



Later Life Planning

Planning today, for an unburdened tomorrow

Planning Today

....for an Unburdened Tomorrow

Welcome to SelfSure Estate Planning

We hope you find the information contained in our brochure of interest. We understand the subject matter is not something most of us like to think about but nevertheless at some point in our lives we, or our families, will have no option other than to address these matters. We believe strongly that putting a later life plan in place will help unburden you from the worries of tomorrow, as well as providing clear instructions to your loved ones, as and when these matters arise.

As the average life expectancy continues to increase, there has never been a time when a later life plan is needed more than today. Many people are set to spend nearly as much time in retirement as they did in work. Putting a later life plan in place will give you the peace of mind you deserve as well as helping you to protect your assets, that you have worked hard for throughout your life.

As Agents, we have unlimited access to the market place and are able to get the best deal for you, whether that be

for something as simple as a Will or something a little more complex such as a Property Protection Trust. Each of the services we provide are explained more fully, later in this brochure.

Our later life plans can be tailored to your needs. You don't have to purchase everything at once, but it is important to have a plan in place highlighting what and when to invest in. Many of our plans can be spread over a period of time to suit your budget.

Although we have included a pricelist, this is to be used as a guide only because prices vary dependent on your requirements and discounts are offered when multiple services are taken out. This is why we recommend that you call us for a free, no-obligation assessment. You will find our Team professional, friendly and well informed.



Contents

- 04** Will Writing
- 05** Mirror Wills
- 06** Lasting Power of Attorney
- 07** Property Protection Trusts
- 08** Life Interest Trusts
- 09** Family Settlement Asset Trust
- 10** Funeral Plans

Wills

What is a Will?

A Will is a legal document that sets forth your wishes regarding the distribution of your assets including your property and the care of any minor children. If you pass without a Will, those wishes may not be followed. Furthermore, your heirs may be forced to spend additional time, money, and emotional energy to settle your affairs.

To maximize the likelihood that your wishes will be carried out, create what's known as a Testamentary Will. This document is prepared by the person whose assets are being dispersed and is signed by them in the presence of witnesses. It's arguably the best insurance against successful challenges to your wishes by family or business associates after you pass.

What a Will covers

A Will primarily lets you (The Testator) direct how your assets - such as bank balances, property, or prized possessions - should be distributed. If you have a business or investments, your Will can specify who will receive those assets and when.

If you are charitably inclined, a Will also lets you direct assets to the charity of your choice. Similarly, if you wish to leave assets to an institution or an organization, a Will can assure that your wishes are carried out.

While Wills generally address the bulk of your assets, a variety of items typically aren't covered by their instructions. Those omissions include pay outs from the Testator's life-insurance policy (generally covered by a Trust, not a Will). Since the policy has specified beneficiaries, those individuals will receive the proceeds. The same will likely apply for any investment accounts that are designated as "transfer on death."

A properly paid Will can also minimise tax liability.

What if I don't have a Will?

If you die intestate - that is, without a Will - the state oversees the dispensation of your assets, which it will typically distribute according to a set formula. Because of the elective-share and community property provisions mentioned above, the formula often results in half of your estate going to your spouse and the other half going to your children. Such a scenario sometimes results in the sale of the family home or other assets, which can negatively affect a surviving spouse who may have been counting on the bulk of your assets to maintain his or her standard of living.





Mirror Wills

What is a Mirror Will?

A Mirror Will is exactly how it sounds. Two almost identical Wills taken out by partners wishing to leave the entirety of their assets to the other person in the event of one of their deaths.

Instructions can be left for the assets to be passed to a third party (i.e. Children) in the event that both people pass at the same time. Differences between the Wills may be estate administration or additional executors, but broadly speaking the desires expressed within the Wills are the same.

Advantages of a Mirror Will

Avoidance of inheritance tax - When it comes to Inheritance Tax everything can pass from one spouse to another tax free. The Nil Rate Inheritance Tax band is transferable to the surviving spouse.

So when it comes to Mirror Wills, the Inheritance Tax allowance of the deceased is passed to the surviving spouse. This amount is then added to the last surviving spouse's allowance when they pass.

Therefore, if the estate is valued at less than double the current Inheritance Tax Nil Rate band, there will be no inheritance tax to pay upon the second spouse's death. Mirror Wills can be revoked if circumstances change.

Lasting Power of Attorney

What is an LPA?

Thinking and talking about what would happen if our faculties deserted us is uncomfortable. Yet it's important to consider how much worse the situation would be if you had a stroke, serious accident or dementia, without sorting it first.

