



ACCESSION

How to protect the family farm

NEW TAX RULES AND NEW RISKS



Together, we understand and support farming
and rural families, by delivering on our
promises, and exceeding client expectations



CONTENTS

01 Family Farm Tax, Succession and the Growing Need for Joined-Up Financial Advice

02 Understanding the Family Farm Tax Challenge

03 Succession Planning: More Than Just Tax

04 Why Financial Planning Is Central to the Process

05 Working Alongside Other Professional Advisers

06 Planning Early – and Reviewing Often

07 The 2027 rule change: Pensions to be included in IHT.

08 Review Your Pension Withdrawal Strategy



FAMILY FARM TAX, SUCCESSION AND THE GROWING NEED FOR JOINED-UP FINANCIAL ADVICE

The Autumn Budget 2024 introduced significant changes to tax reliefs, creating challenges for farmers planning to pass on their wealth. Just before Christmas 2025 the Government also made some amendments to the proposed changes.

The key updates are:

1. Agricultural Relief (AR) & Business Relief (BR) will be capped on the 6th of April 2026.
 - 100% AR & BR from 6th April 2026 applies only to the first £2.5 million of agricultural assets per estate, with the remaining assets qualifying for just 50% relief.
 - The allowance will now be transferable between spouses and civil partners, which means a farming couple may pass up to £5 million in qualifying assets free of inheritance tax.
2. Pensions subject to Inheritance Tax (IHT)
 - From 6th of April 2027 under draft legislation, unspent pension funds will be subject to IHT at 40%.

For many farming families, the farm is more than a business, it is a home, a livelihood, and a legacy built over generations. Recent changes and increased focus on the so-called “family farm tax” have brought succession and inheritance tax planning firmly into the spotlight, prompting many farmers to seek advice earlier and more proactively than ever before.

While tax has always been a consideration for farming families, the scale and complexity of modern farming operations, rising land values, and evolving tax rules mean that traditional assumptions can no longer be relied upon. This has made professional, joined-up advice essential.

The levels and bases of taxation, and reliefs from taxation, can change at any time. The value of any tax relief depends on individual circumstances.

UNDERSTANDING THE FAMILY FARM TAX CHALLENGE

Inheritance tax (IHT) can represent one of the largest financial risks to a farming family. Although valuable reliefs exist, such as agricultural and business reliefs, they are not automatic, nor are they guaranteed to apply in full. Their availability often depends on how the farm is owned, structured, financed, and operated, sometimes over many years.

In many cases, farms are asset-rich but cash-poor. This can create serious problems if a tax bill arises at death or on the transfer of assets, potentially forcing land or property sales that undermine the long-term viability of the farm.

The increasing scrutiny of agricultural reliefs and the changing nature of farming, diversification, renewable energy projects, contract farming, partnerships and limited companies, all add further layers of complexity. What worked for the previous generation may no longer be appropriate.



SUCCESSION PLANNING: MORE THAN JUST TAX

Succession planning is not simply about reducing tax. It is about ensuring continuity, fairness, and clarity for everyone involved.



Protection Planning

Key questions often include:

- Who will run the farm in the future?
- How and when should the next generation take control?
- How can non-farming children be treated fairly?
- How can older generations secure an income and retirement?
- What happens if plans change due to ill health, divorce, or family disagreements?

Without careful planning, these issues can lead to conflict, inefficiency, or unintended tax consequences. Addressing them early allows families to retain control and make decisions on their own terms, rather than being forced into reactive solutions.

GET EXPERT ADVICE NOW

Call us on 01832 279170 or visit accessionfp.co.uk

WHY FINANCIAL PLANNING IS CENTRAL TO THE PROCESS

Financial planning sits at the heart of successful farm succession. At Accession we can help bring together the personal, business, and family aspects of decision-making into a coherent long-term strategy.

This may include:

- Cashflow planning to ensure affordability of succession decisions
- Retirement planning for the older generation
- Investment planning outside the farm to reduce reliance on land values alone
- Life assurance strategies to help fund potential tax liabilities
- Reviewing ownership structures and personal finances alongside business assets



Importantly, financial advice is not “one size fits all”. Every farming family is different, in their values, family dynamics, asset mix, and future ambitions. Advice must be tailored to the individual circumstances, not driven by generic solutions.

WORKING ALONGSIDE OTHER PROFESSIONAL ADVISERS

The best outcomes are almost always achieved when we work together with your other professional advisers. Accountants, solicitors, land agents, along with us each bring a different but complementary perspective.

- Tax advisers helps pass the business and land to the next generation smoothly and tax-efficiently, without triggering avoidable IHT, CGT, or family disputes.
- Accountants help with tax compliance, structuring, and business efficiency.
- Solicitors ensure wills, partnership agreements, trusts, and legal ownership reflect the agreed plan.*
- Land agents provide insight into land values, tenancies, and development potential.
- We focus on personal financial security, long-term planning, and risk management.

By collaborating closely with these professionals, we can help ensure that strategies are practical, tax-efficient, and aligned with both family and business objectives. This joined-up approach reduces the risk of gaps, contradictions, or unintended consequences.

*Wills, along with Trusts, are not regulated by the Financial Conduct Authority.



