WealthWise

SEPTEMBER / OCTOBER 2026

Autumn Budget 2026 tax watch

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Five questions to ask yourself before retirement
Are you doing enough today to give yourself the freedom and choices you want tomorrow?

Inheritance Tax gift rule many families may be overlooking
72% of UK adults unaware gifts from surplus income are IHT-exempt

Safeguarding your retirement wealth
From cold calls to fake investments, recognise the warning signs of pension scams

What will retirement look like for you?
Practical ideas for creating a purposeful and enjoyable next chapter

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Welcome to WealthWise

In the September/October 2026 issue of *WealthWise magazine*, as Chancellor John Healey prepares to deliver his first Autumn Budget, speculation is mounting about where the government could raise additional revenue. With the main rates of Income Tax, National Insurance and VAT ruled out, attention may turn to Capital Gains Tax, property, wealth, pensions and frozen tax thresholds. On page 14, we explain what might change, the potential impact on your finances, and why reviewing your financial position ahead of the Budget could help you prepare rather than react.

Retirement should inspire confidence rather than financial anxiety. A clear plan can help you define the lifestyle you want, identify income sources, assess whether you are saving enough, decide how to convert savings into sustainable income, and prepare for unexpected challenges. On page 10, we look at why reviewing your pensions, investments, spending and risks early can provide greater flexibility and help you build a secure financial future.

A complete list of the articles featured in this issue appears on page 04.◀

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Let us help you grow your wealth, protect your assets, and secure your future. We hope you enjoy reading this issue. If you would like more information, please contact us.

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What will retirement look like for you?

Practical ideas for creating a purposeful and enjoyable next chapter

Retirement is one of life's major milestones, bringing greater freedom but also a significant change in routine. After decades of working, it can take time to adjust to having fewer commitments and more choice over how you spend each day.

For some, leaving a career can bring a sense of loss or uncertainty, particularly if work provided structure, social connections and clear goals. Finding new sources of purpose can help make retirement feel rewarding, while a clear understanding of your finances can give you the confidence to enjoy this next chapter.

Reimagine your daily routine

A regular routine can help bring structure to retirement. This could include exercise, meeting friends, volunteering, gardening or setting aside time for hobbies. Having activities to look forward to can make your days feel more purposeful and support your wider wellbeing.

Learning something new can also create opportunities to meet people and develop interests you may not have had time for while working. Whether learning a language or a musical instrument, or taking a cookery course, retirement can provide the freedom to explore something different and perhaps discover interests you never knew you had.

Find ways to stay connected

Volunteering can be a rewarding way to apply the skills and experience gained during your working life. Supporting a charity, community group or local organisation can provide social interaction while enabling you to make a positive contribution.

For some, continuing to work can provide both purpose and extra income. Part-time employment, consultancy or self-employment can offer greater flexibility and help maintain a sense of routine. However, it's important to consider the potential tax implications and how additional earnings could affect your wider finances.

Make time for adventure

Retirement can offer an opportunity to pursue long-held ambitions, whether that's travelling, moving closer to family or relocating to a place you've always wanted to live. Spending more time with children and grandchildren can also be an important source of purpose and enjoyment.

However, major lifestyle decisions should be considered alongside your wider financial plans. Understanding how much income you will need can help you decide what is affordable and avoid putting unnecessary pressure on your savings.

Plan around your priorities

Understanding your financial position is an important part of planning the retirement you want. Reviewing your pension arrangements, savings and investments can provide a clearer picture of what you have available to fund your lifestyle.

It can also be useful to consider how your spending may change throughout retirement. You may spend more on travel and activities in the early years, while your priorities may shift later. Building flexibility into your plans will help you adapt as circumstances change.

Keep your plans flexible

Your retirement plans don't have to be set in stone. Your priorities may change as you get older, so regularly reviewing your finances and lifestyle goals can help ensure they continue to align.

Whether your ideal retirement involves travelling the world, spending more time with loved ones, volunteering, continuing to work or simply enjoying a slower pace of life, having a sense of purpose can make this new chapter more fulfilling. ◀

Make your retirement plans work

Financial planning can help you understand how your pension and other assets could support your chosen lifestyle throughout retirement. Professional advice will also help you explore different income options and make informed decisions as your circumstances change.

