Tina Pollock

A case study on the IHT implications of the 2024 Autumn Budget

Tina is a 74-year-old widow, she reaches her 75th birthday in January 2027

Her husband, Ian, died eight years ago, when he was 68. She inherited everything on his death. She lives alone in the family home she shared with Ian. She's in good health with no known health issues.

Her twin sons have joint power of attorney on her health and finances. Her will is splitting everything equally between her two sons.

Roy (43)

- Lives with his partner Kevin (45). No dependents.
- Both work for a large IT company and are financially independent.
- Roy earns £115,000 a year.
- His workplace pension is quite generous. He pays in 6% and his employer pays in 12%.

Bob (43)

- Married to Lyndsay (40) who works in the family home as a full-time mum.
- Three children. Rosie (10) and twins Sophie and Emma (8).
- Bob earns £70,000 a year.
- His workplace pension only provides auto enrolment minimum.

Non Pension Assets	
Family home	£760,000 (unencumbered), 3% growth
Bank Account	£8,000 interest 2%
Premium Bonds	£37,000
S&S ISA	£220,000 AIM portfolio assumed growth 2%
Pension Assets	
Dependant's drawdown	£480,000 income – tax free
Member drawdown	£400,000 income – taxable
Other details	Fully flexible death benefits Nomination – Roy 50%, Bob 50% Her adviser has her in a smoothed investment fund that the provider expects the funds to grow at 6% after charges. They have a strong track record of delivering what they expect.

Primary objective	Secondary objectives
Meeting her retirement income needs	Increasing the legacy for her two sons ensuring care is covered

How M&G can support you with your IHT planning
Trust range – Estate Planning | PruAdviser
Tech Support – Tech Matters | Tech support for financial advisers | M&G Wealth
Pension Legacy Modelling tool

Income and expenditure

Tina doesn't have a lavish lifestyle.

She meets her expenditure needs through her state pension, which is currently £11,800 per annum, and she supplements this with £2,200 per month from the beneficiary drawdown pot.

There are no foreseeable income or capital needs.

Gifting history

Tina would like her children to make their own way in the world and not live off her handouts.

She did, however, give Roy and Bob £100,000 each from the AIM ISA portfolio four years ago on the understanding that they paid off a chunk of their mortgage with it, which they did.

She was quite happy she did this, as she's seen the value of the AIM portfolio fall since then. She has a balanced attitude to risk leaning towards the cautious.

Objectives and soft facts

Tina has seen the publicity around the changes to pensions and IHT in the budget, and she's concerned about how much of her and Ian's hard-earned wealth she'll have left to pass on to the children.

She doesn't foresee any future expenditure needs. She's aware she may need care at some point, but she is quite comfortable with using her home as a means of funding the care, as 'it's too big anyway, and I'm rattling around in it most of the time.' She'll probably downsize and move closer to the kids and grandkids at some point anyway.

She'll need her income to be maintained.

She'd rather not give up access to all her assets, but she is not averse to gifting some assets if she can control how they're spent. Her sons encouraged her to arrange an appointment with her financial adviser, to put a financial plan in place for her to review her legacy planning needs.

GENM10061007 03/2026_WEB