

Three financial housekeeping activities to do this Autumn

As we move into the last quarter of the calendar year, it's a good time to ensure your finances are in order and reflect your wishes and plans. Here are three financial housekeeping activities to include in your Autumn to-do list.

Review or Write Your Will

It is always sensible to review your will to ensure it still reflects your current financial affairs and personal wishes. If you haven't written one, do consider the benefits it will bring. From a non-financial point of view a will ensures you decide who gets your assets – rather than relying on the rules of intestacy, or triggering a family rift.

From a financial perspective a will can save Inheritance Tax and enables you to set up a trust for children in the family (while retaining some control until they are an appropriate age). A will can provide a clear succession plan if you own a business and also avoid intestacy which can be costly. It is worth seeking professional advice in respect of Inheritance Tax, assets (in particular property) can increase in value over time and push an estate over the IHT threshold.

Organise Power of Attorney

A lasting power of attorney (LPA) is a legal document that lets you appoint one or more people you trust to be attorneys and make decisions on your behalf if you become incapable. There are two types of LPA, a property and financial affairs LPA which covers decisions about bank accounts, paying bills, investments and property. The second type is a health and welfare LPA which covers decisions about medical care and daily living.

By Tim Hardy, Shipleys Chartered Accountants

You can choose to make only one or both types of LPA and they are not complicated to put into place. They also should not be left until later in life. We recommend business owners create an LPA to ensure business decision-making isn't adversely affected if an event makes them incapable.

Documenting Important Information

To make your loved ones' lives easier, it is vital to keep good records and to let them know where key documents such as healthcare policies, pension arrangements, your will, Executor details, digital will (details of online accounts you have) and your LPA - are stored.

Ensure they have all the information they need to carry out your wishes and avoid missing a key element of your financial affairs. To help, Shipleys has produced a Personal Affairs checklist and you can download it by going to www.shipleys.com/files/personal-affairs-checklist.pdf

For more advice about tax matters affecting you and your family please contact me and our friendly team at Shipleys LLP in Godalming.

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