

Who are the executors for your Will?

Selecting the right executors has always been important but with the changes to pension and ISA rules, selecting the right is more important than ever.

An executor is someone who carries out (executes) the instructions you left in your Will. (A written wish list of what is to happen to your assets when you die)

Now that some Pension Funds can pass down generations Inheritance Tax free and ISA allowances can pass to Spouses increasing their overall tax free allowances, it is vital that your executors and IFA "sing from the same hymn sheet".

Moving funds from one Institution to another or from one person to another used to cost around £50 for every £1,000 moved. So when someone died, it was reasonable to sell everything, gather it together in cash and pass it to the beneficiaries; they could then re-invest to suit themselves.

When we lose a client, some holdings may not need to be sold: they can simply be transferred to a new owner but if the executors are unaware of this and sell before discussing things with the deceased's IFA it could prove costly indeed.

Also, consolidating certain investments into say a Fund Supermarket also makes sense; much less paperwork than dealing with many different fund managers and normally less cost

In the "old days" it made sense, as clients aged, to become more and more secure with their investments by reducing risk as the years went by. However if funds are now to be transferred to the Spouse or the Children, they could be invested for 15, 30 or even 50 years or more, which puts a whole different light on where they should be invested.

When a client dies we, as their IFA, can only deal with their executors otherwise we would be in breach of the data protection act. We always recommend therefore that spouses are appointed for each other and on the second demise, your eldest child or two if you have any.

This means we can advise on the best way forward and help with the information needed for probate, (the certificate required to handle the deceased's affairs) along with the paperwork to deal with any pension schemes and transferring ISA allowances etc.

To sum up: -

Your investments and pensions need a professional review to ensure they are consolidated, invested with the longer term in mind, and can take advantage of all the new rules.

Your Will needs to be correctly written to ensure there are no clauses which prevent your wishes being carried out!