GET EXPERT ADVICE NOW

Call us on 01832 279170 or visit accessionfp.co.uk

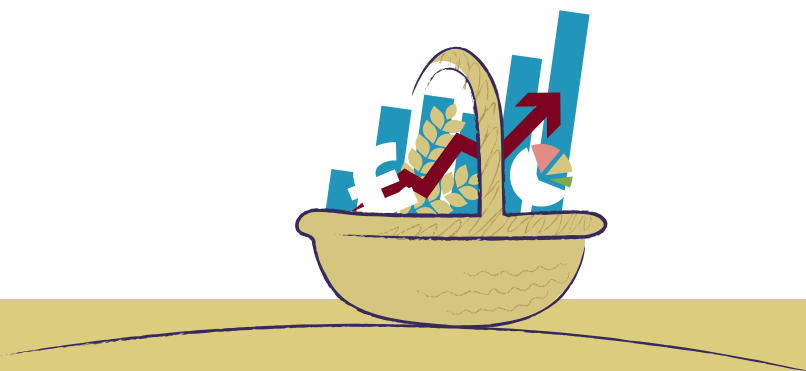
PLANNING EARLY – AND REVIEWING OFTEN

One of the most common challenges we see is delay. Succession and inheritance planning are often postponed because they feel complex or uncomfortable. However, leaving decisions too late can significantly limit the options available.

Early planning allows:

- Greater flexibility and control
- The ability to phase changes over time
- Reduced pressure on the next generation
- More robust protection against future rule changes

Just as importantly, plans should be reviewed regularly. Family circumstances, legislation, and the farming industry itself are constantly evolving. What is appropriate today may not remain so in five or ten years' time.



THE 2027 RULE CHANGE: PENSIONS TO BE INCLUDED IN IHT

The Autumn Budget 2024 confirmed that under draft legislation from the 6th of April 2027, unspent pension funds will be included in your estate for Inheritance Tax, taxed at 40% where applicable.

This marks a significant shift as pensions will no longer be fully IHT exempt. If death occurs after age 75, pensions will also be subject to Income Tax at the beneficiary's marginal rate. In some cases, from 2027, pensions may be taxed twice: first under IHT, then Income Tax.

In larger estates, this change could push total assets above £2 million, triggering a reduction in the Residential Nil Rate Band and further increasing the tax your family might pay.

Now is the time to:

- 1 Integrate pensions into your broader estate plans.
- 2 Review pension beneficiaries and update Expression of Wish forms.
- 3 Consider using trusts for added protection



Your plan



GET EXPERT ADVICE NOW

Call us on 01832 279170 or visit accessionfp.co.uk

REVIEW YOUR PENSION WITHDRAWAL STRATEGY

Leaving pension funds untouched has often been encouraged, as pensions were tax-efficient to pass on. With that advantage reduced, it may make sense for some individuals to draw down pension funds earlier, using them for living expenses while preserving other assets. However, withdrawals can trigger income tax, so the timing and amount need careful consideration.

There is no one-size-fits-all answer.



The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and may fall as well as rise. You may get back less than the amount invested.

The levels and bases of taxation and reliefs from taxation can change at any time. Tax relief is dependent on individual circumstances.

Wills, along with Trusts, are not regulated by the Financial Conduct Authority.

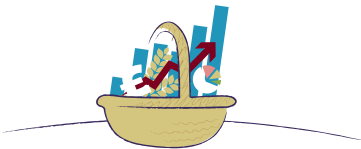


HOW WE CAN HELP

We work with farming families to provide clear, practical financial advice that supports long-term decision-making. Our role is to help clients understand their options, model the financial implications, and coordinate with their other professional advisers to put robust plans in place.

Whether you are thinking about succession for the first time, reviewing existing arrangements, or responding to recent changes in tax rules, professional financial advice can provide clarity and confidence.

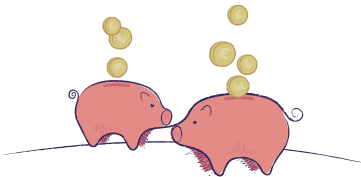
Every person's situation is different, and advice should always reflect individual needs, priorities, and circumstances. Taking the time to seek advice now can help protect not just the farm, but the family behind it for generations to come.



Investment Planning



Protection Planning



Retirement Planning



Inheritance Tax Planning

GET EXPERT ADVICE NOW

Call us on 01832 279170 or visit accessionfp.co.uk



ACCESSION



If you would like to discuss this in more detail, please contact us for an appointment.



First Floor, 4 West Street
Oundle, Peterborough, PE8 4EF
T: 01832 279170
E: accession@sjpp.co.uk
accessionfp.co.uk



Senior Partner Practice

**St
James's
Place**

Accession is an Appointed Representative of and represents only St. James's Place Wealth Management plc (which is authorised and regulated by the Financial Conduct Authority) for the purpose of advising solely on the Group's wealth management products and services, more details of which are set out on the Group's website www.sjp.co.uk/products. The 'St. James's Place Partnership' and the titles 'Partner' and 'Partner Practice' are marketing terms used to describe St. James's Place representatives.

Accession is a trading name of Oundle Wealth Management Ltd.

SJP Approved 17/2/2026