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Meet our new commercial property lawyer

Myers & Co are delighted to welcome Richard Morgan, an experienced commercial property lawyer, who has joined the ever-expanding team of legal experts at our offices in Burslem.

Richard has been working in and around Stoke-on-Trent and Staffordshire for most of his career and so has built up an excellent reputation as an expert in his field. His many years of local experience also mean that he has a good working knowledge and valuable insight into the commercial property market in the area.

Renowned for his keen commercial eye, Richard acts for business owners, and landlords on all types of commercial property transactions. He helps clients understand every aspect of buying, selling or leasing commercial property and takes the time to fully explain all the implications where necessary.

Richard advises a wide range of clients from first-time landlords to experienced developers, commercial or industrial unit owners, as well as business owners who are buying, selling or renting a commercial property for their operations.

Speak to Richard today about drafting or negotiating:

- commercial leases;
- break clauses and renewals;
- tenancy agreements;
- property development;
- sale or purchase of commercial land or buildings; and
- acquisition or disposal of industrial units.

For a confidential discussion about commercial property law, contact Richard Morgan on 01782 525027 or email richard.morgan@myerssolicitors.co.uk.



Employment



Business



Litigation



Commercial Property



Residential Property



Wills & Probate



Wealth

Valuing an estate for probate

When we die, we leave behind a lifetime's worth of belongings and memories. Stephen Myers explains how an estate is valued before the ownership of your assets is passed onto your loved ones.



The personal representatives – the executors named in the will or any individual formally appointed to deal with the estate in the absence of a valid will – have the responsibility for valuing an estate at the date of death.

They have to detail all the assets and estimate a 'probate value' of all that was owned, and the value of any debts at the date of death. This is why we recommend that everyone should consider keeping a list of physical and digital assets, as well as details of where share certificates and so on are kept, to help their personal representatives.

Typical assets include:

- **bank accounts, investments and premium bonds**

the bank or investment company will be able to provide the valuation or account balance on the date of death;

- **shares**

if there are several shareholdings or a substantial share portfolio, it may be necessary to engage a professional valuer or stock broker to provide a probate valuation;

- **land and property**

an estate agent or chartered surveyor will need to provide a market valuation on any property at the date of death. If property was owned as tenants in common, the value of the share will be a proportion of the market value for the whole property;

- **jewellery, antiques, paintings etc**

in some cases, a professional valuer's opinion will be needed for 'chattels' such as antique furniture, precious jewellery, fine paintings, etc, reflecting the realistic selling price on the open market at the time of death. Similarly, house contents and other belongings will be valued according to their market value at the date of death;

- **digital assets**

anything with a monetary value will also need to be valued for probate purposes, such as an online photo or music library, a social media account which generates revenues or a valuable internet domain name; and

- **lifetime gifts**

any significant lifetime gifts which were made within seven years of death will be taken into account. This is because any cash gifts of more than £3,000 made in any year may be liable to inheritance tax.

What about debts?

Debts are not automatically wiped out when someone dies. The total value of any debts, such as a loan secured on property, credit card debts, council tax or residential care fees and funeral expenses, will need to be calculated and deducted from the gross value of assets to provide a net estate value.

Calculating inheritance tax (IHT)

In simple terms, IHT is calculated by deducting the value of any debts from the total value of all assets and any taxable lifetime gifts; the net amount which exceeds the IHT threshold of £325,000 will be charged at 40 per cent. However, there are likely to be reliefs and exemptions that can be claimed to reduce the tax.

Getting probate can be a complicated and time-consuming process, so you may want to appoint a professional to lend a hand and ease the burden on relatives, especially if you think they may disagree or find it upsetting.



Request our free guide to the probate process.

An essential guide with advice for executors and personal representatives on how to settle the estate.

Call 01782 577000 or email info@myerssolicitors.co.uk to get your free copy.

For a confidential discussion on any aspect of probate contact Stephen Myers on 01782 525007 or stephen.myers@myerssolicitors.co.uk

Maximise your pension allowances 'while stocks last'

Myers wealth management specialist, Peter Jarvis, advises making the most of the current pension tax allowances before they change.

For some time now, the government has set its sights and consulted at length on possible reforms to pensions, especially as the current tax relief system is costing the government circa £39 billion.

With stagnant public sector wages, problems with universal credit and the ongoing pressure of funding the NHS, a change to pension allowances could be an easier way to raise revenue than attempting to raise other taxes such as VAT or income tax.

However, in last year's budget Chancellor Phillip Hammond resisted the widely expected option of cutting the annual allowance from £40,000 to £30,000 or reducing the threshold of annual allowance taper down from £150,000 to £125,000, nor did he touch the lifetime allowance of £1,055,000 (2019/2020).

It has been speculated for some time that higher-rate tax relief is in the government's sight, but once again they opted against tinkering with the thorny issue of tax relief. Described as a highly expensive system, it was probably only the higher than expected windfall that the chancellor received from better than expected borrowing forecasts that meant he did not have to cut pension tax relief in the last budget.

