

It's every writer's worst nightmare. You spend months writing a book, checking and re-checking, and then days before it's due to hit the bookshops, wham! New measures suddenly and unexpectedly come in putting everything you've written and researched instantly out of date.

Just two weeks before *Safe As Houses*, my new book about tax and housing options for older people, was due to be published, Chancellor Alastair Darling doubled the inheritance tax threshold from £300,000 to £600,000 for married couples.

Although that was good news for some, it came too late to be included in my book. So does this mean that the terrible bogey of IHT – on which I give lots of information and advice – has gone away and we can safely forget about it?

That is what many people now think, especially as the Tories vowed to raise the IHT threshold to £1 million for everybody.

In fact, on closer inspection, this unexpected change is not so generous as at first appears. It has always been the case that married couples, and more recently, those in a registered civil partnership, could double their nil-rate band; it's just that in the past you had to make special provision in your will and set up a trust to do it.

Now you don't need to as it happens automatically. It has always been possible to leave your entire estate free of IHT to your spouse, however huge that estate might be. But now, IHT will only be paid on the death of the second spouse if the total assets exceed £600,000.

BUT – and it's a big but – this provision only applies to currently married couples and the widowed. If you are single, divorced, in a non-marital partnership, living with an adult child or other relative, these reforms do not apply, and the former nil-rate band of £300,000 remains. If you are in a second or subsequent marriage, with children from a previous marriage, you will definitely need to take advice from a solicitor specialising in IHT planning, especially if you want any children of the first marriage to benefit.

The other aspect is that all the draconian laws surrounding IHT, such as what you can give away before your death, remain in place as before. Assets given away while you are still alive only become free of IHT after seven years, and you cannot, for instance, give your house to your children and continue to live in yourself. At least, you can, but you must legally pay them the market rent.

The Labour government want us to think that IHT has now gone away, especially as it was the most hated tax ever to affect ordinary people, but the fact is, it hasn't.

And if your estate or that of a loved one hovers anywhere near the threshold, you can expect a grilling from the tax people who have powers to investigate every single one of your assets, including jewellery and pictures.

Nor does this little reform affect all the other imponderables that may beset the older homeowner, such as whether to downsize, whether to consider equity release, to retire abroad or to think about sheltered housing. There is no change, either, to the hideous spectre of paying your own care home fees should your assets exceed around £20,000.

And don't imagine you can wriggle out of paying such fees by giving everything away to your children or grandchildren beforehand, as the authorities have long been onto that one.

At least, inheritance tax is only paid after death, but older homeowners still have to think about what to do for the best while still alive. In *Safe As Houses*, I have looked at all the many options now available and listed the pros and cons of each one.

Equity release is heavily hyped and marketed, but not everybody realises that you will have to pay compound interest on the loan for your entire lifetime, and this could easily mean you end up with an estate worth precisely nothing.

Taking out equity release can also mean losing benefits you have been previously claiming, so you need to be very sure it is the right solution for you.

Then you need to be certain that your children have your best interests at heart, and are not dragooning you into making decisions you may later regret. Many older homeowners, sitting on valuable assets, can be naïve about money and imagine their children know best. The older and lonelier people get, the more they can be at risk of being bullied by their own children. And nasty though this sounds, it is actually extremely common.

It's not always easy to make the right decision when you don't know how long you have got or how long your health or money may hold out, but *Safe As Houses* will help you to make optimum housing and lifestyle choices.

Solicitors for the Elderly: (specialising in advice for this age group)
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