If someone has difficulties that mean they can't make decisions anymore, they will need help managing their affairs. A Lasting Power of Attorney (LPA) is a legal document where someone (while they still have mental capacity) nominates a trusted friend or relative to look after their affairs if they ever lost capacity.

The key point to remember, you are not suddenly giving up control. You can choose whether it can be used either before, or only when, you lose mental capacity. Your representative should only ever make a choice for you if you're unable to make that specific decision at the time it needs to be made. For example, if you fall into a coma, your representative would start looking after your affairs. Yet if you wake from the coma, you should be able to make your own decisions again.

Mention an LPA and many will automatically think of a person's finances, but there are actually two types to consider: one for finance and property, and another for health and welfare. The health and welfare document sees a nominated individual make decisions over day-to-day healthcare and medical treatments, as well as deal with any health and social care staff.

Just because you give the trusted person power of attorney over your health, that doesn't mean they will automatically gain control over your financial affairs and vice versa. If you require the same individual to have power of attorney over both aspects of your care, then you will have to fill out the two forms separately.



Consequences of not having an LPA

If you lose mental capacity without having set up an LPA, your loved ones will have to apply to the courts to become a deputy. This is a long (in some cases over a year) and expensive process. In the meantime, your finances will be inaccessible and they will have to use their own finances to support your needs. This includes care home costs, should you require it. It also means that any healthcare decisions that need to be made are done by a doctor.

The doctor may consider the opinion of your loved ones but the decision ultimately will be with the doctor. Setting up an LPA is the only way to ensure your loved ones have the final say on your health and finances.

It is important to remember that you cannot set up an LPA after you lose mental capacity.

Property Protection Trust

What is a PPT?

Firstly, a Trust is a legal vehicle where the ownership of the asset or assets are separated from the person or persons who will benefit from the assets. The legal owner is called the "Trustee" and the person who benefits from the asset is called the "Beneficiary". The Trust itself is the terms on which the Trustee holds the assets for the Beneficiary.

A Property Protection Trust is simply a Trust where the asset is a property (or a share of a property) and the Trust is established usually for the purpose of allowing a current occupant to continue living in the property whilst protecting the capital value for the benefit for others.

Advantages of a PPT

The obvious advantage of a Property Protection Trust set up in a Will is that the Property or a share of it can be protected in the event of a change of circumstances of the Life Tenant. For example, remarriage, going into long term care, being declared bankrupt etc.

When this type of Trust is set up in a Will, the deceased person is protecting their property (or share of) and therefore it will not be classed as deliberate deprivation of assets for the purposes of long-term care as the owner has already died.

If a Life Interest Trust is contained in a Will, the Trust does not take effect until death which means an individual is free to use or dispose of their property during their lifetime (if needed). It also means that they can equity release. If your property is held in Trust, this will avoid probate court, save on estate taxes and protect your property from certain creditors.

Consequences of not having a PPT

Without a PPT, your estate may go into probate and people you do not wish to, may claim some of its value. Up to 75% of the value of your home may be taken to cover the cost of care, should it be required. A PPT can limit this percentage so more value is left to your loved ones.

If you would like to allow your surviving partner to remain living in your home after your death, this may be challenged unless you have a Trust in place to stop the beneficiaries of your Will from selling the property. A simple Will would transfer the property to the beneficiaries to do with as they wish. A Trust imposes certain legal conditions as they will not own the property, but will still benefit from your estate providing the conditions are met.



Life Interest Trust

What is a Life Interest Trust?

When making a Will, it's possible to include a Trust which gives someone a life interest in your property or other assets, without those assets actually leaving your Estate. For example, if you include a Life Interest Trust in your Will and your home is placed into this Trust, then the person with a life interest could continue to live in the property for the rest of their life, but on their death it would then be distributed in line with the terms of your Will.

A Life Interest Trust can be an effective way of ensuring that a loved one is provided for during their lifetime, while also protecting the value of your assets for future generations.

Why should I set up a Life Interest Trust?

When making their Wills together, many couples will leave everything they own to the other person, with it then passing on to their children when the second person dies. This is fine in theory, but can potentially cause issues in the future, and result in the Estate not being distributed in the way that they had hoped.

