



April 2027

The Pension Cliff Edge

A deadline that changes
everything for your children
and grandchildren

Who I Help and How

Independent Inheritance
Tax Strategist





I'm here to help you...

- Understand your **Goals**
- Understand IHT **Rules and Loopholes**
- **Understand** Pros & Cons of each strategy
- Introduce you to IHT **Specialists**
- Implement Strategy to reduce IHT **Bill**

I'm not here to...

- To give regulated tax advice

The Big Change

-  From April 2027, Pensions no longer exempt from Inheritance Tax (40%)
-  Pension lifetime allowance (LTA) no longer capped
-  25% Lump sum capped to £268,250
-  Tax 'loopholes' are being scrapped

Why It Matters




- Pensions are your **2nd Largest Asset** (after Home)
- Pensions are ‘sticky’ - transfers can take **months** and **delays** limit your options.
- Powerful strategies available today can cut your tax bill to almost zero – but the **best ones are being phased out**.

PENSION TAX SCANDAL

2024	AUTUMN BUDGET
Policy	Currently being discussed
Before April 2027	Unused pensions are paid tax-free to beneficiaries
After April 2027	Pension will form part of your estate – 40% Inheritance Tax

Married Couples



Stage	What Happens	Tax Position
1. First Death	All assets (home, pension, savings) pass tax-free to the surviving spouse.	 No IHT Full spousal exemption
2. After First Death	The survivor now owns everything.	 Estate now in one name
3. Second Death	The entire estate passes to children or other beneficiaries.	 IHT Payable – 40% on anything above £1m allowance

Before April 2027



Scenario	BEFORE April 2027
Estate (on 2 nd death)	£900,000 home + £600,000 SIPP = £1.5m
Pension Treatment	EXCLUDED from estate for IHT
Nil Rate Band	£325k
Residence Nil Rate Band (RNRB)	£175k
Taxable Estate	£900,000 (below £1m allowance)
IHT Payable	£0
Children Receive	Full £1.5m

After April 2027



Scenario	AFTER April 2027
Estate (on 2 nd death)	£900,000 home + £600,000 SIPP = £1.5m
Pension Treatment	INCLUDED in estate for IHT
Taxable Estate	£500k (above £1m allowance)
IHT Payable	500k x 40% = £200k
Children Receive	Only £1.3m

Who's Affected?

- Estate > £1m
- Pension > £200k



$$60\% \times 200k = 120k$$



$$60\% \times 120k = 72k$$

- Your children **keep just £72k** from £200k
- **Effective** Tax rate of **64%**

Home £700k
Cash £100k
ISA £100k
SIPP £200k
Bonds £50k
Other £50k
Total = 1.2m

7 Pillars of IHT Planning

1. 🏠 Remove It From Your Estate
2. 🛡️ Protect It
3. 📈 Invest in IHT Exempt Assets
4. 💰 Fund the Tax Bill
5. 🔄 Reposition Pensions
6. 🌍 Change Your Tax Residence
7. 🏛️ Freeze Estate, Pass Growth 0%



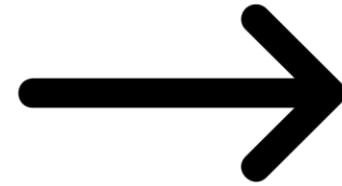
Pillar I

Remove it
From
Your Estate

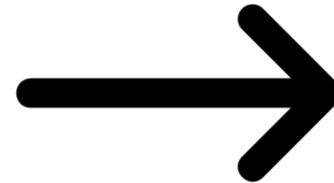
- Use **gifts** while alive — £3,000 annual exemption per person.
- Make **regular gifts (any size)** from **income** – immediately IHT-free if affordable and habitual.
- **Large gifts** (Potentially Exempt Transfer)
 - > **7 Years**: Outside estate (**0% IHT**)
 - < **7 Years**: Inside estate (**Chargeable Transfer**)
- **Joint ownership restructuring** – gradually move assets into children's names.

