

# Tax Planning

Helping advisers protect their clients' wealth from unnecessary tax bills by integrating tax-efficient investment solutions into their financial plans.

Tax can have a dramatic impact on everyone's wealth, which is why it's important to help your clients take advantage of their annual allowances and consider the implications of any investment decisions. We help financial advisers stay ahead of the continuously shifting and complicated rules and regulations – saving them time and their clients unnecessary tax bills.

Towards the end of each tax year, we create a comprehensive checklist of each aspect of tax planning. This helps you ensure your clients use their annual allowances and begin planning for the new year – from maximising their pension fund and ISA contributions to keeping informed of the latest limits for investing in Enterprise Investment Schemes and making gifts.

We consider the impact of tax across all our investment strategies, including discretionary fund management services, model portfolios and funds. Our objective at all times is to their minimise tax liabilities by helping your clients invest in the most tax-efficient way at every stage of life.

## A regular income in retirement

It can be difficult to find a solution that will provide your clients with a reliable source of income from their investments. Our approach focuses on finding a balance between security and risk as we seek to preserve and grow their wealth for many years to come.

We help you make sure your clients pay no more tax than they have to – if income is drawn from the right place at the right time your clients' tax burdens can be reduced. Simply drawing on a pension fund may not be the most tax-efficient way of generating income and can shorten the life of retirement capital. As an adviser, you can help your client build a plan for 'decumulation' but it can be enhanced by holding the right assets in the right tax wrapper.

Our aim is to ensure investments are held where there is the least amount of tax penalty to be paid by your client, either in terms of additional tax paid on income received or on gains when realised.

Our income-generating investment solutions are suitable for individuals, couples and families in a variety of different situations, including:

- They have started to draw down on their pension funds and want to continue to invest to power growth through the decumulation phase well into later life.
- They have received a settlement from a medical or personal injury that they need to invest to meet the ongoing costs of long-term care.
- They have set up a trust structure as part of their estate planning, and want to make regular distributions to beneficiaries.
- They have established a charitable foundation with regular payments to the causes they wish to support.

We have a range of services and products to help you manage your client's tax planning either in-house or out-sourcing to us.

## Discretionary fund management

Our discretionary service comes with a dedicated investment professional who will create and then manage bespoke client portfolios in line with their specific requirements. Our service will allow you to find new opportunities for your clients while we take care of the admin. We provide:

- Investment expertise with a personalised approach.
- Ongoing Capital Gains Tax (CGT) management – we will take into account unrealised CGT

positions when managing your client's portfolio.

- Access to a range of tax-efficient wrappers.
- Automatic use of ISA allowances.
- Ongoing access to an individual portfolio manager.
- 'In specie' transfers of your clients' assets.

## Self-invested personal pension (SIPP)

Our SIPP service provides a tax-efficient way for your clients to save for their retirement as they are free from income and capital gains tax, while contributions can benefit from tax relief. Our flexible OneSIPP solution enables your clients to have control over how their pension pot is invested and can be tailored to their investment objectives, time horizon and attitude to risk.

## Individual Savings Accounts (ISAs)

ISAs are one of the most straightforward ways for your clients to invest tax efficiently. We offer your clients the flexibility to invest in our funds and portfolios through ISA wrappers so they can take full advantage of their annual allowances.

## Sanlam Onshore Bond

The Sanlam Onshore Bond is a single premium investment-linked life insurance bond and can be either held in the ownership of up to two individuals or, where held in trust, up to four trustees. Our Onshore Bond can be used for clients who require regular tax-efficient withdrawals and are active investors who wish to avoid triggering tax charges during the term of the investment. It aims to provide:

- Growth on your clients' investment over the medium to long term.
- A tax-efficient income stream if required.
- Access to a wide range of investments which form the underlying assets.
- A cash sum on your client's death, or if more than one person is insured, on either the first or last death.

## Setting up and managing trusts

Sanlam can help your clients protect the wealth of their family for future generations as well as minimise tax liabilities by putting money in a trust. We offer a range of ways to reduce inheritance tax (IHT) liabilities and give them control over what happens to their estate after their death.

## AIM IHT service

Another approach is to invest in a portfolio of shares listed on the Alternative Investment Market (AIM) that qualify for Business Property Relief (BPR). After just two years, the investments are no longer liable for IHT - making this strategy ideal if you're looking for an effective way to pass on your wealth.

Drawing on our extensive investment skills and expertise, we have the resources required to create and manage a portfolio of smaller companies that qualify for BPR on behalf of your clients. We've made it easy to invest in our Sanlam IHT Service, and you can add and withdraw money whenever you want.

Although we manage these portfolios within a robust framework that guides all decisions, you should feel comfortable with the risks involved when investing in smaller companies.