

Supporting your children

Helping you guide and support the next generation

When it comes to children, putting in place a long-term financial plan from the outset can really pay off. We can advise you on how to plan for school and university fees, help them onto the property ladder and pass on wealth in a tax efficient way when the time comes.

We can help you:

- start regular savings when your children are born to build into a substantial nest egg by the time they leave school
- save for children's education
- buy a property for your child to live in at university balancing the risks and benefits of child vs parent as beneficial owner
- help adult children get on to the property ladder and understand the implications of gifting a cash deposit, family deposit mortgages or a guarantor mortgage
- bring children into the family business by gifting shares in a family company
- teach the next generation how to manage family wealth using vehicles such as a Family Investment Company or Family Charitable Foundation and the implications of inheriting wealth
- pass on wealth to the next generation efficiently including lifetime gifting and optimising Inheritance Tax (IHT) reliefs and exemptions
- update your Will and ensure you have appropriate life insurance in place.

Discuss your circumstances with an advisor ▶

Inheritance Tax calculator

Estimate your liability by filling in our UK Inheritance Tax Calculator.

How much could you save?



60 seconds: What you need to know



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Sue Daye

Frequently Asked Questions

Should I set up a Trust to save for future school fees?

A Trust can be a tax efficient way of saving for children's school fees. However, if the Settlor of the Trust is the parent of the school age children they will be taxed on the income in the Trust as if it was their own. A Trust is therefore most likely to be tax efficient when grandparents are establishing the Trust fund.

What do I need to consider when buying a property for my child to live in at university?

You will need to consider if the property should be owned by you or by your child. The benefit of your child owning the property is that he should benefit from Private Residence Relief on any capital gain during their occupation, they will be able to claim Rent-a-Room relief to exempt up to £7,500 of rental income from other lodgers and if he does not currently own a property the SDLT surcharge of 3% can be avoided on the purchase price. The tax advantages will of course need to be balanced against them owning a valuable property and the associated asset protection risks.

What is a Family Investment Companies (FIC) and what does it involve?

A Family Investment Company is a company that invests rather than trades. It typically holds an equity portfolio or property. Any profits are subject to corporation Tax rather than Income Tax and Capital Gains Tax. As corporation Tax rates are still much lower than Income Tax rates this represents a real Tax Saving compared to personal ownership. Some sources of income such as dividends may not be subject to Tax at all in a FIC. A FIC can also be a useful tool for Inheritance Tax and succession planning as additional family members can easily be brought in as shareholders.

I would like to gift my child some shares in my trading company. Will this crystallise a capital gain?

Yes, a gift is a disposal for Capital Gains Tax purposes and the sale proceeds are deemed to be the full market value of the shares even though no proceeds are received. However, if you are gifting a qualifying business asset, and shares in an unquoted trading company can qualify, then business asset gift relief should be available to defer the Capital Gains Tax liability until your child sells the asset.