WESSEX IM

FINANCIAL PLANNING AND WEALTH MANAGEMENT CONSULTANTS

Guide to

Family Succession Planning

How to pass on your wealth with clarity and confidence

July 2026

Wessex Investment Management Limited,
The Wincombe Centre, Wincombe Business Park, Shaftesbury, Dorset, SP7 9QJ
Tel: +44 (0) 800 652 8455 Fax: +44 (0) 870 460 1279
Email: advice@wessexim.co.uk Web: www.wessexim.co.uk

Guide to Family Succession Planning

How to pass on your wealth with clarity and confidence

Welcome to our *Guide to Family Succession Planning*.

Family succession planning means deciding how, when and to whom you pass on your wealth. It involves four key questions: when to transfer, how much to give, who should receive it, and how to do so. Starting early with open conversations, an up-to-date Will and the right structures helps protect your legacy and your family.

Talking about money can feel uncomfortable, especially when the conversation concerns what happens after you are gone. Yet these conversations matter more than most people realise. Without a clear plan, the wealth you have spent a lifetime building may not reach the people you intend it to, in the way you intend.

The scale of this challenge is significant. Research suggests the UK is approaching the largest intergenerational wealth transfer in history. Kings Court Trust's "Passing on the pounds" research estimates that £5.5 trillion will pass between generations in the UK over the next 30 years. Despite this, far too few people have a plan[1].

This guide breaks down family succession planning. By the end, you should feel more confident about the steps ahead.

Why should I talk to my family about handing down my wealth?

Many people delay these conversations because they feel awkward or premature. However, talking early gives you and your family far greater clarity and control.

There are three main reasons to start the conversation sooner rather than later.

- **It protects your wishes.** When your family understands your intentions, there is less room for confusion, disputes or unintended outcomes after you are gone.
- **It prepares your beneficiaries.** Inheriting wealth brings responsibility. Sharing how and why you built it helps your family manage it wisely rather than see it dissipate.
- **It reduces stress later on.** Probate can be complex and slow. Clear instructions, agreed in advance, make the process far easier for those you leave behind.

> In the next 30 years, £5.5 trillion will pass between generations in the UK. This is the inheritance economy[1].

Open discussion also helps younger generations engage with financial planning early on. As a result, they are better equipped to make sound decisions when the time comes.

When is the best time to transfer my wealth?

There is no single right moment to pass on wealth. The best timing depends on your financial position, your goals and your family's needs.

Understand your financial position first

Before deciding when to transfer anything, you need a clear view of what you can afford to give away. Start by asking how much you will need for the rest of your life, including provision for later-life care.

Once you understand your own requirements, you can assess what remains. This includes cash, savings, investments, property, business interests and valuable possessions. Understanding this early helps you plan with confidence and avoid giving away more than you can comfortably spare.

Two broad options: lifetime gifts or passing through a Will

Once you know your position, you generally have two options for transferring wealth.

The first option is to make gifts during your lifetime. This allows you to see your family benefit while you are still here and can help with Inheritance Tax planning. However, you need to be sure you will not need those funds later.

The second option is to pass on your wealth through your Will after you die. This gives you full use of your assets throughout your life while still directing where everything goes. Many people use a combination of both approaches.

Understanding these trade-offs helps you choose an approach that suits both your current needs and your longer-term wishes.

How much wealth should I pass on?

Deciding how much to give is rarely a purely financial decision. It involves both practical constraints and personal values.

The practical side: cashflow and assets

The practical question is straightforward: how much can you afford to pass on without compromising your own security? Your answer depends on your income, your savings and the cost of your expected lifestyle and care.

Because of this, it helps to map out your cashflow over time. Once you can see what you are likely to need, you can identify what is genuinely surplus and available to give.

The personal side: values and family priorities

The personal side is more nuanced. Some people want to give their children complete financial freedom, while others worry that too much wealth, too soon, could sap motivation.

There is no universally correct answer. What matters is that the amount reflects your values and the specific circumstances of each person you intend to provide for.

Whom should I pass my wealth on to?

Deciding who benefits from your estate is one of the most personal aspects of succession planning. It also requires careful thought to avoid unintended consequences.

> It is worth considering how wealth moves across more than one generation. In some cases, passing assets directly to grandchildren can avoid being taxed twice in a short period.

Immediate family and beyond

For most people, the starting point is the immediate family, such as a spouse, partner or children. Beyond that, you may wish to provide for grandchildren, extended family, friends or charitable causes.