If you would like to discuss your retirement plans or to understand how your finances could support the lifestyle you want, please contact us for more information and guidance.

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Upcoming changes raise concerns among savers

More than one in five adults report a decline in pension confidence

The upcoming changes to how pensions are treated for Inheritance Tax (IHT) from 6 April 2027 appear to be having a wider impact on pension confidence, despite most adults being unaffected. New research finds that 49% of adults say their confidence is unchanged, while 22% say it has fallen since the rules were announced in the 2024 Autumn Budget[1].

The changes come as families already face a challenging Inheritance Tax landscape, with the nil rate band frozen until April 2031 and asset values continuing to rise. The research highlights that Inheritance Tax receipts are projected to rise from £8.7bn in 2025/26 to £14.5bn in 2030/31, potentially bringing more estates into the tax net over time.

Understanding the pension changes

For those whose confidence has fallen, concerns about passing on a higher Inheritance Tax bill are the primary issue. This is followed by uncertainty about the new rules and the wider complexity of pensions, highlighting how difficult some people find it to understand how their retirement savings may be affected.

Forecasts in the research suggest that around 213,000 estates will include unused pension funds in 2027/28, representing almost one in three deaths in the UK. However, more than three-quarters of these estates, around 164,000, are still expected to pass on pension savings free of Inheritance Tax.

Who could feel the impact?

Most estates with unused pension funds are expected to fall below the available Inheritance Tax thresholds, including the nil rate band and the residence nil rate band. Pension assets may also pass to a surviving spouse or registered civil partner, who are typically exempt from Inheritance Tax.

For married couples and registered civil partners, in the current 2026/27 tax year, combined Inheritance Tax allowances can allow up to £1m to pass tax-free when a main residence is included. However, as thresholds remain frozen and asset values rise, more estates could gradually become liable to Inheritance Tax.

Reviewing retirement strategies

The changes may be most significant for those who had deliberately planned to preserve their pension assets for future generations rather than use them to fund their retirement. This could mean some savers need to reconsider how they balance retirement income with their plans to pass wealth on.

Where appropriate, effective retirement saving and decumulation strategies could help people make informed decisions about when and how to access their pension savings. Reviewing plans as tax rules and personal circumstances change can also help ensure that retirement wealth is used in line with longer-term goals.

Planning for the future

Although not everyone is expected to be directly affected by the pension Inheritance Tax changes, the uncertainty surrounding them underscores the importance of understanding how pensions fit into broader financial and estate planning.

Reviewing your pension arrangements now will help you understand how the changes could affect your retirement income and your plans to pass on wealth. As individual circumstances differ, taking time to consider your options can help ensure your pension remains aligned with your retirement needs and longer-term financial goals. ◀

Is it time to review your pension and estate plans?

Changes to how pensions may be treated for Inheritance Tax could affect how some people approach retirement and how they pass wealth on to loved ones. Understanding your options now will help you plan with greater confidence.

If you are concerned about the impact of the pension Inheritance Tax changes, or would like to review your retirement and estate planning strategy, please contact us for further information and tailored professional financial advice for your circumstances.

Forecasts in the research suggest that around 213,000 estates will include unused pension funds in 2027/28, representing almost one in three deaths in the UK.

Source data:

[1] Standard Life's February 2026 research surveyed 2,000 UK adults, with findings weighted to be nationally representative. Government estimates suggest around 213,000 estates will have inheritable pension wealth in 2027/28; around 10,500 could face Inheritance Tax for the first time, while approximately 38,500 are expected to pay more.

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Understanding pension drawdown

Taking control of your pension income means considering the tax consequences

Pension drawdown enables you to take money from a defined contribution pension while keeping the rest invested. Rather than receiving a fixed income, you decide how much to withdraw and when, giving you flexibility to adjust your income as your circumstances change.

There are several ways to access a defined contribution pension. You could take your tax-free lump sum and leave the rest invested in drawdown, take smaller withdrawals as needed or use part of your pension to buy an annuity that provides a guaranteed income. You could also take your entire pension as cash, although this can create a significant tax bill and leave you without a long-term retirement income.

