

UTILISING LEGACY PARTNERSHIP, TRUSTS & INCORPORATION

SCENARIO



MR. PATEL



4 BUY-TO-LET
£1.4M



PARENTS: 3 BUY-TO-LET
£3M



CASH & ISA FUNDS
£1.1M

IHT – **REDUCE** • CGT – **ELIMINATE** • INCOME TAX – **MINIMISE**

CURRENT LIABILITIES

Upon Mr Patel's parents passing there is **£1.6 million** in Inheritance Tax payable to HMRC. Upon Mr Patel's passing, there is a further **£560,000** in Inheritance Tax payable.

Should the properties be sold or gifted prior to death, there would be Capital Gains Tax payable of 24% on the gain. In the case of the Patel family, this would equate to £2,700,000 gain @ 24% = **£648,000**. Additionally, their Income Tax on the rental property income is being paid at the Higher Tax Rate of **40%**.

STRATEGY

Strictly within existing HMRC rules, we individually designed and utilised a combination of **Trusts**, **Legacy Partnerships** and **Incorporation** to provide the Family with a Corporate Structure that addressed all of their concerns and produced outstanding results for the family.

OUTCOME

The overall Inheritance Tax liability is reduced from £2,160,000 to £400,000, meaning an additional **£1.76 million** will be passed onto beneficiaries and future generations. These funds are fully protected from outside threats through being held within the Family Trust.

Upon establishment of our structure, all of the BTL properties' Capital Gains are washed away. There are substantial savings on their individual income tax over the next 5 years, which can be used for any purpose - including the provision of life assurance to cover the £400,000 Inheritance Tax. Full control over the ownership of all of the assets and income generated is retained by the family members.

**RETURN ON
INVESTMENT (ROI):**

1,763%