



Triple Point

INVESTMENTS
WITH PURPOSE
FOR PROFIT
BY PEOPLE
FROM TRIPLE POINT

Dispelling five common estate planning misconceptions

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Learning Objectives

Learning Objective 1

Why estate planning should be high on your list of priorities as an adviser

Learning Objective 2

Highlight some key estate planning pitfalls to avoid

Learning Objective 3

Understand how business relief may help you win estate planning business



What estate planning options have you recommended?



Outright
gifting



Gifting into
trust



Business
Relief



Whole of Life
insurance



Spend it





**The estate planning
opportunity**



The estate planning opportunity



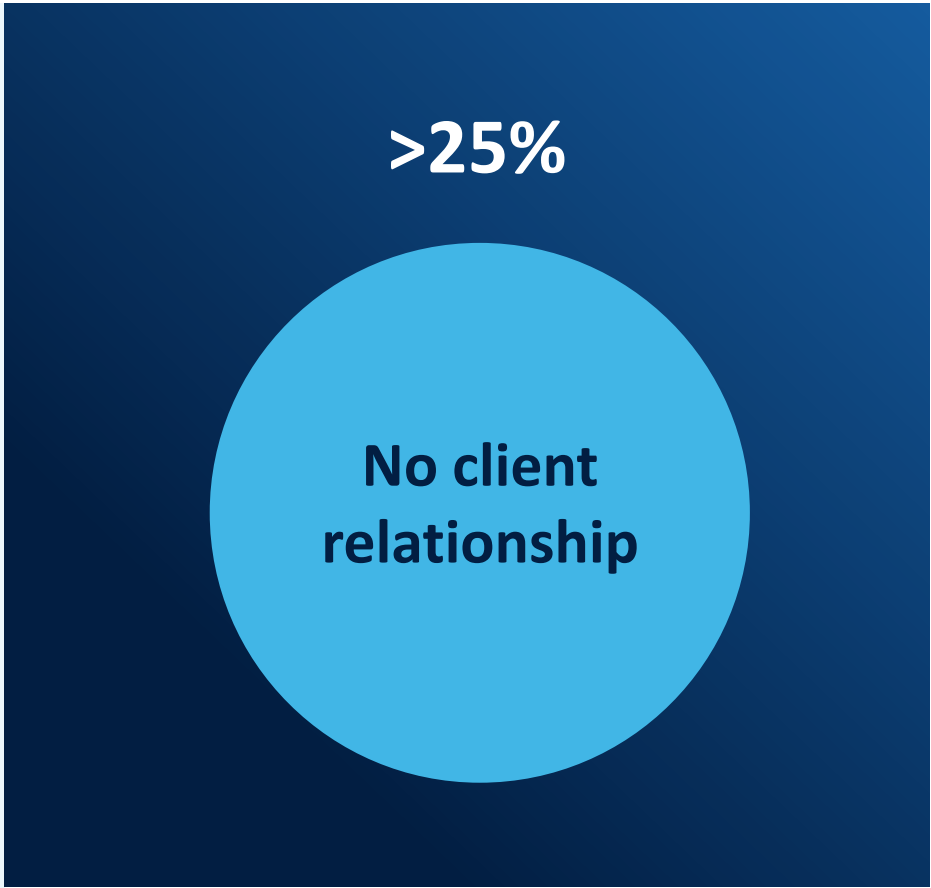
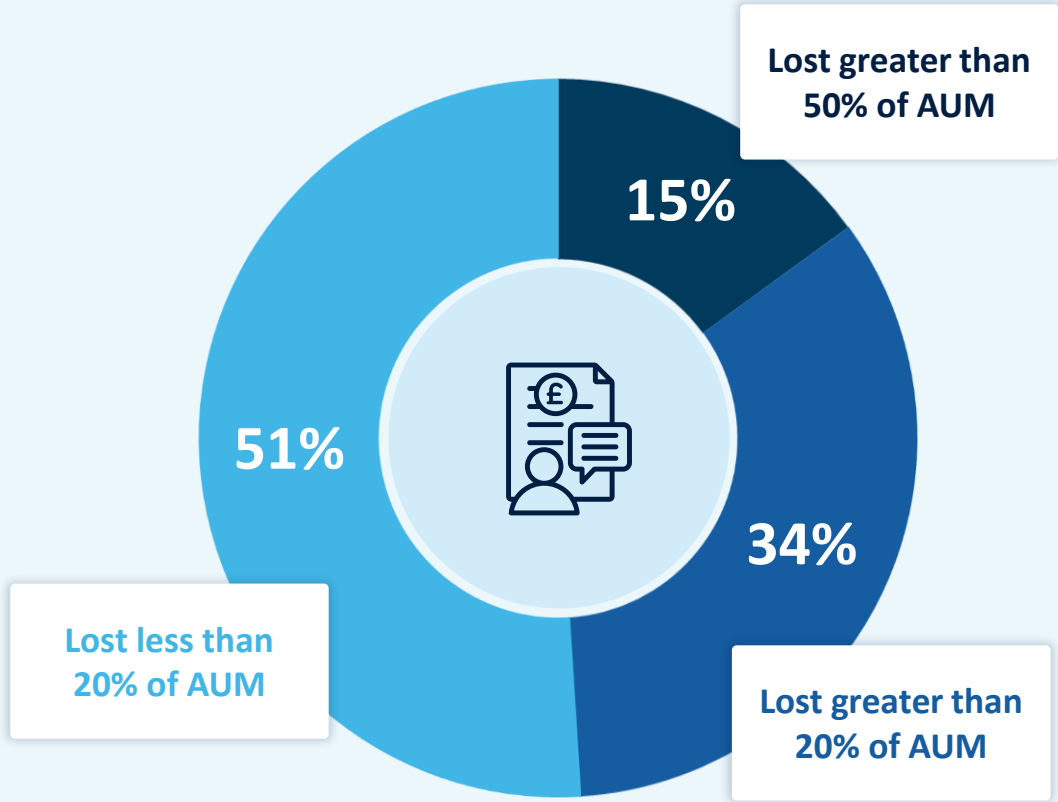
**In the next 20 years over
£5.5 trillion is set to pass
down the generations.**

