Alan Boswell in Norfolk in 1982 and has grown in size and financial strength ever since.

With 10 offices and more than 300 members of staff, Alan Boswell Group is ideally placed to ensure businesses and individuals receive expert advice whenever they need it.

As well as arranging both personal and commercial insurance, the group has an ever-evolving portfolio of added-value services, including underwriting, delegated claims handling, loss assessment, risk management, specialist equipment inspection and health and safety consultation.

Its financial planning teams can also provide ongoing advice and support on a range of employee benefits for businesses – while personal finance experts can give guidance on your savings and investments, retirement plans or market updates.

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