It is therefore only a matter of time before this chancellor, or his successor, comes back for more and so the last budget's respite for tax relief can only be described as temporary. Change is more likely as critics say the system favours the wealthy, as higher rate and additional tax payers gain the biggest reliefs.

Radical moves such as a flat rate pension tax relief have been muted for some time, but as things stand today the proverbial can has been kicked down the road in regard to how, over the long-term, people are incentivised to pay money into pensions.

For individual savers, such tax cuts could prevent them from saving at all, as with fewer incentives being available for pension saving they become less attractable. Therefore, it is imperative to make full use of current tax breaks and allowances before the inevitable reductions are imposed and those with unused pension tax relief from previous years should endeavour to use the chance to catch up on contributions if it is affordable.

For those who can, we would strongly urge you to make use of the allowances while they are available before the Chancellor looks at pension tax relief again.

It has been said a few times, but the need for quality financial advice is more prevalent than ever before.

For a bespoke tailored approach to managing your retirement planning and wealth protection contact Peter Jarvis at Myers Asset Management on 01782 557233 or email peter@asset-manager.co.uk



Current pension allowances

Individual pension contribution allowance:

- £40,000 per annum for the tax year for basic rate tax payers.
- A reduced allowance applies for high earners with a total income including employer pension contributions is over £150,000.

Unused allowances:

There is also the facility to potentially carry forward up to three years' worth of unused allowances. Any contributions exceeding the annual allowance (after taking into consideration allowances carried forward) would trigger a tailored tax charge of up to 45 per cent.

Tax relief:

Tax relief on personal contributions is limited to £3,600 per annum or 100 per cent of salary if higher at your highest marginal rate. Although, you should note that if you have already flexibly accessed other pension benefits, your annual allowance may be restricted to £4,000 with no carry forward

Myers Asset Management

Myers Asset Management is an Appointed Representative of PHM Wealth Management Services LLP which is authorised and regulated by the Financial Conduct Authority. PHM Wealth Management Services is entered in the FCA Register under number 579336 which can be found at www.register.fca.org.uk

PHM Wealth Management and Myers Asset Management are registered in England & Wales, the respective registration numbers are OC372382 and 04345900. Both have the registered office address of Charlotte House, 536 Etruria Road, Basford, Newcastle-under-Lyme, Staffordshire, ST5 0SX.

Help to Buy – beware of some cracks in the structure

Since the Help to Buy scheme was originally introduced in April 2013, it has helped nearly 170,000 households onto the property ladder. However, as with any such scheme, over time a few issues have started to emerge which buyers need to be aware of.

Kerry Dundas, residential property lawyer at Myers & Co, considers recent research about the Help to Buy scheme, its pros and cons, and what you should look out for.



Help to Buy, how it works?

The property must be a new build home for your own use and cost less than £600,000. You provide at least a five per cent deposit, and the government lends you up to twenty per cent of the property's value. The balance of the purchase price is then financed with a mortgage from an approved lender. Slightly different rules apply to properties in London.

You must repay the loan when you sell your home, or after 25 years if later. However, unlike a conventional mortgage, the amount you repay is not a fixed amount. Instead, it reflects the ratio of the loan to the value of the property when you first borrowed. So, if your Help to Buy loan was for 20 per cent of the value of your home when you bought it, you must repay 20 per cent of the price you sell it for.

The loan is interest free for the first five years, although there is a monthly management fee of £1.

After five years, you pay an additional fee as interest of 1.75 per cent, which will then rise annually by the Retail Price Index plus one per cent.

Although the principle behind the scheme is very simple, the detail and processes involved can appear complicated. For example, you will need formal confirmation of your eligibility to proceed.

Choosing a solicitor who is experienced in these types of equity loan will help you avoid delays and potential pitfalls.

Pros and cons

Over £8.93 billion has been advanced under Help to Buy, and the government considers it a great success. There are certainly several benefits to the scheme:

- it can make it easier to get a mortgage to buy your own home;
- borrowing less can mean access to a more competitive deal; and
- it can ease financial pressure in the early years of home ownership.

However, the scheme has its critics and it is important to consider the possible disadvantages:

- it only applies to selected new build homes, which tend to sell for a premium over comparable pre-owned homes;
- recent research suggests it costs an average eight per cent more than those buying new homes independently;
- if prices go up then you may have to repay significantly more than you borrowed; and
- the cost of borrowing increases over time and costs more than a conventional mortgage.

The current Help to Buy scheme ends in March 2021 and the replacement scheme will be limited to first-time buyers.



Help to Buy, getting the right advice

Help to Buy is not right for everyone, and it is important that you consider how suitable the scheme, and any particular property, is for you.

Speak to us early on, as Help to Buy involves some additional steps in the conveyancing process and we can advise you on any risks.

Contact Kerry Dundas on 01782 525016 or kerry.dundas@myerssolicitors.co.uk