How does drawdown work?

You can normally access a private pension from age 55, although the normal minimum pension age is due to rise to 57 from 6 April 2028, subject to certain exceptions. Once eligible, you can usually move some or all of your pension into flexi-access drawdown and take income as needed.

For example, someone might take 25% of their pension as tax-free cash, leave the remaining 75% invested, and then withdraw a regular monthly income. Alternatively, they could take occasional lump sums when larger expenses arise. This flexibility can be useful, but withdrawals need to be managed carefully to avoid the pension running out prematurely.

What tax will you pay?

You can usually take up to 25% of your pension as tax-free cash, subject to the relevant allowances. The standard lump sum allowance for 2026/27 is £268,275, although some people may have a higher protected allowance.

The remainder of your drawdown withdrawals are generally taxable as income and are added to your other taxable income

> ***If you continue contributing to a defined contribution pension after accessing any defined contribution pension flexibly, the Money Purchase Annual Allowance (MPAA) applies. For 2026/27, the MPAA is £10,000, which may limit the amount you can contribute efficiently.***

for the year. For 2026/27, the standard Personal Allowance is £12,570, and Income Tax is generally charged at 20%, 40% or 45% in England, Wales and Northern Ireland, depending on your taxable income.

Different ways to access your pension

Drawdown is just one option. Flexi-access drawdown allows you to take taxable income while keeping the remaining pension invested. Annuities can convert some or all of your pension into a guaranteed income, usually for life.

You can also take uncrystallised funds pension lump sums (UFPLS), with each withdrawal typically comprising 25% of the fund, which is paid tax-free (if it is within the individual's Lump Sum Allowance), and 75% taxable income. Taking your entire pension as a lump sum is another option, but the taxable portion could push you into a higher Income Tax band.

Why timing matters

Taking a large withdrawal in a single tax year could increase your Income Tax bill by pushing more of your income into a higher tax band. Spreading withdrawals across tax years may therefore be more tax-efficient, depending on your circumstances.

It is also important to consider other income, including salary, the State Pension, investment income and rental income. These can all affect your overall tax position and the amount of pension income you can take without moving into a higher tax band.

Watch the contribution rules

If you continue contributing to a defined contribution pension after accessing any defined contribution pension flexibly, the Money Purchase Annual Allowance (MPAA) applies. For 2026/27, the MPAA is £10,000, which may limit the amount you can contribute efficiently.

The standard annual pension allowance is £60,000, though this can be reduced for some higher earners. Understanding these rules is particularly important if you plan to take pension benefits while still working. ◀

Get advice before withdrawing

Choosing how and when to access your pension can have long-term consequences. The right approach will depend on your income needs, tax position, investment strategy, health, other assets and how long you expect your money to last.

If you are considering pension drawdown and would like to understand the tax implications or compare the ways to access your pension, please get in touch.

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Five questions to ask yourself before retirement

Retirement should be something to look forward to, not a source of financial anxiety. For many people, retirement can seem comfortably distant until, suddenly, it is not. Years of working, saving and paying into pensions can create the sense that everything will somehow fall into place.

Are you doing enough today to give yourself the freedom and choices you want tomorrow?

The reality is that, without a clear plan, you could reach retirement and realise that the lifestyle you imagined is more expensive than your savings can support.

The good news is that spotting a potential shortfall early gives you time to address it. Whether retirement is decades away or approaching quickly, asking yourself these five questions could help you take greater control of your financial future.

1. What does my dream retirement look like?

Start with the life you want to lead, not a pension figure. Do you dream of travelling more, spending time with family, taking up new hobbies or simply enjoying your days without financial worries?

Think about the costs involved, from essential household bills to holidays, leisure and support for loved ones. Your spending may also change over time, with higher expenditure in the early years before your priorities evolve.

2. Where will my income come from?

Your retirement income may need to come from several sources, including workplace and personal pensions, the State Pension, savings, investments or property. Knowing when each source becomes available is essential to building a sustainable income plan.

Check your State Pension forecast and National Insurance record, as gaps could affect your eventual entitlement. Understanding which income you can rely on can also help determine how much you need to generate from your private pension and other assets.