Source: Kings Court Trust, 2017



What does it mean for financial advisers?

Percentage of intergenerational wealth lost



Source: [Kings Court Trust](#), 2017



Five common estate planning assumptions



“

**I do not have any clients
with an Inheritance
Tax issue**

”





27,000 Estates

27,000 estates paid inheritance tax (IHT) in 2021/2022.

£1.06 billion

Total tax liability accounted for by net estates valued at less than £1 million in 2020 to 2021

£214,000

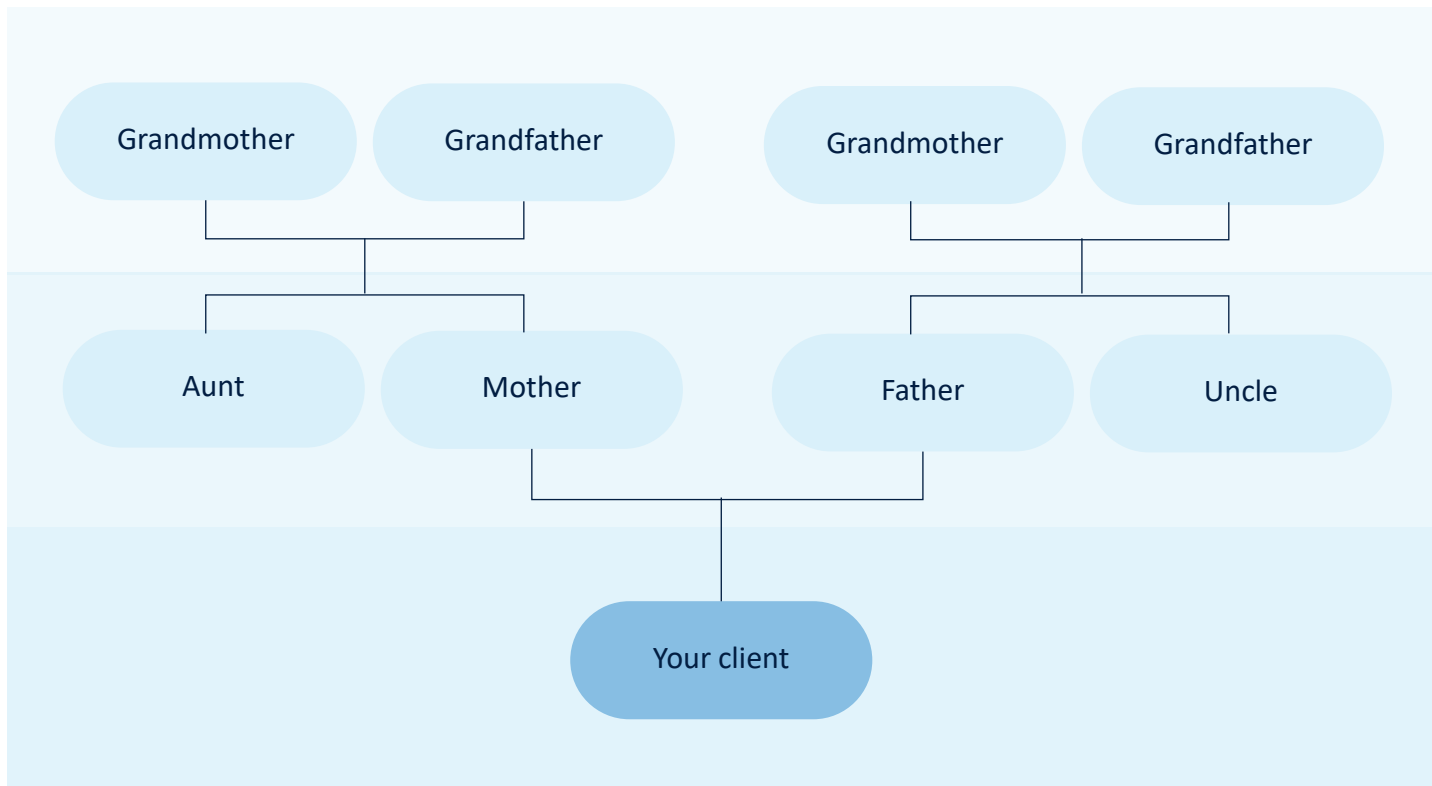
The Average Inheritance Tax liability (2021)

Can you spot a trend?





The Family Tree





“

**My client is not
bothered about paying
Inheritance Tax**

”





Clients unconcerned about IHT



Death

1 / 12 / 23



IHT DUE

30 / 06 / 24



**Grant of probate received
after IHT paid**



3 – Residence Nil Rate Band misconceptions

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**Newer IHT allowances mean
everyone can pass on £1
million completely IHT-free**

”





Residence Nil Rate Band misconceptions

The RNRB is up to £175,000 which can only be used against the main residence, provided that all the following conditions are met:

- The estate includes a main residence (that has been lived in at some point) or may be eligible to downsizing allowance if the property was sold after 8 July 2015; and
- The property is passed down to direct descendants; and
- The estate is valued at less than £2m. If the estate exceeds £2m, the relief will be tapered by £1 for every £2 it exceeds £2m.





Residence Nil Rate Band misconceptions

How much residence nil rate band can they claim?

1. Carrie and Michael

- A married couple
- Estate worth £1m
- Main residence worth £200,000
- All assets passed to children

£200,000



2. Maurice

- Divorced
- Estate worth £1.9m
- Main residence worth £900,000
- Property pass to niece

£0



3. Rupa and Tej

- A married couple
- Estate worth £3m
- Main residence worth £1.5m
- Property passed to children

£0



4. Nadia

- Single
- Estate worth £900,000
- Main residence sold in April 2015
- Estate passed to children

