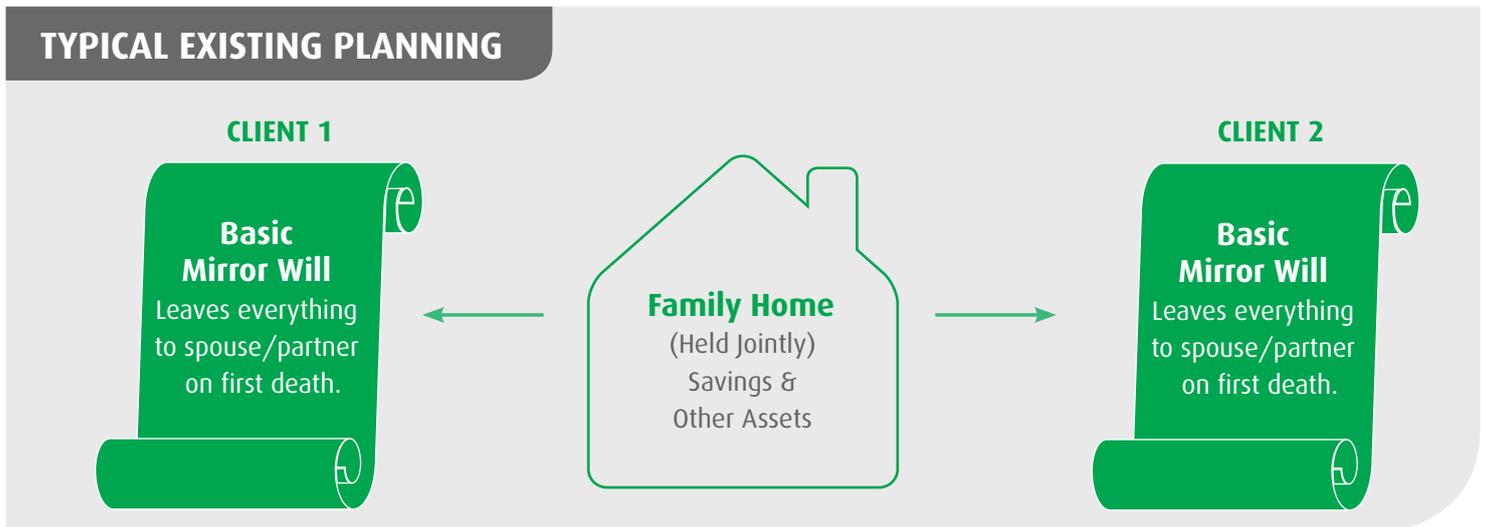


KEY FEATURES AND BENEFITS 101

Death Planning Solution for:

- ✓ MARRIED / CIVIL PARTNERS UNDER 2 X NIL RATE BANDS (NRB)
- ✓ NON-MARRIED COUPLES

TYPICAL EXISTING PLANNING



WHERE THERE IS NO WILL, OR COUPLES HAVE ONLY A BASIC WILL/MIRROR WILLS IN PLACE, YOUR ASSETS ARE EXPOSED TO THE FOLLOWING RISKS:

! Care Costs

Following first death, should the surviving spouse/partner need Care then the **whole estate** including the **family home** would be **assessed to pay for the cost of that Care**.

! Marriage After Death (MAD)

On first death all the assets are then **solely owned** by the surviving spouse/partner. What if the surviving spouse/partner marries? The inherited estate could be lost to the spouse, **disinheriting your children**.

! Creditors or Bankruptcy

If the surviving spouse/partner were to be subject to **Creditor Claims/Bankruptcy** then the inherited estate is **fully at risk**.

ON SECOND DEATH THERE ARE FURTHER RISKS TO THE ESTATE YOU WISHED YOUR LOVED ONES TO BENEFIT FROM:

! Divorce

If your children/chosen Beneficiaries are subject to Divorce proceedings then **half** of what you intended them to receive is at **risk of Divorce settlements**.

! Their own future Care Costs

If the inheritance has been passed to your chosen Beneficiaries, these assets could later be assessed for their own **Care Costs**.

