

IHT Planning – Advanced

Who should attend?	Paraplanners who want to tackle more complex planning scenarios involving multiple strategies and significant assets.
How it works	An interactive scenario-based discussion where you'll work through client situations and explore different approaches.
What you'll gain	You'll navigate the complexities of advanced planning strategies, examining real-world trade-offs and the practical challenges of implementing sophisticated solutions.
Technical lead	Neil Macleod – M&G
Paraplanner leads	11 am – Benjamin Fabi & Leanne Pickering 12 pm – Dan Atkinson & Colin Stewart

Client scenario – Colin & Deborah

Personal details

- Colin – age 62, married to Deborah
- Deborah – age 62
- Two adult children (one is a vulnerable beneficiary)
- Two grandchildren (ages 2 and 6)
- Both in good health

Income & spending

Next 5 years (before expected business sale):

- Colin's earnings: £80,000
- Dividends: £60,000
- Deborah's DB pension: £15,500
- Land income: £8,000
- **Total household income: £163,500**
- **Annual household spending: £105,000**

From retirement (after sale, post-5 years):

- Deborah's DB pension: £15,500
- Land income: £8,000
- State pensions (from 67): £23,946 combined
- **Total household income: £47,446**
- **Estimated outgoings: £90,000**

Balance sheet (2025 snapshot)

	Colin	Deborah	Joint	Total
Property	-	-	£750,000	£750,000
Cash	£50,000	£50,000	£25,000	£125,000
ISAs	£130,000	£160,000	-	£290,000
GIAs	-	-	£150,000	£150,000
Pensions	£350,000	£200,000	-	£550,000
Business	£350,000	£350,000	-	£700,000
Farmland	-	-	£500,000	£500,000
Total	£880,000	£760,000	£1,425,000	£3,065,000

Balance sheet (2030 snapshot)

	Colin	Deborah	Joint	Total
Property	-	-	£750,000	£750,000
Cash	£50,000	£50,000	£725,000	£825,000
ISAs	£205,000	£235,000	-	£440,000
GIAs	-	-	-	-
Pensions	£350,000	£200,000	-	£550,000
Business	-	-	-	-
Farmland	-	-	£500,000	£500,000
Total	£605,000	£485,000	£1,975,000	£3,065,000

Assumptions to get us to this position (2030):

- GIAs were shifted to ISAs.
- No additional pension funding.
- Investments kept pace with inflation after charges.
- Business was sold with £700,000 realised, tax paid.

Additional income/spending data

- State pensions: £23,946 gross.
- DB pension: £15,500 gross → ~£12,400 net.
- Land: £8,000 gross → ~£6,400 net.
- Net income: ~£42,700.
- Net expenditure goal: £90,000.
- Annual shortfall: ~£47,300 (to be met from pensions/capital).

Spending categorisation is, broadly:

- £45,000 p.a. Essential
- £20,000 p.a. desired lifestyle
- £25,000 p.a. discretionary

The discretionary spending is what they've thought about spending on 'living well' in the first 10 years of retirement, for example:

- Overseas holidays 2-3 times each year.
- Domestic mini-retreats for the whole family 1-2 times each year.
- Spoiling the grandchildren.

Additional information about the vulnerable beneficiary

In 2030, James is 39. He lost both legs at the knees in a sporting accident in his early 20s. He lives independently with his wife, has continued to work (office based professional, basic rate taxpayer).

They have an adapted home that has ongoing maintenance costs.

Family update (2030)

- The grandchildren are James' and are now 7 and 11.
- There are two more grandchildren, twins from their other child, now 3 years old.

Retirement goals

- Maintain a comfortable lifestyle in retirement
- Pass wealth efficiently to their children and grandchildren
- Ensure Deborah is financially secure if Colin dies first
- Provide long-term support for their vulnerable child
- Continue to make charitable gifts
- Sell business in c.5 years to focus on retirement and help the family secure a financial future.