



**ST. JAMES'S PLACE**  
WEALTH MANAGEMENT

# Corcillium Wealth Management

Associate Partner Practice of St. James's Place  
Wealth Management

*Providing specialist financial advice*

## SPRING NEWSLETTER | ISSUE 1



### Welcome to Issue 1 of my newsletter

It is my intention to issue these quarterly. In this edition, we are focussing on maximising the opportunities available to you with tax saving and investment opportunities. Over the year I will be highlighting Intergenerational Wealth Management, to protect and preserve your families wealth for future generations, the first article is on page 2, entitled Trust and Trustees.

If you would like any further information on the topics discussed within this newsletter, or if you would like to give feedback, please contact me by telephone or email as detailed below. I hope you enjoy this first edition.

**Leon Alden**  
*Principal of Corcillium  
Wealth Management*

Tel: 01483 654135  
Email: [Leon.alden@sjpp.co.uk](mailto:Leon.alden@sjpp.co.uk)

## Kick start your tax year

**The beginning of a new tax year is an ideal time to review your affairs and keep your plans up to date. Make the most of the tax saving and investment opportunities available to you in 2019/2020.**

### Get financially fit:-

1. Consider making use of your annual ISA allowance before 5 April 2020 currently £20,000
2. Review your Cash ISA strategy – are your Cash ISAs keeping pace with inflation?
3. Consider maximising contributions to your pension while uncertainty remains over the future of tax relief
4. Review whether you have any unused pension allowances
5. Consider making contributions to a Junior ISA to help your children and grandchildren get a head start – Junior ISA allowance is currently £4,260
6. Consider taking advantage of your £12,000 annual Capital Gains Tax (CGT) exemption
7. Consider making use of your small gifts exemptions or instigate regular gifts from income to reduce your Inheritance Tax (IHT) liability
8. Consider taking advantage of tax-free inter-spouse transfers to maximise CGT and Income Tax rates and allowances
9. Where available use your annual IHT gifting exemption for this and last tax year.

If you need any advice regarding taking advantage of any of the above allowances please contact me to arrange a review meeting to make certain you do not miss out on these available allowances.

The value of an investment with St. James's Place will be directly linked to the performance of the funds you select and the value can therefore go down as well as up. You may get back less than you invested.

The levels and bases of taxation and reliefs from taxation can change at any time and are generally dependent on individual circumstances.



### Meet the Team

Natalie is a recent addition to the team, having joined Corcillium Wealth Management in December 2018.

She will be a key point of contact for you, ensuring that a high quality and personal service is received at all times.

## The Role of Pensions in Estate Planning

A few years ago, a pension was solely intended for the purpose of seeing someone through retirement. If you had a defined contribution pension, it was, in most cases, used to purchase an annuity on retirement; and a guaranteed income was paid thereafter until death. However, reforms to these types of pensions have given people greater choice of how and when to access the funds. More importantly, from an estate planning perspective, are the changes to the way benefits can be paid out to loved ones on death.

With a pension pot, there's no seven-year wait for it to be outside the estate for Inheritance Tax purposes – it's free of Inheritance Tax immediately. Moreover, the pension can be left entirely free of UK Income Tax if you pass away before

the age of 75. After 75, your nominated beneficiaries would pay Income Tax at their own marginal rate – but only when the money is withdrawn from the inherited pot.

Your pension savings could be used to provide an income or lump sum for whomever you choose. This could be spouse, civil partner, children, grandchildren or anyone who is not financially dependent on you. It is also possible for wealth to remain within the pension plan indefinitely, cascading down several generations until it is finally depleted.

If your pension is your only source of income in retirement, you should use it to maintain your own lifestyle. But if you have the financial means, it may make sense to draw down on other assets that

are not exempt from Inheritance Tax (such as ISAs and bank accounts) and treat the pension much like a multi-generational trust fund. In fact, your pension might be the last income tap that you turn on.

Nevertheless, you will not want to leave potentially large sums to others unless you have a say over who those individuals are. This is where an 'expression of wishes' form and the use of trust structures to receive the pension funds give you greater control and security. With the benefit of advice, you can ensure your pension goes to whom you intend, without putting your own retirement security at risk.

The levels and bases of taxation, and reliefs from taxation, can change at any time and are dependent on individual circumstances.

## Refer a friend

As a client, you know that my Practice is built on trust and personal word of mouth recommendations. I always appreciate being referred to like-minded friends and colleagues of my clients.

## Intergenerational Wealth Management

**In 2019 I will focus on all areas of Intergenerational Planning to protect and preserve your families wealth for future generations.**

### Trust and Trustees

Family members can pass wealth to successive generations both before and after death, but inevitably they will have concerns about passing on large gifts if they do not have control over who the beneficiaries will be.

Moreover, the rise in second and third marriages is adding layers of complexity to family relationships, with many families now embracing step-parents and step-children. As 'blended families' become more common, parents and grandparents will increasingly express a desire to maintain a certain level of control over who gets the gifted assets and when.

For centuries, families have been using trusts\* to preserve and manage wealth for the benefit of their heirs. While the expression 'trust fund' might conjure up images of entitlement and dynasty, in reality trusts can provide asset protection to families who do not consider themselves to

be wealthy. A trust allows you to choose how your assets are used, when they can be received, and even when they can't be. Trusts can also ensure that assets are given the potential to grow rather than being spent.

Unlike a Will, a trust can be used to begin distributing property both before and after death – and it takes effect as soon as you create it. Moreover, trusts can help families avoid the delays and administration caused by probate – the legal process involved in dealing with the assets of person who has died.

Some trusts even protect your wealth for future generations while giving you a right to a regular income from the assets you placed in trust. Indeed, a trust might be created with the knowledge that an income will be returned in the future, should you require it. You can even set up a trust to receive the benefits from a life insurance policy. In fact, ensuring that life insurance pays into a trust is one of the best, and often overlooked ways to protect it against probate delays and Inheritance Tax.

\*Trusts are not regulated by the Financial Conduct Authority.

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Leon Alden *Corcillium Wealth Management*  
Tel: 01483 654135 Email: [leon.alden@sjpp.co.uk](mailto:leon.alden@sjpp.co.uk)