! Generational Inheritance Tax IHT

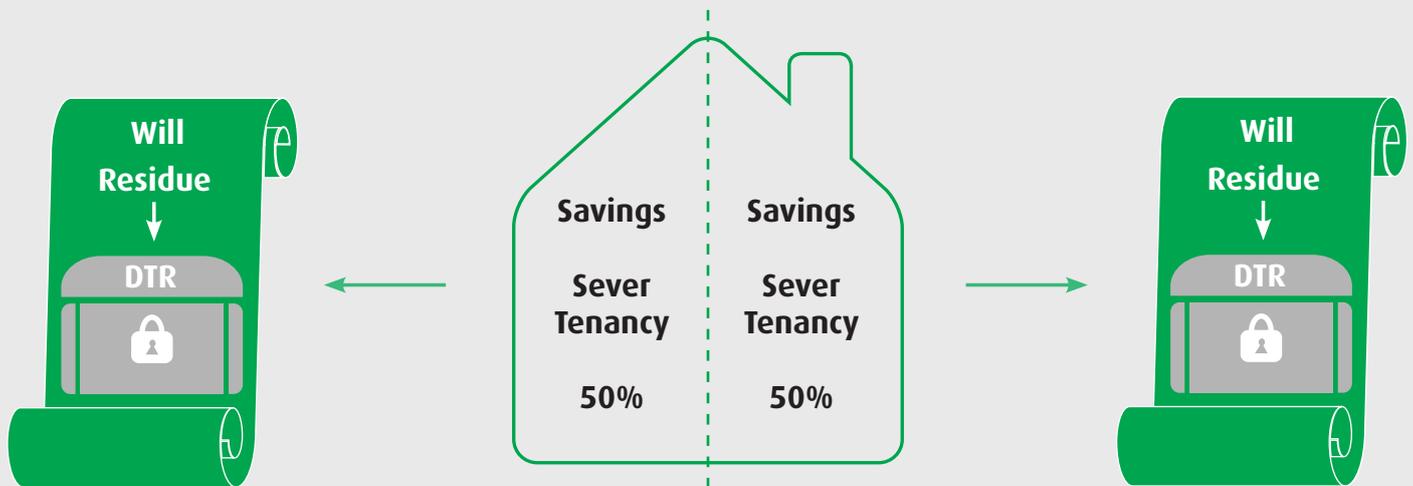
On second death the remaining estate is likely to be directed by the Will to the Beneficiaries. This then adds to the Beneficiaries' estates and could impact **their own Inheritance Tax**. (See Key Features and Benefits Sheet 6: Generational IHT).

! Creditors or Bankruptcy

Similarly, if any of your Beneficiaries are subject to **Creditor Claims/Bankruptcy** then the inherited estate is **fully at risk**.

OUR SOLUTION

SEVER THE TENANCY ON THE FAMILY HOME TO BE HELD AS 'TENANTS IN COMMON'.



On death, the deceased's assets, including their share of the property, are passed into their Discretionary Trust of Residue (which deals with their NRB & RNRB) via the Will. On first death, the surviving spouse or partner continues to live in the property and is able to move as they wish, if they choose to do so. In the event the surviving spouse or partner should enter care, they only own half a house..

THE BENEFICIARIES HAVE ACCESS TO THE TRUST FUNDS BUT WE ENSURE THAT THESE ASSETS DO NOT ENTER THEIR ESTATES AND SO ARE PROTECTED FROM ATTACK BY THE FOLLOWING:

- ✓ **Care**
If assets are held in Trust, they could also be protected against the beneficiaries' own **Care costs**.
- ✓ **Creditors or Bankruptcy**
Similarly, if any of your Beneficiaries are subject to **Creditor Claims/Bankruptcy** then their inheritance could be protected from such claims.
- ✓ **Further or Generational IHT**
Holding the assets in the Trust ensures that they do not add to the Beneficiaries' estates and impact on **their own Inheritance Tax**. (See Key Features and Benefits Sheet 6: Generational IHT).
- ✓ **Marriage After Death (MAD)**
Placing half of the family home and other assets into a Trust on first death ensures that, should the surviving spouse/partner **marry** in the future, those assets cannot be taken into the marriage and removes the threat of your own children being disinherited. The survivor is still able to use the assets in the Trust.
- ✓ **Divorce**
Placing the assets into Trust ensures that, if your children/chosen Beneficiaries are subject to Divorce proceedings then what you intended them to receive could be protected from any **Divorce Settlements**.
- ✓ **Residence Nil Rate Band (RNRB)**
Our Trusts ensure that if there are lineal descendants as beneficiaries, the Trust will still qualify for the RNRB. See further information on Key Features and Benefits Sheet 25.

In some cases it may be beneficial to use multiple pilot trusts, as there are various options open to trustees following the death of a settlor to try and reduce the occurrence of periodic and exit charges in some cases. Multiple pilot trusts can also increase flexibility and autonomy, as it enables the beneficiaries to have and be in control of their 'own trust'.

This sheet contains only general planning and is not to be construed as advice for any personal planning. Each strategy recommended is based on individual circumstances.