



CREATE
FINANCIAL MANAGEMENT



HOYL
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CAPITAL WEALTH

CLIENT NEWSLETTER - DECEMBER 2024

FUTURE KEY FINANCIAL DATES

DECEMBER 2024

19th - Final Bank of England Monetary Policy Committee (MPC) meeting

JANUARY 2025

1st - The £2 bus fare cap will rise to £3

1st - The energy price cap will rise by 1.2% for January to March, taking the average household bill to £1,738

FEBRUARY 2025

6th - First Bank of England Monetary Policy Committee (MPC) meeting of 2025



Where has the time gone?...

Can you believe it's that time of year again? While some have already settled in for cozy weekends and classic Christmas films, many are still navigating car park queues and crowded shops for those last-minute gifts!

Investment markets have been largely positive during 2024, and as we move into 2025 we believe the outlook for equities will improve further, although the risks which stem from the global economy and geopolitical factors will remain.

Many young adults are facing financial challenges, as managing day-to-day expenses and achieving traditional milestones becomes increasingly difficult. Buying a house is a prime example, with rising property prices making it hard for our children or grandchildren to save for a deposit or secure a mortgage when the time comes.

Many of you are increasingly stepping in with financial gifts to help your younger family members, but please remember there are rules around lifetime gifts and we have provided more on the next page. If you're unsure whether lifetime gifting or leaving an inheritance is the best for you, then your adviser will be pleased to help and guide you.

The Autumn Budget changes help to show the value of an annual review with your financial adviser, providing a regular opportunity to update you on any changes and discuss how these may affect you. They can also ensure you're using all annual allowances available to you and explain any adjustments needed to your financial planning to keep you on track.

Finally, please remember that if you have a family member, friend or colleague who may be looking to buy a home next year, or move up the property ladder, or remortgage to find a better deal, we also have a dedicated mortgage team who will be delighted to help them!





Why are financial gifts on the rise?

Passing on wealth through an inheritance traditionally offers your loved ones a lump sum that can provide security and help them achieve their goals in later life. So, why is there an increasing shift towards giving financial gifts instead?

Gifting allows you to see how your wealth benefits and secures your loved ones. While it can be an attractive way to pass on wealth, it's crucial to carefully consider several factors, much as you would when planning an inheritance.

Could gifting affect your financial security?

It's important to think about how gifting could affect your future financial stability.

By assessing both the short and long-term impacts of giving gifts, you can make well-informed and confident choices.

Remember that unexpected events can happen. Although spending often decreases in retirement, the need for care can quickly increase costs.

We are here to help you understand the potential effects of your gifts and ensure you make the best decisions for your financial future.

When would you provide gifts?

When planning gifts to loved ones, it's helpful to specify when and why you intend to do so. Are you considering regular gifts, or perhaps a one-time gift for a specific event, like when your child buys a home?

Understanding the importance of your gifts and deciding on the right timing can help ensure your intentions are carried out.

For instance, you might want to help each of your children with a house deposit. However, since they may be ready to buy at different times, you may need to update your Will to reflect these changes.

How about Inheritance Tax (IHT)?

Giving gifts during your lifetime can reduce the value of your estate, potentially bringing it below IHT thresholds.

However, not all gifts are immediately excluded from your estate for IHT purposes.

In some cases, gifts may remain part of your estate for up to 7 years, so it's important to consider this, along with your potential IHT liability.

If your estate exceeds IHT thresholds there are specific gifts that are immediately excluded from your estate. We have shown these below for reference.



- Up to £3,000 each tax year, known as your 'annual exemption'
- Up to £250 per person each tax year
- Up to £1,000 as a wedding or civil ceremony gift, rising to £2,500 for grandchildren and £5,000 for children
- Gifts made from your income that do not affect your standard of living
- Gifts to help with someone's living costs, such as children or an elderly relative



Gifting and leaving an inheritance

For many, passing on wealth doesn't mean choosing between gifts or an inheritance, as a combined approach may well be more suitable.

Whatever your wishes, it is crucial to include these in your financial plan to ensure they are honoured when you pass away. Planning the distribution of your assets can be challenging, but it provides confidence and certainty for the future and security for those who matter most to you.

It is also important to discuss your plans with your beneficiaries. This will ensure everyone understands your wishes and can help prevent any misunderstandings in the future. It can also help your loved ones put a long-term financial plan of their own in place that gives financial security.

We're here to help you

Just like every other aspect of financial planning, there's no one-size-fits-all approach to passing on wealth. However, we can assist you and your family in understanding how wealth will be transferred and how to maximise the benefits. Please contact your adviser first if you would like to discuss this further and learn more.

Start by considering your wishes and goals, along with the unique circumstances of your loved ones. Although we've provided a brief overview, the rules around gifting can be complex. Understanding the impact you want your wealth to have can help you make the best decision for you and your family.

And finally

As this time of year, as we celebrate and give thanks, we want to express our deep gratitude to you, our clients, for your loyalty and continued trust in our business.

It has once again been an honour and privilege to assist you all with your financial planning this year, and we look forward to continuing to help, advise and support you throughout 2025.

Until then, all of us here extend our deepest thanks and warmest wishes for a joyful holiday season and a healthy new year!



Oh, just one more thing...

We'll soon start seeing these in our supermarkets and thinking it's far too early – but it's not too early to start thinking about the end of the tax year!

While Easter is the one time it's safe to put all your eggs in one basket, the actions you take during the next few months will help you make the most of your annual allowances and maximise your tax savings.

So, please get in touch with your adviser as soon as possible, especially if you plan to sell an asset or make gifts to relatives. Proper planning and timing will be crucial because, as we have explained, they can impact your tax liability.

Important – this Newsletter does not constitute personal advice. Please consult your financial adviser if you have any concerns about whether an investment or course of action is suitable for you.

The value of investments and the income they generate can go down as well as up, and you may not get back the full amount you invested. Past performance is not a reliable indicator of future performance.