PROBLEMS WITH GIFTING

- Die within 7 Years
- Need money Back
- Children Divorce
- Fall Out with Family



100%



40%





Pillar 2

Protect It
Within
Your Estate

Common Trusts

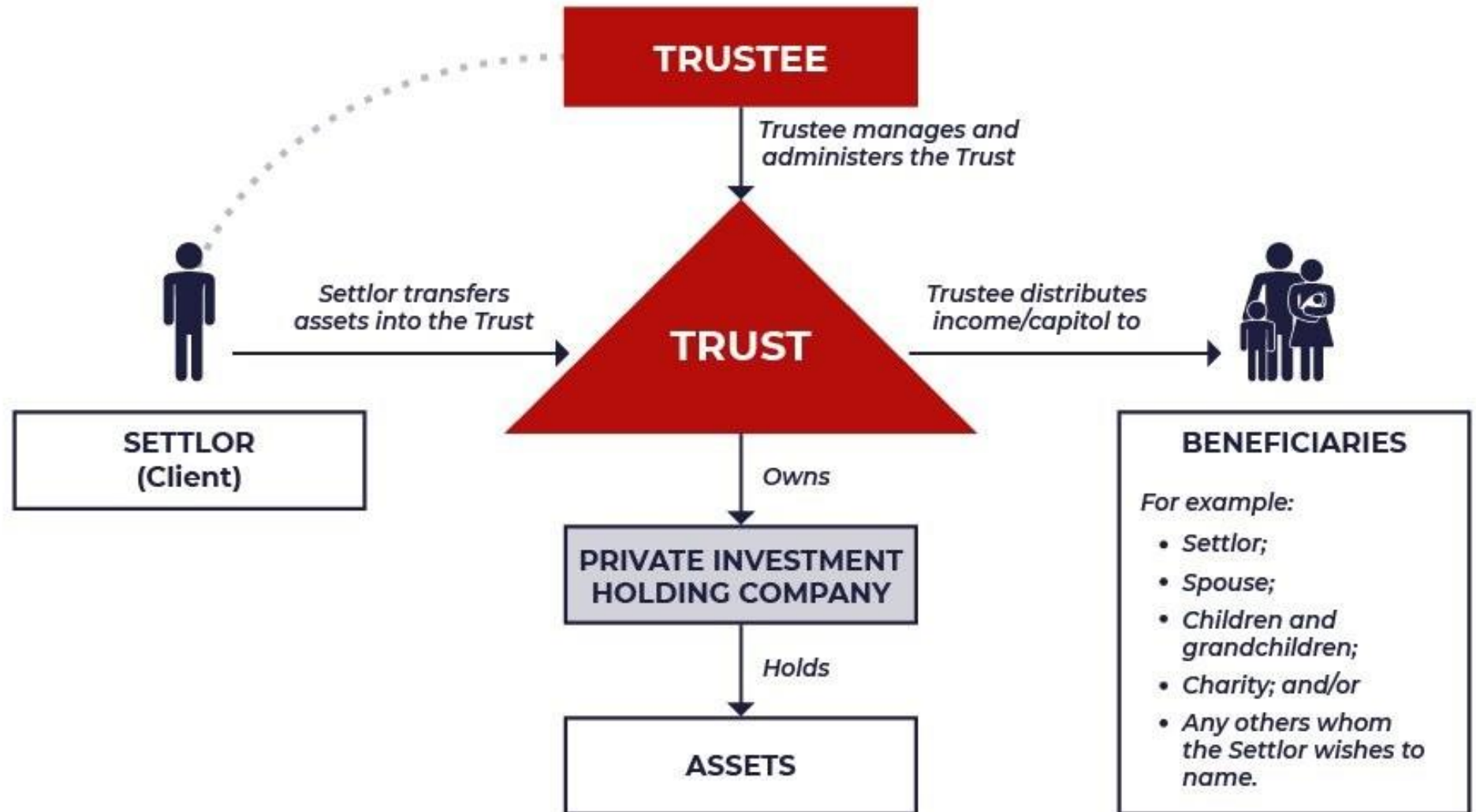
- **Bare** (*Simple & Easy*)
- **Discretionary** (*Most Control*)
- **Life Interest** (*Best Protection for spouse*)

