

WEALTH KNOWLEDGE

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Most adults have not got around to writing a will

More than half the adult population in the UK do not have a will to provide for any beneficiaries or causes close to their hearts should they die.

Royal London found that 54% of 2,006 adults polled had not got round to writing a will, while 59% of those with children either do not have a will or have one that is out of date.

Individuals are advised to update their will when circumstances change or review it every five years.

Changes of circumstance could include the birth of a new child or grandchild, getting married or entering into a civil partnership, or even moving house.

In the case of marriage or civil partnerships, a will drafted before the event becomes invalid from the moment the vows are exchanged.

Around a third (31%) of those polled had experienced a significant life event, but 53% of those had not got around to updating their wills.

Mona Patel, consumer spokesperson at Royal London, said:

"It is incredibly important to have a will, not just to protect your finances but to make sure vital decisions, such as who will look after your children, are noted.

"Once you have a will, you should update it after any significant life events that could affect your financial situation, such as getting married, divorced or starting a family.

"Taking these important steps allows you to have peace of mind knowing that when you're gone your wishes will be met."

While using a solicitor remains the most popular way of writing a will, we can also help with drawing up a will as part of our estate planning service.

Most of the survey respondents who had written a will described the process as "quick" (85%) and "easy" (90%).

Talk to us about planning your estate.



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Government reveals plans for pension dashboards

The Government has confirmed its plan to introduce multiple pension dashboards, but stopped short of confirming when the state pension will be included.

Following a lengthy consultation, the Department for Work and Pensions (DWP) confirmed its intention to roll out the first dashboard sometime in 2019.

Chancellor Philip Hammond confirmed in Budget 2018 that retirement savers will be able to see how much their state pension is worth in a dashboard, although they now face an indefinite wait.

Jenni Allen, managing director at Which? Money, said:

"Every dashboard must display all the important information consumers need in a clear and accessible way, allowing them to easily understand their pension savings and the costs involved.

"It's crucial that all schemes are included, alongside the state pension, so savers are able to make informed decisions about their retirement savings and plan their lives accordingly."

Get in touch to plan your retirement.



OTS calls for digital inheritance tax system

The Office for Tax Simplification (OTS) has urged the Government to implement a digital system for inheritance tax, following complaints the current form-filling system is too complex.

On average, there are around 570,000 deaths in the UK every year, although inheritance tax is due on less than 5% of estates.

Although the majority of estates are not liable to pay the tax, executors had to fill out inheritance tax returns for almost half of all deaths in 2015/16.

For more than a third (38%) of those, administering a loved one's estate took more than 50 hours to complete, with some spending more than 100 hours.

Estate administration is the process of handling a person's tax and legal affairs after they have died, while tax is deducted on the value of the estate before being distributed to beneficiaries.

Administrator's duties include obtaining formal documents, calculating the value of their estate, working out and paying taxes, and obtaining a grant of probate.

For 31% of those polled by the OTS, the process took between 21 and 50 hours.

Understanding and completing the relevant forms (38%) and obtaining probate (24%) were among the most time-consuming processes for most respondents.

Meanwhile, only 11% of people said they had found the process simple and user-friendly, prompting calls for the inheritance tax system to be digitally overhauled.

To simplify the process, the OTS recommends creating a "fully integrated digital system for inheritance tax", which would include the ability to complete and submit a probate application.

Angela Knight, chair at the OTS, said:

"The recommendations in this report will make it easier for the majority, and would mean that in future, many may not have to do the forms at all.

"Improving the administration of this tax is important as having to deal with the current process can seem overwhelming to people at a time when they are both preoccupied and distressed."

Paul Morton, tax director at the OTS, added:

"Technology should be deployed to provide a digital solution to transform the experience of those dealing with the tax on a day-to-day basis."

Get in touch to discuss planning your estate.



1 in 4 don't know their state pension age

Almost a quarter of people aged between 50 and 64 do not know when they will be able to receive the state pension, research from Age UK finds.

YouGov polled 1,040 adults approaching retirement on behalf of the charity, with 24% of those in the dark about recent changes to the state pension age.

Around one in five (18%) found their state pension age was higher than they previously thought, while 30% either failed to recall checking or had failed to check their state pension age.

Women in this age bracket have been particularly affected after seeing their state pension age rise to 60 in 2010, and to 65 on 6 November 2018.

The age at which both men and women receive their state pension is also on course to reach 67 by 2028, and 58% of those polled responded negatively to this prospect.

People approaching retirement in deprived areas or on low incomes are expected to feel the effects of waiting longer for their state pension the worst.

Caroline Abrahams, charity director at Age UK, said:

"There is still much confusion about the age at which people can expect to receive their state pension and many are in for a nasty shock.

"Hundreds of thousands of people in their 50s and 60s are unable to carry on working today, and are really struggling financially as they wait to claim their state pension."

Talk to us about the state pension.



Important information

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