

Jacob and Julie Rundle



OVERVIEW

Julie Rundle and her son Jacob were looking for a favourable strategy for investing Julie's savings, hoping and achieving three main outcomes:

- 1 - To provide a vehicle for investing her funds at a higher return than the minimal interest rate they were currently achieving**
- 2 - To provide an income that would offset the currently high mortgage interest rates**
- 3 - To create a legacy, ring-fence the wealth and mitigate Inheritance Tax for her two grown-up children**

THE SITUATION AND GOALS

Julie and her son Jacob have a few small property investments already, so were savvy with regard to the benefits of investing in property as opposed to the more traditional asset classes. They were keen to understand what different asset classes could be available to them, via different tax and investment products and strategies. In addition, Julie had a lump sum sat waiting to invest in assets that would achieve more for her than the current minimal gains they were currently receiving.

For Julie, an income from her investments was key, to offset the current interest charges. Equally important was the ability to protect the assets for her son and daughter.

Jacob and Julie had already spent some time speaking to various financial advisors and looking at suitable products. However, the search was not proving fruitful until Julie's partner suggested speaking to TLPI. His relationship with TLPI was related to pensions, but as he was aware that TLPI offer tax planning and strategy advice, suggested Jacob made contact

After an initial phone conversation, it became clear that a Family Investment Company was the ideal route for Julie's funds, with a FIC looking the ideal product to answer their questions:

- 1. Can the strategy provide my mother with an income?**
- 2. Is there potential to achieve higher rates than I am achieving at the moment?**
- 3. Will this provide a solution to reducing Inheritance Tax and protecting assets for the family?**

WHO?

TLPI were recommended to the Rundle's by Julie's partner. Knowing that TLPI offer immediate access to a consultant who is experienced in tax saving solutions and investment strategies, it seemed the ideal contact for Julie. Inviting her son Jacob to a video consultation allowed a full picture of the options open to suit both herself and her son and daughter. Questions pertinent to all parties could be answered as part of a whole family strategy for now and for the future.

WHY?

The Family Investment Company was immediately the direction the conversation took, when Julie and Jacob were in search of a tax planning and investment solution. Having already had the recommendation from Julie's partner, plus conducting due diligence themselves, it was an obvious choice for the family to start their FIC with TLPI.

HOW?

Already having some investment property in their name made it easy for Julie and Jacob to see the benefits of buying future property via a FIC. Not only was Section 24 impacting the profit that could be made from the property, but the Inheritance Tax implications were already vast and without a tax plan in place, set to increase! It was essential they create a tax efficient wrapper before any further investment was made. Setting up a FIC means your children become beneficiaries and assets held within the FIC are not liable for Inheritance Tax. The flexibility of the FIC allowed Julie to have full control over the company and assets. Investments to grow the portfolio will now be protected for the family and the tax situation will be optimised.

THE APPROACH

As is always the first step with TLPI, a free consultation takes place to understand the client's individual situation, what they are trying to achieve and how TLPI can help them achieve their personal aims and goals. The next step is to discuss the suggested strategies and give the client enough information and knowledge to decide whether the product(s) suggested sound right for them. If, and only if, the client feels they understand the products and strategies that could be applied to their situation, do we then arrange a more extensive video call to really drill down into the product and the strategies that could be applied to the client's situation.

“ I remember speaking to our consultant Lewis. He explained the great many asset classes that were available, and that we could choose which to invest in using our FIC. ”

This gave Jacob and his mother the focus to go away and explore options that they had not previously considered and helped them to look carefully at all the different options available to them.

“ It was clear that the FIC had a fit for everybody in some way. There was more scope! ”

THE RESULT

Julie and her family are now able to seriously consider their future investments without having to worry about the implications of each purchase on their tax situation. They have a greater understanding of both their tax position and the landscape for various asset classes. As a family, the ring-fenced plan has future-proofed the legacy and for Julie, she has the added security of mitigating her own tax position and achieving an income to offset the increased rates on her existing and future properties.

Whilst Julie and Jacob already invest in property on a small scale, they have achieved a greater understanding but with the ongoing knowledge and support of a dedicated consultant. They are now able to make informed choices and plan on investigating further buy-to-let purchases as well as considering hands-off property investments for fixed returns over a pre-defined term.

SUMMARY

TLPI aim to understand the individual situation of all our clients. Each situation is different and therefore, requires a bespoke approach and ultimate solution. Julie and Jacob had a little knowledge and some experience of investing in property, but were looking to increase their understanding, especially in relation to the tax implications. This was achieved, first by an initial call to help Julie decide if the products TLPI offer might be a fit for her situation, and following that, an in-depth Zoom consultation including her son, to delve deeper. Only after these initial consultations, and once Julie and Jacob had felt comfortable, was a Family Investment Company decided upon and the initial setup started.

“ There is really not that much information available, so people are not aware of the tax planning solutions available – it’s not something that is common knowledge. We haven’t had our FIC long, but would recommend that anyone who has a chunk of money they want to grow tax efficiently and hold outside the estate, should make enquiries and learn more about whether the product could help them save tax and protect their family from a big Inheritance Tax bill. ”

WORKING WITH OUR CLIENTS, WE AIM TO:

1. Understand their personal situation
2. Apply expertise and knowledge of over one thousand tax benefits and subsidies available to company directors
3. Provide the knowledge and understanding needed to make informed decisions about ALL their wealth assets and options
4. Apply 360° strategies to mitigate tax liability
5. Achieve the control and flexibility required to leverage current wealth to grow the business and assets
6. Free up time, by consolidating the many areas of the business and personal financial situation into one strategy for optimising tax and growth