3. Am I saving enough?

Seeing a pension balance on a statement can be reassuring, but the figure alone does not tell you whether you are on track. What matters is how much income your savings could ultimately provide and whether it matches the life you want.

Consider your contributions, investment strategy, charges and the impact of inflation. If you discover a potential shortfall while you still have years before retirement, you have more time to increase contributions, review your investments or adjust your plans.

4. How will I turn savings into income?

Pension freedoms give you choices. You could use drawdown to take a flexible income while keeping your pension invested, buy an annuity to secure a guaranteed income, or combine approaches.

The decisions you make can have significant tax and investment implications. For example, taking large withdrawals in a single tax year could push you into a higher Income Tax band, while taking too much from drawdown could leave you with less money later in retirement.

5. What if life doesn't go to plan?

A retirement plan based solely on everything going right can unravel quickly. Investment markets can fall, inflation can erode spending power and unexpected costs can arise. You may also live considerably longer than expected.

Professional financial advice will help you stress-test your plans against different scenarios and consider investment risk, tax, longevity and the most appropriate way to use your assets. Most importantly, it can help turn a collection of pensions and investments into a coherent plan for the life you want. ◀

Have you given your future self more choices?

Retirement is one of the biggest financial transitions you are likely to face. The decisions you make today could determine whether your later years feel financially secure and liberating, or constrained by money worries.

If you would like to know whether you are on track for the retirement you want, please contact us. We can review your pensions, investments and wider finances, identify any gaps and help you build a plan tailored to the future you want to enjoy.

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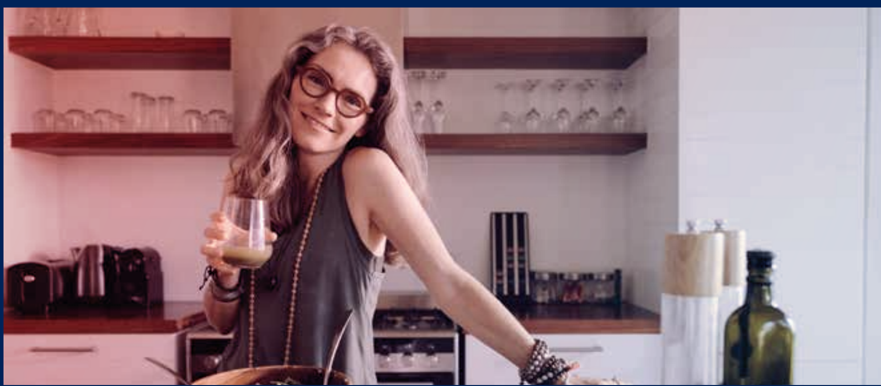
Safeguarding your retirement wealth

From cold calls to fake investments, recognise the warning signs of pension scams

Imagine losing your entire pension pot in the blink of an eye. Years of hard-earned savings could vanish after a seemingly convincing investment opportunity turns out to be a scam. Pension fraudsters can be persuasive, using professional-looking websites, testimonials and promises of high or guaranteed returns to win your trust.



Pension scams are becoming increasingly sophisticated, with fraudsters often posing as legitimate advisers, investment experts or representatives of genuine organisations. They may know personal details about you, making their approach seem convincing, while their real aim is to persuade you to hand over information or transfer your pension savings.

Be wary of unexpected approaches

Pension cold calling is subject to strict rules in the UK. If someone unexpectedly contacts you about your pension, the safest approach is to end the conversation and contact your existing pension provider using verified details. Unexpected emails, texts and investment offers should also be treated with caution.

Be especially wary of anyone offering a ‘free pension review’. Fraudsters may use these offers to identify potential targets and then recommend transferring pension savings into unusual, high-risk or fraudulent investments. A genuine adviser should give you time to consider your options rather than pressuring you into an immediate decision.

Know the warning signs

Promises of huge or guaranteed returns with little or no risk are a major red flag. Scammers may promote overseas property, technology ventures or other investments that appear highly profitable but may be unregulated or simply not exist.