£0





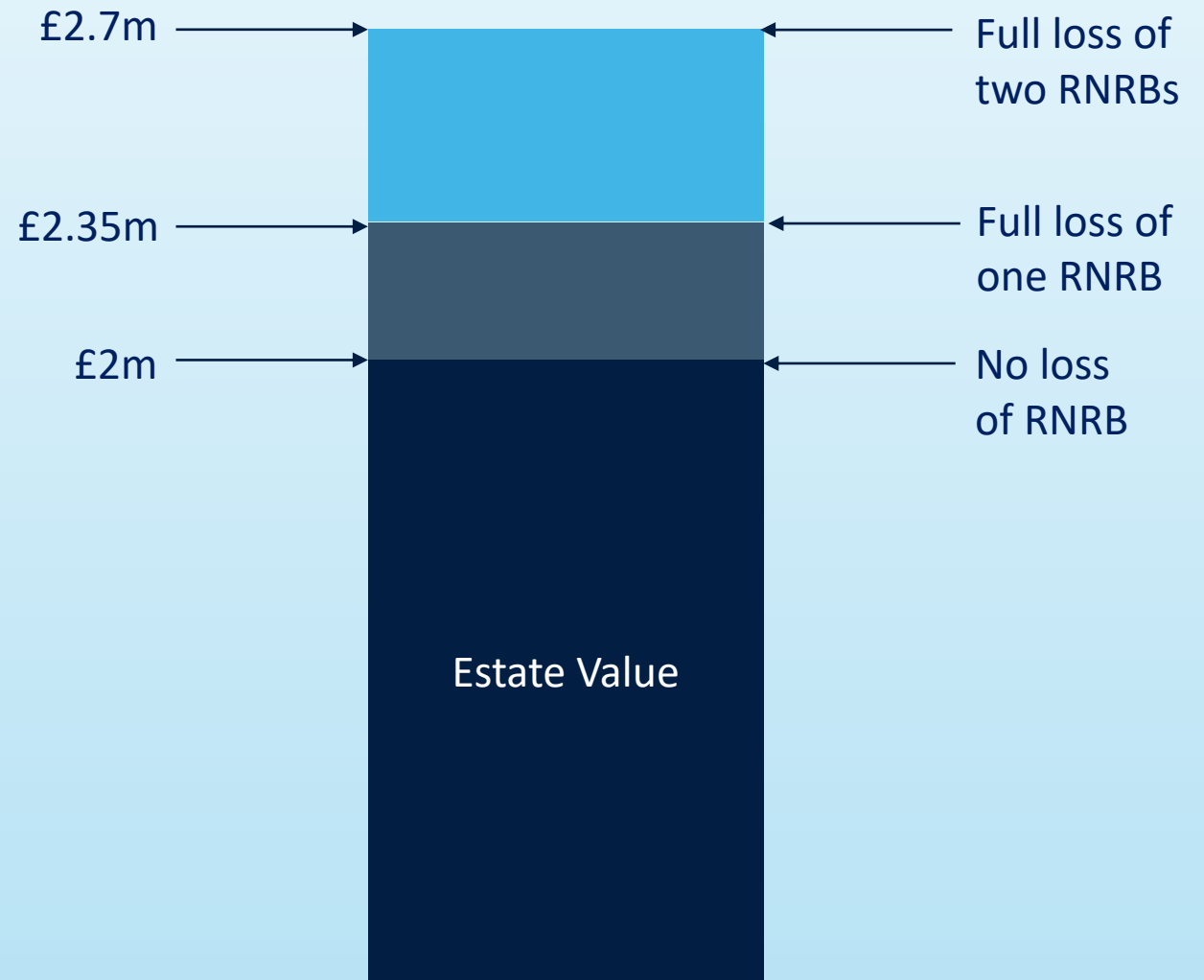
Residence nil rate band misconceptions

Estate includes: ✓

1. All Business Assets
2. Cash
3. Investments
4. Primary residence
5. BTL property
6. Interests in a IIP/IPDI trust
7. The loan in a loan trust

Estate excludes: ✗

1. Gifts into trust
2. Outright gifts
3. Pensions





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**Every estate has
a NRB of £325,000 to offset
against assets on death**

”





How do gifts impact the NRB?



