

## BOOK REVIEW

Harriet Brown

**Book: Tolley's Estate Planning 2009/10**  
by Sharon Mckie and Simon Mckie

Estate planning is a funny thing – it is practised by a number of professions, for clients ranging from the moderately wealthy middle classes (for example, those who want to attempt to protect the family home for their children) for whom relatively standard and simple solutions will be sufficient to the super-wealthy, for whom life time planning involving complex structures is a necessity just to keep pace with changing tax legislation. This book, by Sharon and Simon McKie and their colleagues at McKie & Co (Advisory Services) recognises both the unusual nature of estate planning and its wide scope. In the introduction the authors explain “*estate planning can never be either uniform or absolute; it is a bespoke service and not a retail product. It should be a continuing service rather than a once and for all event*”. The rest of the book then goes on to look at some of the most common concerns and the planning techniques which can be used to form part of a tailored solution for clients.

The rest of the book is divided into chapters dealing not with individual taxes but with individual circumstances. Chapter 2 is a lengthy chapter considering lifetime planning. It starts by discussing ways to mitigate inheritance tax, a section which many junior practitioners would benefit from reading in order to get a good outline understanding of the methods available to those looking to mitigate inheritance tax. A lengthy section on asset reduction follows, considering not only standard techniques involving potentially exempt transfers but giving a good introduction to reliefs in relation to certain assets. There is a lengthy consideration of the pre-owned assets regime with useful examples. Shorter sections cover the techniques involved in asset freezing and asset reduction, each providing a useful introduction to the pitfalls that can trip up the new practitioner.

Chapters on creating new settlements and existing settlements also provide useful introductions to these subjects but would in my view, benefit from a deeper consideration of the issues they discuss. In particular chapter 5 does not discuss all the special categories of interests in possession which are now relevant post-22

March 2006. This being said, the taxation of settlements is a huge area and the chapters do serve to highlight the areas which are most commonly encountered.

The chapters on insurance and pensions are packed with useful examples; in common with much of the rest of the book they highlight the commoner techniques and problems that may be encountered. The chapters are relatively unusual because they cover not only the arrangements that individuals have made for themselves but also state entitlements such as state pension and national insurance. The pensions chapter in particular covers a wide ambit, including the proposed antiforeshalling legislation and the pensions provisions for high earners introduced by FA 2009, Schedule 35.

Chapters 9 – 12 consider particular types of property and estates. Chapter 9 deals with the family home while chapter 10 discusses the family business. In addition to considering the different types of family businesses and their taxation consequences there is a useful section comparing incorporation with the other structures (partnerships, LLPs and sole practitioners). This is useful, and typical of the book as a whole, in that it takes a practical approach as well as a taxation approach. For example, it points out that some clients may not want the administrative burden of running a company or LLP when compared with a partnership. The chapter then goes on to set out various strategies to mitigate tax in each of the different structures. In these sections it is the balance between tax solutions and practical solutions in real life which is so impressive.

In addition to chapters on the family farm and woodlands, the authors consider gifts to certain organisations and specific situations: matrimonial breakdown, planning for death and post-death estate planning. Despite only being able to touch on these subjects relatively briefly, the authors manage to give a well-balanced overview of these topics.

The final chapter, a case study, follows the theme of the rest of the book of using examples to illustrate the points being made in the text. The case study follows an individual from early adulthood to death showing how some of the techniques outlined earlier can be applied.

In many ways the book is like the professional who would benefit the most from reading it: it is an excellent general introduction to estate planning as a whole and excellent reference for the general private client practitioner. It cannot provide an in depth analysis of every subject that it covers (indeed many of the subjects are covered by whole books, some in more than one volume) but can provide the tools for a practitioner to develop a good general solution for a client for years to come. While the junior practitioner will undoubtedly benefit from perusing the book, the more experienced practitioner should not ignore it as it manages to clearly indicate the interaction between the different taxes as well as between tax mitigation and

practicality. It is an excellent reference text which no private client practitioner's shelves should be without.