High-pressure tactics should also prompt you to pause. If someone says an opportunity is available for a limited time or urges you to transfer your pension immediately, take a step back. Don't allow yourself to be rushed into a decision that could affect your financial security for decades.

Check who you are dealing with

Before dealing with anyone about your pension, check that they are authorised by the Financial Conduct Authority (FCA) and have permission to provide the service on offer. The FCA's Financial Services Register can help you verify a firm's details and permissions.

Don't rely solely on information provided by the person who contacted you. Scammers can impersonate genuine firms, so use contact details from official sources rather than telephone numbers, links or websites provided during an unsolicited approach.

Think before transferring

If you are considering changing your pension arrangements, professional financial advice is essential to help you understand your options and the associated risks. Take time to consider any recommendation carefully, and never feel obliged to proceed simply because someone has contacted you.

It can also be worth contacting your existing pension provider directly before taking any action. They may be able to confirm whether an approach or proposed transfer is genuine and explain your current pension arrangements. If you have any doubts, pause the process until you are satisfied that the person or firm involved is legitimate. ◀

Protect your pension with confidence

Pension decisions you make will have long-term consequences, so taking time to understand your options can help you avoid costly mistakes and safeguard your retirement savings.

If you are considering transferring your pension or would like more information about your retirement savings, please contact us to discuss your options.

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Autumn Budget 2026 tax watch

With the main taxes ruled out, attention is shifting to other revenue generators

As Chancellor John Healey delivers his first Autumn Budget on 28 October 2026, the government faces a difficult balancing act. Prime Minister Andy Burnham has committed to Labour's manifesto pledge not to raise the main rates of Income Tax, National Insurance or VAT. However, the government also faces significant spending pressures and limited scope under its fiscal rules.

That does not necessarily mean taxpayers will avoid higher taxes. The Chancellor could consider wealth, investments, property, pensions and other sources of revenue. Between now and Budget day, there is likely to be no shortage of predictions about what might happen. Much of the speculation, however, remains unconfirmed.

Capital gains could come under scrutiny

Capital Gains Tax (CGT) is one area attracting particular attention. Possible changes could include raising CGT rates to bring them closer to Income Tax rates, or altering the reliefs and allowances available to investors and business owners. Such measures could affect people selling investments, second homes or businesses.

The annual CGT-exempt amount is already modest, so more investors could face tax on sales outside tax-efficient wrappers. Any further changes could make the timing of disposals and the use of Individual Savings Accounts (ISAs) and pensions increasingly important.

Property and wealth in focus

Property taxation could also feature in the Chancellor's thinking. Speculation has centred on changes affecting higher-value properties, although the government has denied reports that it plans to replace Council Tax and stamp duty with a land value tax in the immediate Budget.

A broader tax on wealth has also been discussed, although there is currently no confirmed proposal for a new wealth tax. Inheritance Tax (IHT) could remain another area to watch, particularly as most unused pension funds are due to come within the IHT regime from April 2027.

Quiet impact of frozen thresholds

Tax rises do not necessarily require an increase in headline rates. Keeping allowances and thresholds frozen while wages and asset values rise can gradually increase the amount people pay through fiscal drag.

For 2026/27, the Personal Allowance remains at £12,570, while the higher rate threshold is £50,270 in England, Wales and Northern Ireland. As incomes rise, more people may find themselves paying tax or moving into higher tax bands, even though the rates themselves do not change.

Your financial future is too important to be shaped by rumours, headlines or knee-jerk reactions. A better approach is to understand where you stand before the Budget and identify areas that may warrant attention.

Be prepared, not reactive

Your financial future is too important to be shaped by rumours, headlines or knee-jerk reactions. A better approach is to understand where you stand before the Budget and identify areas that may warrant attention.

Whether you are approaching retirement, building your investments, running a business or thinking about your family's future, potential Budget changes may make it worthwhile to review your financial position.

We can consider the following areas:

- Pension contributions and r etirement planning
- ISA allowances and investment planning
- Capital Gains Tax and gains on investments or other assets
- Inheritance Tax, gifting and estate planning
- Business remuneration, dividends and extraction strategies
- The suitability of your investment strategy in changing market conditions

Review before the Budget

You do not need to predict what the Chancellor will announce. You simply need to understand your current position and where potential changes could affect you.