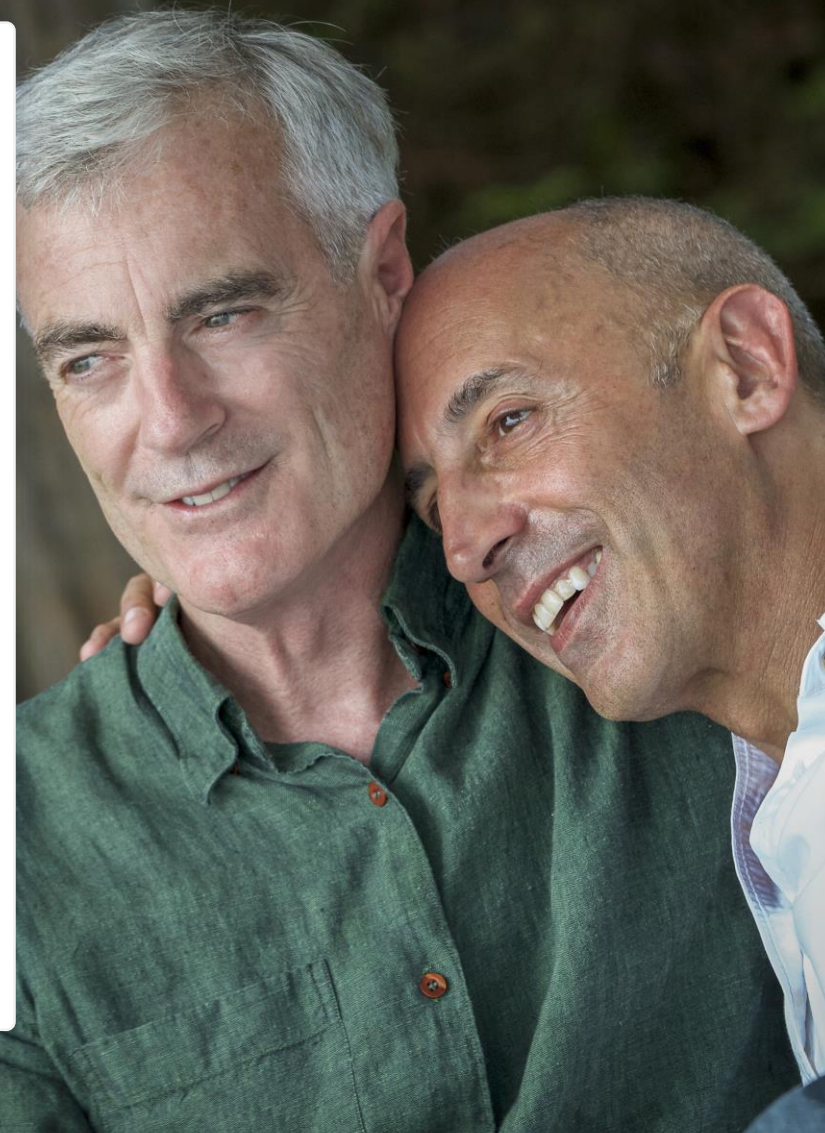
Gifts

Any gifts made are **potentially exempt** from IHT.

If the person who made the gift doesn't survive for 7 years afterwards then it will be included in their estate for inheritance tax purposes.

Failed PETS erodes the NRB leaving less NRB to use on death for assets still owned by the deceased

Taper relief is available for gifts over £325,000.





How do gifts impact the NRB?

Measured by reduction in donor's estate

Will form part of the taxable estate if death occurs within seven years

- Outright gifts (Potentially Exempt Transfers)
 - Gifts into trust (Chargeable Lifetime Transfers)
-

May qualify for taper relief

- Depending on the amount of time which has passed
- The amount of the transfer



PET/CLT

Value of estate
post the gift



How do gifts impact the NRB?

