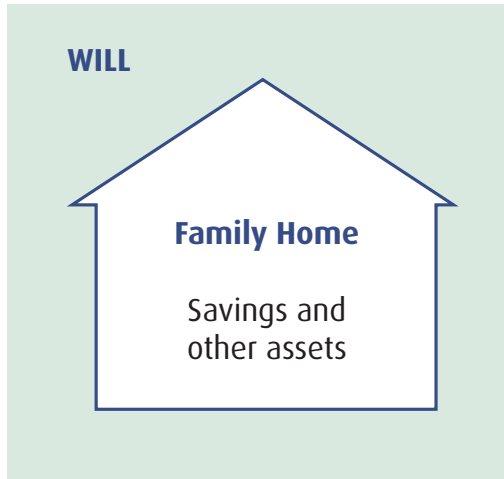


Typical Existing Planning



Home and other assets passed to children / beneficiaries absolutely.

Where there is no Will, or only a basic Will in place, your assets are exposed to the following risks on your death.

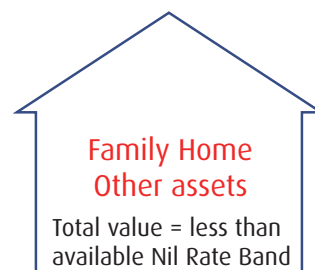
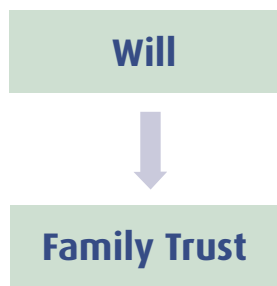
- ! Divorce**
If your children / chosen beneficiaries are subject to divorce proceedings then **half** of what you intended them to receive is **at risk to divorce settlements**.
- ! Creditors or bankruptcy**
Similarly, if any of your beneficiaries was subject to **creditor claims / bankruptcy** then the inherited estate is **fully at risk**.
- ! Beneficiaries' own future care costs**
If the inheritance has been passed to your chosen beneficiaries **absolutely** these assets could later be assessed for their own **care costs**.
- ! Inheritance Tax & Further Generational IHT**
If your estate is above the current Nil Rate Band then Inheritance Tax will be payable on your death. The remaining estate is likely to be directed to the beneficiaries **absolutely**. This then adds to their estate and could impact **their own Inheritance Tax**. (see also sheet Technical Sheet 6 - Generational IHT)

During your lifetime there is a further risk to the estate you wished your loved ones to benefit from.

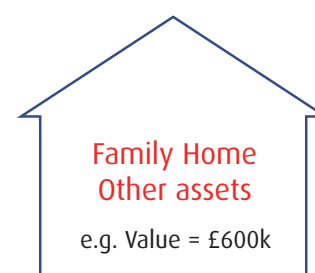
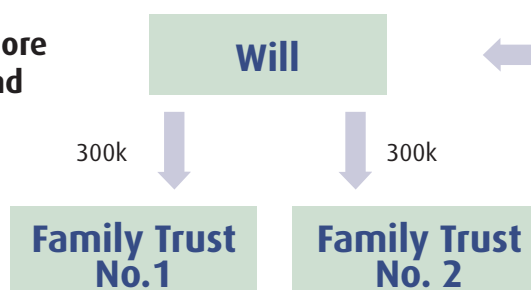
- ! Care Costs**
Should you require nursing care then the **whole estate** including the **family home** would be **assessed to pay for the cost of that care**. (see Technical Sheet 5 - Additional Planning for Single/Widowed people.)

The Countrywide Solution

Case 1: Value of estate = less than available Nil Rate Band



Case 2: Value of estate = more than available Nil Rate Band



- If the value of the estate is over the Nil Rate Band, multiple trusts will be established so that each family trust holds less than the Nil Rate Band. This ensures that they do not incur periodic and exit charges (on the condition that the trusts are dated on different days - re Rysaffe). Each trust receives an equal value allowing for growth within the trust funds.

- Illustrative Example: Mrs Jones dies leaving estate with total value of £600k. Two family trusts will be required with £300k going to each one.

The beneficiaries have access to the trust funds but the trustees ensure that these assets do not enter their estates and so are protected from attack by the following:

- ✔ **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 settlements.
- ✔ **Creditors or bankruptcy**
 Similarly, if any of your beneficiaries was subject to **creditor claims / bankruptcy** then their inheritance would not be exposed to these claims.
- ✔ **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**.
- ✔ **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. (see Technical Sheet 6: Generational IHT)**

To find out how we can help call free on 0800 093 2697 or e-mail: enquiries@trustalliance.co.uk

Visit our website for more information: www.trustalliance.co.uk