By reviewing your circumstances ahead of 28 October, we can identify areas that may require further consideration. Once the Chancellor has announced the measures and the details of any subsequent legislation are known, we can assess whether action is appropriate for you.

That means less guesswork, fewer knee-jerk decisions and a financial plan tailored to your circumstances, not to the latest headline. ◀

How could the Budget affect your financial plans?

If you want to discuss how potential Budget changes could affect your finances, we can help you review your position and consider whether any aspects of your financial plan should be revisited.

To discuss your concerns or to find out more, please contact us for further information.

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Inheritance Tax gift rule many families may be overlooking

For many families, gifting money to children or grandchildren is simply a way to help with everyday costs or to give them a financial head start. However, new research suggests that almost three quarters (72%) of UK adults do not realise that regular gifts funded by spare or surplus income can be immediately exempt from Inheritance Tax (IHT)[1].

72% of UK adults unaware gifts from surplus income are IHT-exempt

The research, based on a survey of 2,000 UK adults conducted between 17 and 20 February 2026, also found that 31% of gifts made by those over 55 in the past seven years were funded by surplus or spare regular income.

A valuable exemption

Known as 'normal expenditure out of income', the exemption allows qualifying regular gifts to be made without waiting seven years for them to fall outside the IHT calculation. Unlike many other gifts, the donor need not survive seven years, provided the strict conditions are met.

With Inheritance Tax rules changing from April 2027, more families may be considering how best to pass on wealth during their lifetime. For those with income left over after covering their usual living expenses, regular gifting could provide a tax-efficient way to support loved ones.

Three conditions to meet

There are three important tests. First, gifts must come from income rather than capital, such as savings or investments. This could include pension income, interest, dividends or rental income after tax.

Second, the gifting should form a recognisable pattern. This might be monthly payments or regular contributions for birthdays or Christmas. One-off gifts are less likely to qualify.

Third, gifts must not leave the donor unable to maintain their usual standard of living. If savings or other capital have to be used to cover normal living expenses, the exemption may not apply.

Keep careful records

Start by calculating your regular net income and deducting your usual household spending. Any genuine surplus could potentially fund a regular gifting plan. Setting up standing orders can help establish a clear pattern of payments.

Good records are equally important because the exemption may need to be demonstrated by executors after death. Keep bank statements, correspondence and a schedule of gifts. HMRC's IHT403 form includes a section for recording gifts, which can help establish whether the exemption applies. ◀

Get help if unsure

This exemption can be valuable, but the rules are specific and each family's circumstances differ. If you are considering regular gifts from surplus income, it is essential to obtain professional advice to confirm that the conditions are met and that appropriate records are kept.

For further information, or to discuss how the rules may apply to your circumstances, please contact us. We look forward to hearing from you.

Source data:

[1] Research for Canada Life was conducted among a nationally representative sample of 2,000 UK adults between 17–20 February 2026.

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Protecting your loved ones with a Will

A Will can help you put your financial affairs in order, plan your inheritance and ensure your wishes are known. Despite this, many people delay making one, often assuming it can be dealt with later. Without a Will, the law determines how your estate is distributed.

Providing greater control over your assets and protection for those who matter

This may not reflect your wishes and could create further complications for those you leave behind. Writing a Will provides greater certainty, helps prevent potential family disputes and gives you peace of mind.

Decide who inherits

One of the main reasons for making a Will is the ability to decide who receives your money, property and possessions. You can also leave specific gifts, including sentimental items such as jewellery, family photographs, family heirlooms and other treasured belongings.

For unmarried couples and those not in a registered civil partnership, having a Will can be particularly important. The rules of intestacy do not generally provide the same automatic inheritance rights to unmarried partners as to spouses and registered civil partners, potentially leaving a surviving partner in financial uncertainty.

Protect your family

If you have children under 18, a Will allows you to nominate guardians to care for them if both parents die. You can also appoint executors to administer your estate and leave instructions for your preferred funeral arrangements.