Other Trusts

- Accumulation & Maintenance
- Charitable
- Offshore

Advanced Trust Structures

- Hybrid
- Purpose
- Protective



Type of Trust	How It Works	Ideal For	IHT Benefit
Bare Trust	Assets belong to the named beneficiary. The trustee holds them until they're 18.	Simplicity. You trust beneficiaries (children/grandchildren) to use funds wisely.	Gift is PET – you must survive 7 years.
Life Interest Trust (Interest in Possession)	You and your spouse (life tenants) can live in house rent-free. After death, the house passes to your children.	Married couples and family homes. Protects surviving spouse (can live in the house). Capital goes to children on 2 nd death.	Avoids double IHT — taxed once at the second death, not twice.
Discretionary Trust	Trustees decide who receives the assets, how much, and when. Maximum flexibility and protection.	More control. Avoids giving money in one go to children who may be irresponsible, young, vulnerable, risk of bankruptcy/divorce etc.	Growth outside the estate Higher fees, including 10-year and exit charges.



Pillar 3

Invest Into Government Approved Assets



2-Year Rule

Qualifying assets can become 100% IHT-free after just two years of ownership



100% Relief

Business and agricultural relief remove full value from your estate



Government-Approved

These are official exemptions — designed to encourage real investment in UK business and land

Asset Type	IHT Status	Time to Qualify	Liquidity / Risk	Investments
Cash, ISAs, Shares	Fully taxable	N/A	Low risk / high liquidity	Bank accounts, share portfolios
AIM Shares Business Property Relief (BPR)				
Private Trading Company				
Agricultural Land (APR)				
EIS / SEIS Investments				



Pillar 4

Fund the Tax Bill

Life Insurance Cover (In Trust)

Tax-free payout in trust to **cover the bill instantly**. The policy can be funded through your **company**, making premiums tax-efficient.

Business Investments (BPR & APR)

Invest for growth that becomes 100% IHT-free after two years. What you invest comes out of your estate, and the **growth on your AIM portfolio** covers the future tax bill.

Loan Planning & Asset Disposal

Pre-arranged loan pays IHT fast, repaid later from the estate. It gives executors **instant liquidity** and **avoids panic-selling assets** under pressure.



Pillar 5

Reposition Your Pension

1 Offshore Pension Structures (QROPS / International SIPP)

Transfer UK pensions to **offshore jurisdictions** like Malta, Isle of Man, or Gibraltar.

→ *Keeps control, removes future UK IHT exposure.*

2 Overseas Annuities & Guaranteed Income Plans

Convert part of your pension into an **offshore annuity** for lifetime income.

→ *Secures guaranteed returns outside the UK tax system and avoids future IHT inclusion.*



Pillar 5

Reposition Your Pension

3 Pension Splitting – Keep, Move, Protect

Split your pension across **UK, offshore, and trust-linked investments.**

→ *Diversifies exposure and locks in protection before 2027 rule changes.*

4 Family Investment Company (FIC) Conversion

Gradually withdraw and reinvest into a **Family Investment Company.**

→ *Transforms pension growth into corporate wealth — controlled and outside IHT.*



Pillar 5

Reposition Your Pension

5 Life Cover & Business Relief Overlay

Combine your pension plan with **life insurance** in trust or **BPR** investments.