It helps to be clear about whom you want to include and whether there is anyone you wish to exclude. Documenting these decisions clearly reduces the risk of dispute later.

Planning a generation ahead

It is worth considering how wealth moves across more than one generation. In some cases, passing assets directly to grandchildren can avoid being taxed twice in a short period.

Consider a simple example. Alice has no children and wants her brother, Harry, to inherit. However, Harry is already wealthy and plans to leave everything to his own children. Passing Alice's wealth to Harry first could result in it being taxed twice before it reaches the next generation. Planning ahead, sometimes using tools such as a Deed of Variation, can prevent this.

Sensitive situations: divorce, special needs and vulnerability

Some circumstances call for extra care. You may want to protect assets in case a child later divorces, so that wealth remains within your immediate family. In that situation, you might choose to provide for your child and grandchildren while bypassing a son-in-law or daughter-in-law.

Other situations require particular sensitivity. A beneficiary with special needs or vulnerabilities may benefit from a structure that protects them rather than a single lump sum. Thinking about these scenarios early helps you put the right safeguards in place.

How should I transfer my wealth?

Once you know when, how much and to whom, the final question is how. There are three main tools to consider, which often work best together.

Make and maintain a Will

A clear, up-to-date Will is the foundation of any succession plan. It sets out exactly who receives what, reducing confusion and the risk of your estate being unclaimed.

A Will is not a one-off task, though. Life changes, for example, marriage, divorce, the arrival of children or significant financial shifts can affect your wishes. Because of this, you should review your Will regularly to ensure it still reflects your intentions.

Consider lifetime gifts

Giving during your lifetime allows you to support your family when it may matter most, such as helping with a first home or education. It can also reduce the value of your estate for Inheritance Tax purposes.

The key is balance. Before making substantial gifts, confirm you will not need those funds for your future, including care costs.

Explore trust structures

Trusts offer a way to pass on wealth while retaining a degree of control. As the person setting up the trust, you can decide who benefits, when and in what amounts.

This can be particularly useful in sensitive situations, such as providing for a young or vulnerable beneficiary or protecting family assets. Trusts can also play a role in Inheritance Tax planning. Because the rules are complex, professional legal advice is essential before setting up a trust.

It is also worth keeping an eye on evolving rules. From April 2027, for example, pensions may fall within the scope of Inheritance Tax in the UK. These changes can affect your plans, so regular reviews are important.

Take the next step with confidence

The most important step is simply to start. Open conversations, a current Will, and the right structures put you in control and give your family clarity for the future.

To move forward with confidence:

- See where your current plans stand and where the gaps are

- Understand which options fit your circumstances and goals
- Take the next step. Contact us for professional guidance to protect your legacy.

Frequently asked questions

What is family succession planning?
Family succession planning is the process of deciding how your wealth and assets will pass to others, usually family members. It covers when to transfer wealth, how much to give, who should receive it and the legal tools used to do so, such as a Will, lifetime gifts or trusts.

When should I start succession planning?
The best time to start is now, regardless of your age or wealth. Early planning gives you more options, greater control and more time to prepare your family. It also reduces the risk of delays, disputes or unclaimed inheritance later on.

Do I need a Will if I plan to give gifts during my lifetime?
Yes. Lifetime gifts and a Will serve different purposes, and most people benefit from using both. A Will ensures that any remaining assets pass on as you intend, even if you have already given some wealth away during your life.

How can a trust help with passing on wealth?
A trust allows you to transfer wealth while retaining control over who benefits, when and how much. It is particularly useful for protecting young or vulnerable beneficiaries, safeguarding family assets and supporting Inheritance Tax planning. Professional advice is recommended before setting one up. ■

The great wealth transfer: Ready to plan for your family's future?

The Great Wealth Transfer is underway, with trillions of pounds expected to pass from one generation to the next over the coming decades. This unprecedented shift presents a significant opportunity to protect, grow and distribute family wealth in line with your values and goals. Thoughtful succession planning can help minimise taxes, avoid disputes and provide financial security for loved ones. Start your conversation today to build a legacy that endures for generations. For more information, please contact us.

Source data: [1] Passing on the pounds - The rise of the UK's inheritance economy - Kings Court Trust. London, February 2017

Maximise the impact of your wealth, reduce potential complications and provide confidence that your family will be financially secure

As wealth moves from one generation to the next, thoughtful planning will help ensure a smooth transition and reduce uncertainty for your family.

Ready to plan for your family's future?
Contact us today to arrange your consultation and safeguard your wealth for future generations.

Published by Goldmine Media Limited, 124 City Road, London EC1V 2NX.