Making a Will is also a time to review your wider financial arrangements. This may include reviewing life insurance, pension beneficiary nominations and other relevant protection policies, where appropriate, to ensure they remain suitable for your circumstances and to ensure they are written into an appropriate trust. Keeping these details up to date can make it easier for your loved ones to understand your arrangements.

Consider tax and charitable gifts

Inheritance Tax can be an important consideration when planning how wealth will be passed on. Depending on the value and structure of your estate, your beneficiaries may face a tax liability. Professional advice is essential to ensure you understand the available allowances, exemptions and potential planning opportunities.

You can also leave money to charities in your Will. In certain circumstances, leaving at least 10% of your net estate to charity can reduce the Inheritance Tax rate on some assets from 40% to 36%, while providing valuable support for a cause you care about.

Keep your Will up to date

Writing a Will isn't a one-off exercise. It should be reviewed regularly and whenever your circumstances change, such as after marriage or divorce, the birth of a child or a significant change in your finances. You may also want to reconsider your wishes if any beneficiaries or executors are no longer suitable.

While a Will can provide valuable protection, it must be properly drafted and kept up to date to ensure it continues to reflect your wishes. Seeking professional advice will help you understand the options available and avoid potential complications. ◀

Give yourself peace of mind

Making a Will puts you in control of important decisions about your estate and makes things easier for your loved ones at an already difficult time.

If you don't yet have a Will, would like to review your existing arrangements or would like to discuss your options, please contact us.

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Estate, tax planning and will writing are not regulated by the Financial Conduct Authority. For guidance, seek professional advice.

Giving money or valuable possessions to loved ones

54% of over-55s have no record of gifts given in the previous seven years

Giving money or valuable possessions to loved ones can be a generous way to provide support, but failing to keep track of those gifts could leave families facing an Inheritance Tax (IHT) headache later. New research shows that 54% of over-55s who have given a financial gift in the past seven years have kept no record of it[1].

Among those who knew the exact amount or could estimate it, the average value of gifts over seven years was £42,056. A fifth (21%) had given £50,000 or more, highlighting why keeping detailed records can be particularly important.

The research found that only 13% have recorded their gifts in a secure, backed-up place, such as a spreadsheet, accounting software or a secure notes app, while 15% have made informal notes on paper or on their phone. This lack of documentation could make it harder for executors to establish what was given, when and to whom.

Why keeping records matters

When someone dies, executors may need to complete HM Revenue & Customs' IHT400 form to report the estate's value, alongside IHT403 to disclose relevant lifetime gifts. Without accurate records, completing the paperwork can be more difficult and may lead to delays or additional queries from HMRC.

Many people have also lost track of how much they have given. Just 31% of over-55s who have made a financial gift in the past seven years know the exact amount, while 45% can only provide a rough estimate and 24% have no idea.

Gifts can be worth more than expected

Among those who knew the exact amount or could estimate it, the average value of gifts over seven years was £42,056. A fifth (21%) had given £50,000 or more, highlighting why keeping detailed records can be particularly important.

Nearly half (48%) said they did not keep records because their gifts were not large enough to warrant keeping them, while 47% did not realise records were necessary. A further 21% relied on their memory.

What counts as a financial gift?

There is also widespread confusion about what constitutes a gift for IHT purposes. Three in five (59%) over-55s did not know that furniture, jewellery and antiques can count, while 55% were unaware that shares listed on the London Stock Exchange may also be included. Meanwhile, 32% were unaware that giving away a house, land or buildings can be relevant.

Keeping a clear record of the amount, date, recipient and relationship can help executors provide the information required by HMRC. Records should be securely backed up and stored where the executor can access them.

Protecting loved ones from future stress

Gifting can provide valuable support to family and friends, but poor record-keeping can create unnecessary complications, potentially delaying probate and payments to beneficiaries. Allowances or exemptions may also be missed if gifts cannot be evidenced.

Keeping a clear, up-to-date record of gifts can give executors a clearer picture of an estate and help ensure the correct information is provided to HMRC. This can make the administration process smoother and reduce the risk of additional stress for loved ones at an already difficult time. ◀

Get advice before withdrawing

Maintaining good records of your gifting arrangements will help reduce the risk of complications for your loved ones in the future. Professional guidance also provides reassurance that your records and wider estate planning are in order.