For example, if one person dies and the other then goes into care, then the value of their collective Estate could easily be swallowed up in care fees. Alternatively, if the second person goes on to remarry and fails to make a Will (or makes a Will leaving everything to their new spouse) then the children could end up with very little, or nothing at all. This is called the sideways disinheritance trap. Consequences of not having a Life Interest Trust

Sideways disinheritance- This occurs when someone who has children from a previous relationship remarries after the death of their partner or spouse, inadvertently disinheriting their children. If all assets are left to a person with children from a previous relationship, upon their death the entirety of those assets will be left to the children of that person, therefore disinheriting your own bloodline.

Care fees- In England and Wales, if everything a person owns is worth less than £23,250, then the Local Authority will offer financial support to help with the cost of care fees. If they own assets that are worth more than this, then they will be responsible for covering their own care fees. For example, person A and person B have assets at £400,000 left in mirror Wills to their children. Person A dies, leaving everything to person B and then in turn to the children. If person B then goes into care, the assets will be used to pay for care until they drop under the £23,250 figure.

If person A has a Lifetime Interest Trust, 50% of the assets (£200,000) will be held in a Trust. This cannot then be used for person B's care fees. Therefore upon the death of person B, the children will inherit the remainder of person B's assets (up to £23,500) and the £200,000 left by person A.

Without this Trust, the children will lose £200,000 inheritance to care fees.



Family Settlement Asset Trust

What is a FSAT?

An FSAT is normally set up alongside a Lifetime Interest Trust. Upon the death of the original owner of assets, the beneficiaries of the Trust will have access to the funds placed in the Trust. An FSAT works alongside this to ensure that the assets remain within the family.

For example, if you gift assets to your children during your lifetime, these assets may become available to their partners under relationship property laws should their relationship end. By placing these assets in a Trust instead of directly in the name of your children, your children can continue to receive the benefit of those assets without the assets forming part of their personal property and therefore not subject to claims from partners.

Advantages of an FSAT

The main advantages are the same as those mentioned in the Lifetime Interest Trust i.e. protection from creditors etc. with the added benefit of keeping your assets in the family. This can be done as the example above shows or if you are married or in a de facto or civil union relationship, it is likely that part of your assets will be relationship property.

Should you separate from your partner, the relationship property must be divided between the two of you. By transferring family property to a Family Trust, the assets become assets of the Trust rather than your personal property and may therefore be protected from relationship property claims, subject to applicable relationship laws.

Like all Trusts, an FSAT will also contain flexible provisions to react to any change in law.

Consequences of not having and FSAT in place

There is a chance that your assets will not be distributed as you wish and not remain in your bloodline. Without an FSAT in place, partners of your children may be given a percentage of assets left during divorce proceedings.

Funeral Plans

What is a Funeral Plan?

A funeral plan is a simple approach to organising and funding your funeral in advance. It allows you to take control of the future and plan things as you wish, unburdening your loved ones whilst saving money in the process.

In essence, you dictate your wishes and these will be written up and stored. A copy will also be sent to you. When the time does come, your loved ones need only call the phone number provided and we will take care of everything else, allowing them to focus on themselves and each other, rather than the stress of organising a funeral.

Advantages of a Funeral Plan

The main advantage is as previously mentioned; a funeral plan allows you to dictate your wishes whilst unburdening your loved ones. This is the main reason that most people purchase a funeral plan. According to Sunlife UK, only 1% of people surveyed knew what the wishes of the deceased were. Being prepared will avoid any unnecessary confusion when the time comes.

Another advantage is the financial side of a funeral plan. Not only will those you leave behind not have to find the money to pay for your funeral, a funeral plan also means that you will avoid the rise in costs by paying today's price. In the last 5 years, the average cost of a funeral has risen by nearly £1000 and is expected to continue rising to over £5120 by 2023. This means the fees have more than doubled in the last 15 years, a rate that life insurance and saving plans can't keep up with. For that reason, a funeral plan is the only way to get the best price best financial option.

Whilst savings plans, over 50's cover and life insurance do have their benefits, they are outshone by prepaid funeral plans. Once paid, a funeral plan will not increase in cost and so there are no hidden fees or hefty excess payments like the aforementioned alternatives. Your money will also be held in a Trust, meaning that it is protected and your wishes will still be carried out, even if the provider goes out of business.

Consequences of not having funeral plan in place?

An increased cost is a certainty. A funeral plan is a sure-fire way to avoid the rising costs of funerals. It will also be left for your loved ones to organise your funeral meaning your wishes may not be carried out in full or possibly even at all. Even if you make your wishes clear, this remains a heavy burden in an emotionally taxing time. Having to organise and fund a funeral is much harder after a loss than it is in advance.





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