



Typical existing planning

Death planning solution for:
 Married couples/ civil partners
 Estate valued more than 2 nil rate bands



Where this is no will, or couples only have a basic will/mirror will in place, your assets are exposed to the following risks:

Care costs

Following first death, should the surviving spouse need care then the whole estate including the family home would be assessed to pay the cost of that care

Creditors or bankruptcy

If the surviving spouse were to be subject to creditor claims /bankruptcy then the inherited estate is fully at risk

Marriage after death, often referred to as MAD

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

On Second death there are further risks to the estate you wished your loved ones to benefit from:

Inheritance Tax

Inheritance Tax would be payable on any amount in excess of the couples nil rate bands.

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 proceeding then half of what you intended them to receive is at risk to divorce settlements

Creditors or bankruptcy

Similarly, if any of your beneficiaries are subject to creditor claims/bankruptcy then the inherited estate is fully at risk

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' estate and could impact their own inheritance Tax

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

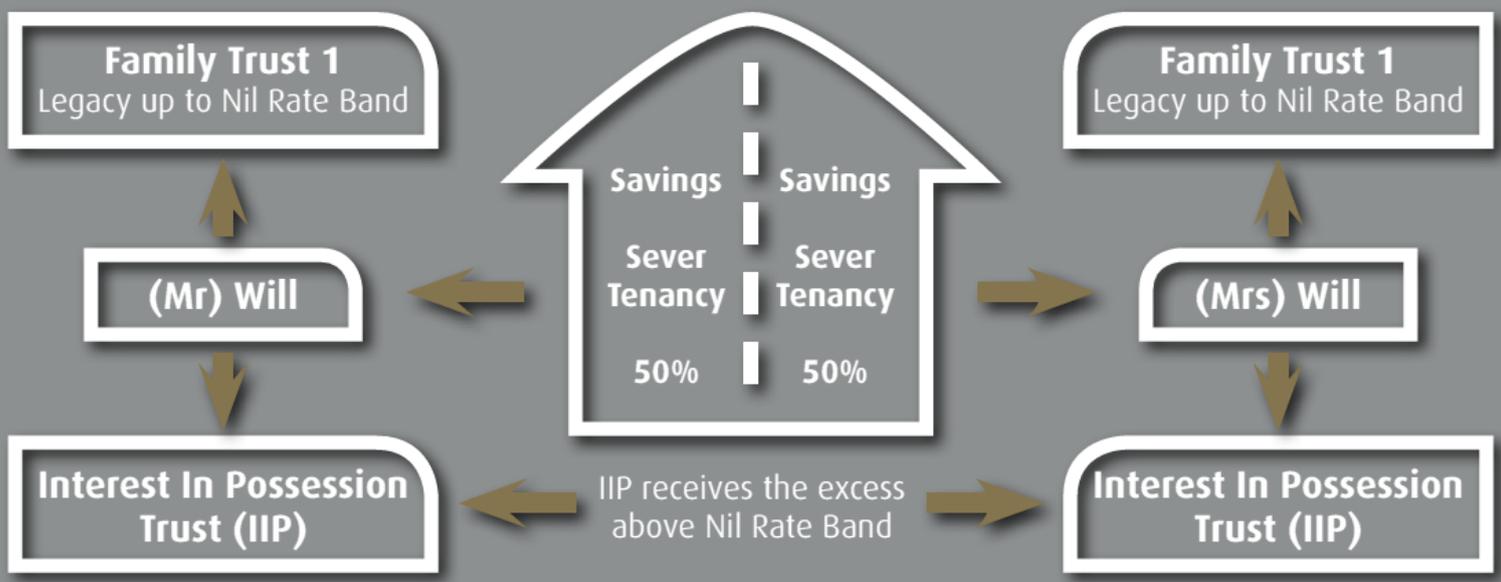


Our Solution

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Sever the tenancy on the family home to be held as 'Tenants In Common'



On first death, the Deceased's share of the property is passed into their Family Trust via the Will. The surviving spouse continues to live in the property and is still able to move home if they choose to do so. In the event that the survivor enters Care, the survivor only owns a half share of a house. **Section 7.019 of the CRAG Regulations** confirms that the value of a half share of a house is effectively **NIL** for the purposes of assessment for Care.

The Beneficiaries have access to the trust funds but we insure that these assets do not enter their estate and so are protected by the attack by the following:

Marriage after death - MAD
Placing half the family home and other assets into a trust on first death ensures that, should the surviving spouse remarry in the future, those assets cannot be taken into the second marriage and removed 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 is protected from any divorce

For more information please call us on

0845 6522209 or email

info@elatco.co.uk

Care
Holding the assets in the Trust ensures that they do not add onto the beneficiaries' own estate and so cannot be assessed for their care costs.

Creditors or bankruptcy
Similarly, if any of your beneficiaries are subject to creditor claims/bankruptcy then their inheritance would not be exposed to these claims

Further or generational IHT
Holding the assets in the Trust ensures that they do not add to the beneficiaries' estate and impact on their own inheritance Tax

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