Mrs Jones made a gift of £250,000 on 1/3/17 to her son Matthew

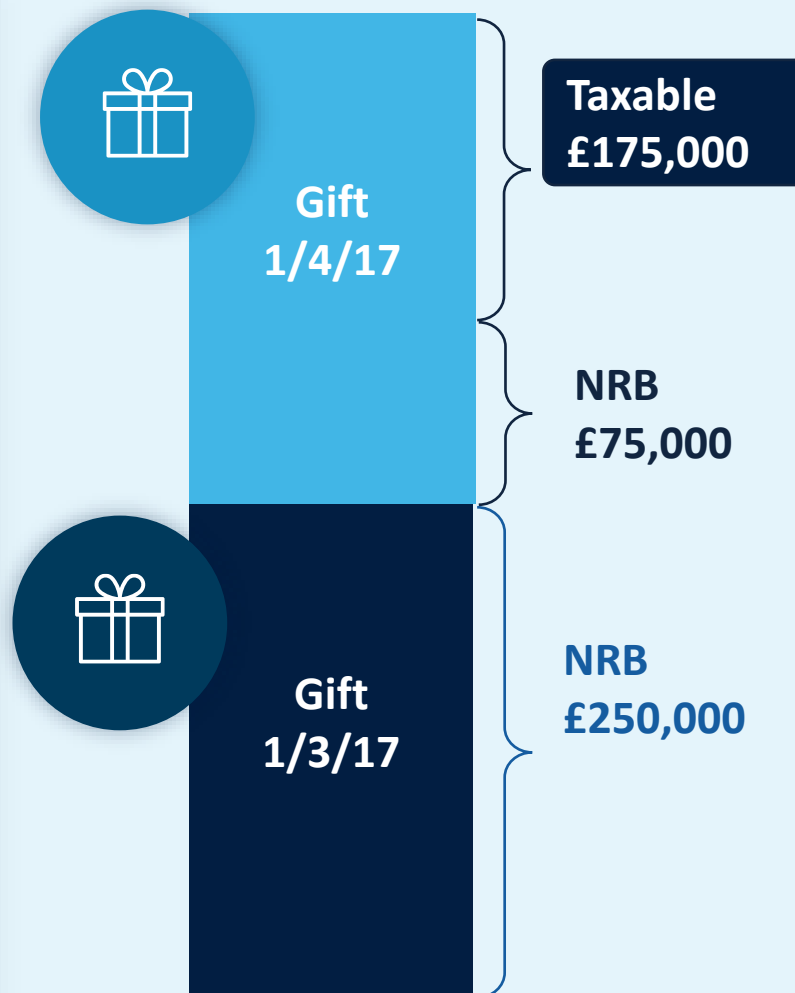
She then made a gift of £250,000 on 1/4/17 to her daughter Mandy

She died on 1/3/2020

What tax will be due on the failed gifts?

- 40% of £175,000 = £70,000
- No taper relief

Who is liable to pay it?





5 – Overlooking the full suite of estate planning solutions

“

**The only way to solve estate
an IHT problem is via gifting
or life assurance**

”





There are typically three main approaches to estate planning for clients



Potentially Exempt
Transfers (PET) or
Chargeable Lifetime
transfers (CLTS)



Insuring the
liability



Investing in
Business Property (BR)



Why might unquoted business relief be of interest to you and your clients?



No Limits



Doesn't affect Nil Rate Band



Full access and control

Tax treatment depends on the individual circumstances of the investor and is subject to change.



What is in it for you?

27,000 Estates

27,000 estates paid inheritance tax (IHT) in 2021/2022.

> £1 million

81% of taxpaying estates

£214,000

The Average Inheritance Tax liability (2021)