→ *Covers any future IHT bill — so your family never has to sell assets.*

Pillar 6

Change Your Tax Residence



Strategy 1 –
UK Resident – Optimised (90-Day Rule)



Strategy 2 –
UK Resident – Non-Domiciled
(Live Here, Tax There)



Strategy 3 –
Overseas Investments & Property



Strategy 4 –
Changing Domicile or Residency



Pillar 7

Freeze Estate - Take Money Out

Loans secured against Home

Reduce your **net estate value** (HMRC taxes your estate *after debts*) – as long as you invest it in assets which are not IHT exempt.

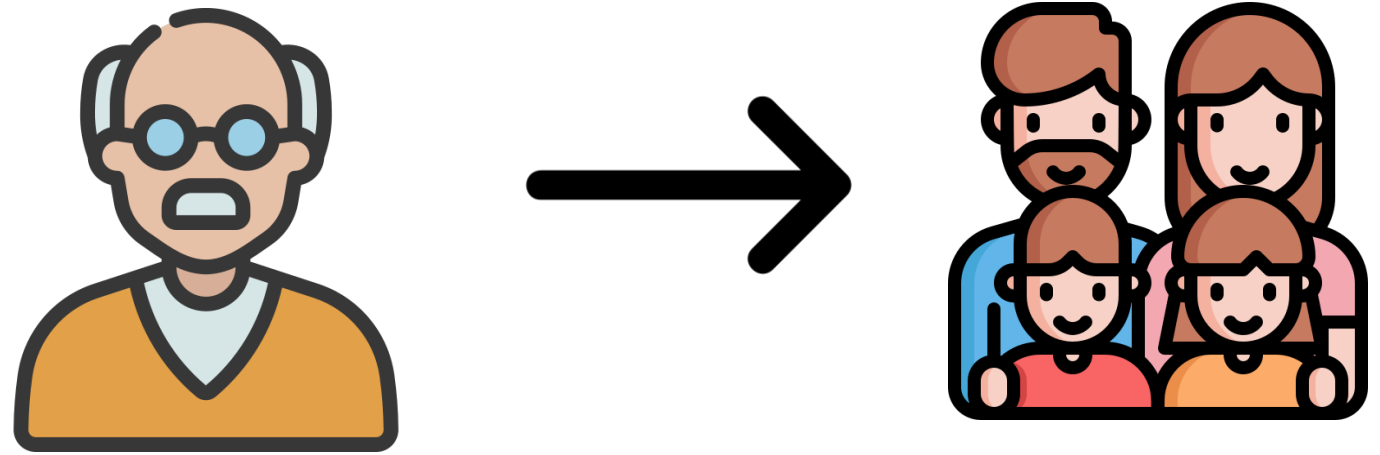
Equity Release

Access capital and gift or invest it elsewhere — removing it from the IHT calculation.

Family loan trusts

Allow parents to “lend” money to children or trusts instead of gifting — keeping flexibility but fixing the estate value.

You Need to Do Something with the Cash Released



- CASH (Gifting) = 7 Year PET Rule
- Invest Offshore Trusts & Bonds
- Move into Trusts
- Buy life insurance in a Trust
- Spend It
- ❌ Business Property Relief (BPR)
- ❌ Agricultural Relief (APR)

Why You Should Act Now



Your IHT Problem Can Be Fixed



But we don't Know For How Long



Chaos & Uncertainty



More Tax Changes Coming



Loopholes being Closed



Product Fees are Going Up

Your Next Step – Build a Real IHT Plan

Call 07522 564 903

www.marketinsider.uk/IHT

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Step-by-Step Process

- **Consultation with IHT Strategist** – independent and unbiased – **do NOT use IFA or accountant.**
- **Review your full situation** – assets, family, business, trusts, and wills – to build a clear game plan.
- Introduction: **2–3 trusted IHT specialists** to provide tailored proposals.
- **Review the plan, compare costs, pros and cons, and decide what fits best.**
- Once agreed, the **IHT Specialists implement** – trusts, insurance, BPR, offshore, annuities, tax, wills etc.
- **Review structure once a year** – adjust for new rules, tax changes, or life events.