

GATHER TOGETHER AS A FAMILY TO TALK ABOUT FINANCIAL PLANS

TALKING POINTS | FINANCIAL PLANNING AS A FAMILY

TAKE ADVANTAGE OF A TIME WHEN YOUR FAMILY IS TOGETHER TO MAKE SURE YOU'RE ALL ON THE SAME PAGE WHEN IT COMES TO YOUR FINANCIAL PLANS.

Conversations about money are rarely straightforward, particularly when they involve family. Your inheritance plans could be an area of strong debate, where different emotions, values and expectations collide.

It's worth taking some time with your family to talk about how you intend to use and pass on your wealth so that you can begin to organise your assets before it's too late.

Our experience is that things work best when families have open conversations, include everyone in the process and get organised. You could take advantage of a time when the family is together – such as celebrating a special birthday or anniversary – to talk about your financial plans. The meeting doesn't have to be too formal but should touch on long-term financial planning, gifting and plans for your wealth before your death.

Consider everyone's views

Decisions are usually best taken together as a family, but it's unlikely everyone will see things the same way, which is why we believe it's a good idea to get them involved now to avoid disagreements later. For example, if you want to gift according to financial need rather than divide your wealth evenly, you'll be able to explain why.

Try making it special, like a family 'board meeting' – to give it a sense of importance. This way everyone has a chance to listen and express their points of view and you can explain the reasons behind your thought process. Consider inviting anyone who isn't there in person to join online. Approaching this as a more structured meeting can help younger family members to understand their potential future responsibilities and start to get them more involved in the planning process.

The conversation might throw up some things that surprise you. For instance, children often say they want their parents to enjoy the money they've worked hard for. They don't want you to scrimp and save and would prefer to enjoy the money together as a family rather than just being left it after you die. Discussing these matters allows you to consider what they want and how they feel, rather than having to make assumptions that may prove to be wrong.

Make a list – and check it twice

To have a productive family discussion, we recommend starting with some important administration:

- Leave information your family will need after you die in a place they can access. Pull together documents like your will and lasting power of attorney (if you have one), as well as evidence of ownership of any investments and policies.
- Gather information for your different contacts such as your financial planner, accountant, tax adviser, investment manager and bank manager (if you have them), along with utility contracts. Detail where it's all stored so the family can find it.
- For your online and digital footprint, spend some time planning how your online accounts and identities will be managed after you die.
- Grief is hard on those left behind, so taking care of these tasks while you're still alive will provide a huge relief for your loved ones when it comes to administering your estate.

Plan ahead

Before your family meeting, put together a loose 'agenda' and give everyone a copy. You could follow this outline as a rough guide:

- What do you have?
- What do you need?
- Your plans for your family during your lifetime
- Wills and legal powers of attorney
- Your plans for children and grandchildren
- Your plans for philanthropy and charity
- Any other business

You could also talk about how you approached money when you were growing up, which could give your children some insight into the decisions you've made on your financial journey. For example, if you want to give some of your estate to the causes you care about, help your family understand the reasons why and talk about the issues that you would like to support.

Once you've covered the agenda, try to agree on some basic outcomes for each. You might want to enlist someone to take notes. It doesn't need to be number-heavy – some families don't want to talk about numbers in great detail. Just define the broad intent, with some ballpark figures if possible.

Send a copy of the notes to everyone later, and if anyone is not able to make it to the event don't forget to send it on to them too so that they feel included.

Speak to a financial planner

Once you have some action points, speak to your financial planner and solicitor about the next steps in making them happen. This conversation is also a chance

to ask the experts about any issues that came out of the family meeting.

Inheritance planning is best approached as a continuous process, which means reviewing your plan regularly to make sure it's appropriate for your age and reflects any changes in your family, as well as the latest laws and regulations.

We'll work with you at every stage to strike the right balance between giving money away and retaining control with the aim of helping you stay financially secure for the remainder of your life. This approach can help you to enjoy quality time with family and remain financially secure for years to come.

Where there's a will

The executor of your will and any powers of attorney should be people you feel most comfortable with in those roles. In addition:

- Review your will regularly and keep it up to date. If you have assets outside of your estate such as potential pension death benefits or life policies in trust, ensure these are accounted for in your wills and overall 'gifting' plans.
- Tell those involved if you've changed your will, which can become complicated for blended families with children from new or previous marriages.
- Set out how you want to treat everyone fairly in your will so that no one feels left out. Your solicitor can help.
- A family tree can be useful for your advisers to work out how everyone fits together. Remember to get everyone's permission to share this with advisers if appropriate.

Key takeaways

- Inheritance is one of the most challenging areas of financial planning. It's worth talking about passing on wealth early in life so you have the greatest range of options for organising your assets.
- Organise a family 'board meeting' to talk about the main issues and give everyone a chance to say what they want. Document key decisions relating to inheritance, wills and donations to charity.
- Financial planning is a continuous process and it's important to review your plan regularly to make sure it's appropriate for your age and reflects any changes in your family, as well as the latest laws and regulations.



If you'd like to know more, please speak to your Rathbones contact or scan to **get in touch with us.**



The value of investments and the income from them may go down as well as up and you may not get back what you originally invested.

Tax treatments depend on the individual circumstances of each client and may be subject to change in the future.

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