



Haven Protect Limited

KEY FEATURES AND BENEFITS 3

Death Planning Solution for:

- ✓ NON-MARRIED COUPLES
- ✓ ESTATE VALUED **MORE THAN 2 X NIL RATE BANDS (NRB)**

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 partners 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 partner. What if the surviving partner marries? The inherited estate could be lost to the new partner, **disinheriting your children/chosen Beneficiaries**.

! Inheritance Tax (IHT)

IHT would have to be paid on any amount inherited in excess of the current Nil Rate Band and so there is the potential to pay IHT on the same asset **twice**. Known as the **Double Whammy!** (See Key Features and Benefits Sheet 6: Generational IHT.)

! Creditors or Bankruptcy

If the surviving 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:

! 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**.

! 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**.

! Generational IHT

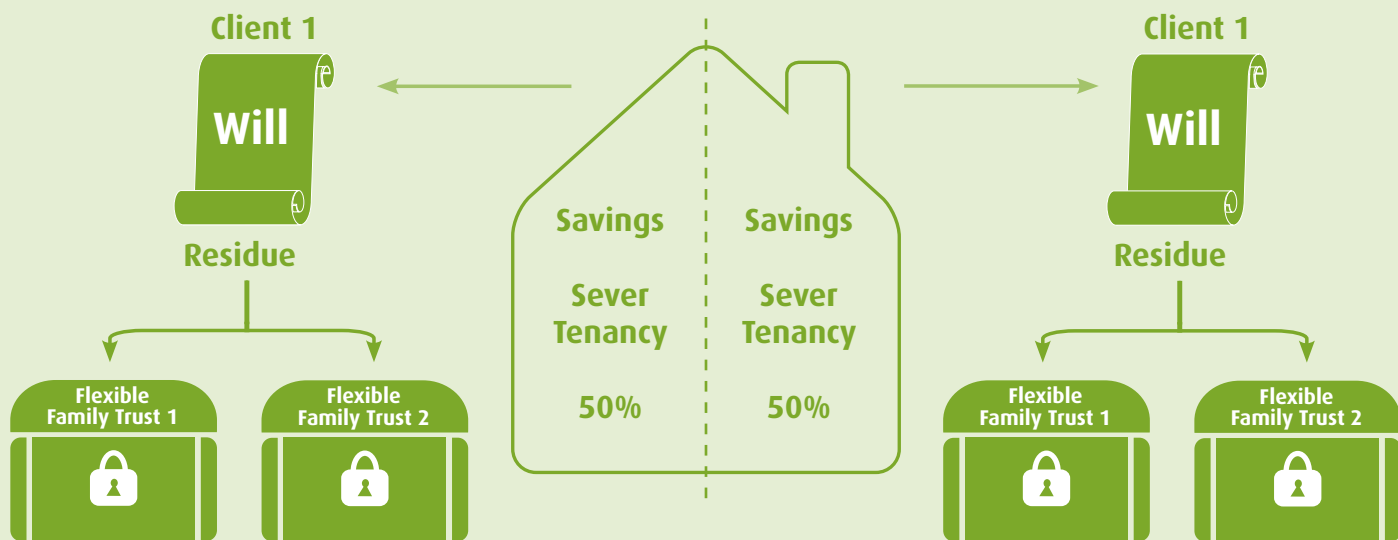
On second death the remaining estate is likely to be directed by the Will to the Beneficiaries. This then adds to the Beneficiaries' estates and could impact **their own Inheritance Tax**. (See Key Features and Benefits Sheet 6: Generational IHT.)

! 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'. EXAMPLE ESTATE £1M.



! Being unmarried, as there is no spousal exemption to utilise, there will be IHT on each estate over the NRB at the time of death.

On death, the deceased's assets, including their share of the property, is passed into their trust via the will. On first death, the surviving spouse or partner continues to live in the property and 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.

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'. See also Key Features and Benefits sheet 22.

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**
Holding the assets in the Trust ensures that they do not add onto the Beneficiaries' own estates and so cannot be assessed for their **Care costs**.
- ✓ **Creditors or Bankruptcy**
If assets are held in Trust, they could also be protected against the beneficiaries' own **Care costs**.
- ✓ **Marriage After Death (MAD)**
Placing half of the family home and other assets into a Trust on first death ensures that, should the surviving 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.
- ✓ **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.)
- ✓ **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.

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.

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