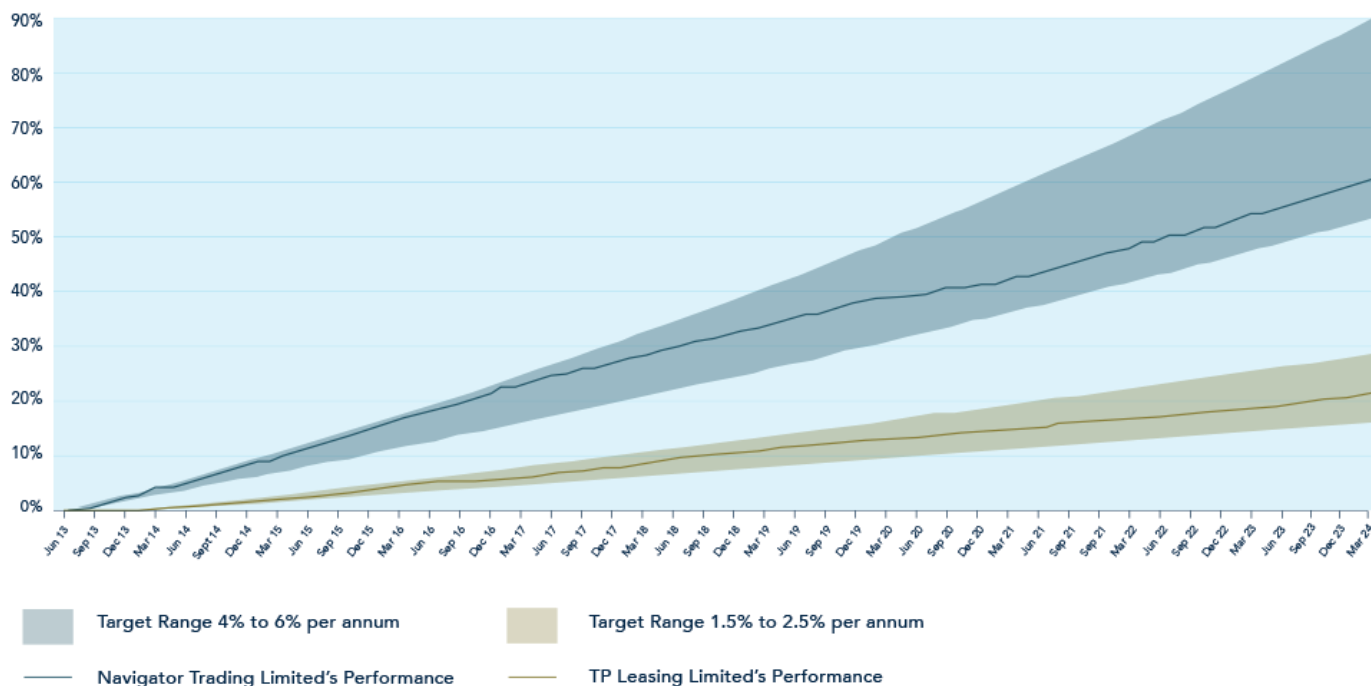


Triple Point Estate Planning Solution



Triple Point Estate Planning Service

Target annual shareholder returns
of **1.5% – 6.0%** (after Triple Point annual charges)



TP Leasing Limited performance breakdown				
Share price return (as of 31/03/2024)				
3 month	6 month	12 month	3 year	5 year
0.8%	1.4%	2.4%	5.9%	9.4%
Calendar year return				
2023	2022	2021	2020	2019
2.0%	1.6%	1.7%	1.5%	2.1%

Navigator Trading Limited performance breakdown				
Share price return (as of 31/03/2024)				
3 month	6 month	12 month	3 year	5 year
1.0%	1.9%	4.1%	12.7%	19.9%
Calendar year return				
2023	2022	2021	2020	2019
4.2%	3.8%	4.0%	2.2%	4.4%

Past performance is not a guide to future performance and may not be repeated Target returns may not be achieved.



Key Highlights of the Estate Planning Service



Liquidity: Redemptions targeted within 20 business days

Diverse: funding tens of thousands of businesses and organisations.



Predictable and Uncorrelated Returns: Looking for consistent positive performance through full economic cycles that is uncorrelated with traditional equity markets.



Experienced Team: an experienced team of 25+ leasing and lending professionals

Track Record: Triple Point have been running IHT strategies since 2006



Investors capital is at risk. Past performance is not a guide to future performance and may not be repeated.



Planning Scenarios: Inheritance tax planning

For clients with Power of Attorney



For clients in conjunction with residence nil rate band (RNRB)



For clients with limited life expectancy



For clients who want to retain access and control



For clients settling assets into a discretionary Trust



For clients wanting to ensure full IHT exemption after the death of the second spouse



For clients who have sold a business within the last three years





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