Obtaining professional advice will ensure your gifting records are accurate, securely stored and up to date. To find out more, please contact us.

Source data:
[1] Research conducted by Canada Life among a nationally representative sample of 2,000 UK adults between 17–20 February 2026. The sample includes 998 adults aged 55 and over.

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How pensions could help parents avoid the £100k childcare cliff edge

Pensions are designed to help fund retirement, but they can also play a valuable role in wider financial planning. This could be particularly important for parents balancing the high cost of childcare, with holiday clubs alone costing families an average of £179 per week.

Half of people are unaware that pension contributions can reduce adjusted net income

> ***Forecasts in the research suggest that around 213,000 estates will include unused pension funds in 2027/28, representing almost one in three deaths in the UK. However, more than three-quarters of these estates, around 164,000, are still expected to pass on pension savings free of Inheritance Tax.***

Yet 52% of people do not realise that pension contributions can reduce adjusted net income, according to a recent nationwide survey[1]. Adjusted net income is used to assess eligibility for several forms of childcare support, so some parents could benefit from understanding how their pension fits into their wider finances and how contributions could affect their overall tax position.

£100k threshold explained

For eligible working parents in England, the Government's 30 hours of funded childcare is available to children aged nine months to four years, subject to eligibility. However, if either parent's expected adjusted net income exceeds £100,000, they are ineligible for the working-parent offer.

This can create a significant financial cliff edge for families whose income is close to the threshold. The £100,000 limit applies to individuals rather than to household income, so if one parent exceeds it, the family's eligibility for the funded working-parent hours may be affected. A relatively small increase in income could therefore have a disproportionately large impact on household childcare costs.

How pensions could help

For some parents close to the threshold, increasing pension contributions could reduce adjusted net income while boosting retirement savings. This may be particularly relevant for those whose income has risen through a pay rise or bonus and who are concerned about moving above the childcare threshold.

Salary sacrifice may also be an option where offered by an employer. Under such an arrangement, an employee gives up part of their salary in return for an employer pension contribution, which can reduce adjusted net income. However, the impact varies with individual circumstances and workplace arrangements, so parents should understand the implications before making changes.

Making the most of support

Parents approaching the threshold should look beyond their headline salary and consider bonuses, pension contributions and other taxable income when assessing their adjusted net income. It is also worth checking eligibility for Tax-Free Childcare, which has its own £100,000 adjusted net income limit.

Childcare eligibility needs to be reconfirmed periodically, which serves as a useful prompt to review household finances, savings and pension contributions. Keeping track of income changes throughout the year can also help parents avoid unexpected changes to their childcare support.

Planning for today and tomorrow

Family finances often require balancing immediate costs with longer-term goals. Understanding how pension contributions interact with tax and childcare rules could help some parents make more informed decisions, particularly when their income is near a key threshold.

Significant financial changes should always be considered carefully, as pension contributions can affect take-home pay and other aspects of your financial position. A broader review can help ensure that any decision supports both your family's current needs and your longer-term retirement plans. ◀

Time to get support with your financial planning?

Understanding how pension contributions could affect your income and childcare eligibility can help you make more informed financial decisions.

If you are approaching the £100,000 income threshold or would like to understand how pension contributions could fit into your wider financial plans, please contact us for further information and tailored professional guidance.

Source data:

[1] Opinium surveyed 2,000 UK adults nationwide between 9–16 June 2026. Quotas and post-weighting were applied to the sample to ensure it was representative of the UK adult population. The average price of holiday childcare in Great Britain is £179 per week per child, up 4% on 2024. Coram Family & Childcare's 2025 'Holiday Childcare' survey: https: www.coramfamilyandchildcare.org.uk/research/holiday-childcare-survey-2025

This article does not constitute tax, legal or financial advice and should not be relied upon as such. For guidance, seek professional advice. A pension is a long-term investment not normally accessible until age 55 (57 from April 2028, unless the plan has a protected pension age). The value of your investments (and any income from them) can go up or down, which would affect the level of pension benefits available. Investments can rise or fall in value, and you may receive back less than you invested.

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