



**ASSURED**  
PRIVATE WEALTH  
SECURING YOUR FUTURE

# Wills, Trusts & Lpa's Explained

For a Free initial consultation call **02380 661166**  
or visit **[www.apw-ifa.co.uk](http://www.apw-ifa.co.uk)**

Not everyone will need a full asset protection package but as it covers most of what we do, it's a good place to start.

The full package, package 1 offers clients the ability to:

- 1. Capitalise on the New £1,000,000 Inheritance Tax allowance**
- 2. Avoid unnecessary care costs**
- 3. Keep it in the family with bloodline protective Wills**
- 4. Maintain Control**

The New Inheritance Tax allowance was phased in between 2017-2020 which means a married couple can now leave a tax-free estate of up to £1,000,000, but as with many things in English law nothing is quite that simple. HMRC has released figures as seen here:

<https://www.thisismoney.co.uk/money/news/article-5653179/Just-1-6-families-getting-new-inheritance-tax-perk.html>

which show that up to 5 in six families that need that allowance fail to get it because they have the wrong type of will in place.

The Will Trust used in the Costco Package 1 will ensure that your family is able to claim the full allowances possible.

A lot of people are still unaware that if they need social care in later life everything they own will be subject to a means test by the local authority. It has been this way since the 1990 community Care act.

If you need social care in later life the local authority will use your assets to pay for this care until you reach the lower limit which in England is currently set at £14,250.

There are many myths about how people can protect their assets from these assessments, a common one is for a parent to sign their house over to the children, so it will escape the means test. This just doesn't work, the local authority will go back over any period of time to see if you have deliberately deprived yourself of an asset.

Assured Private Wealth's Costco package 1 uses a property protection trust to leave your half of the house to your children but stops them from inheriting it until you have both passed away. This way if your spouse needs care in later life or remarries after you die, then your half of the estate is safe for your children.

This type of planning doesn't change anything in your lifetimes, both you and your spouse are still the owners of the estate.

Mirror wills are used by many clients, these simply leave everything to each other then down to the children on the second death of the couple. In modern life, these types of Will leave a lot to chance.

If you were to pass away and leave everything to your spouse, then later in life they go into care or remarry, either the new spouse or local authority are likely to inherit most from your estate.

This is because a remarriage will invalidate a previously made will and make the new spouse the next of kin.

The same is true with regards to the grandchildren, clients assume that everything will make its way down to them, but if one of your children dies first in their relationships then their estate will go to your in law son or daughter, and if they remarry at all the chance of the grandchildren not inheriting at all is greatly increased.

The trust used in Assured Private Wealth's Costco package 1 will ensure that you have bloodline protection and allow controls to be kept with the children and grandchildren after you die.

Lasting Powers of attorney are a relatively new piece of Estate planning, they were introduced in 2007. They come in two forms, the lasting power of Attorney for property and financial affairs, and the Lasting Power of Attorney for Health and Welfare.

These documents are registered with the courts and can be given to the Attorneys so that they in turn can deal with Banks, financial institutions, and of course the Local Authorities and medical professionals. These documents allow the attorneys who are normally the children the ability to make the most important decisions at your most vulnerable times, such as are you going to go into care, or have care come to you?

The attorneys must act in your best interests at all times, and you can have multiple attorneys and decide if they are to act jointly or jointly and severally.

By setting up your Lasting Powers of Attorney you remove the burden from the children, should ill-health arrive in later life. To complete a Lasting Power of Attorney this must be done whilst you are in good mental health and have capacity.

If someone becomes ill such as having a stroke or dementia and capacity is affected then this option can be lost to the family and they will be forced to have the local authority take control of the estate and situation until a deputyship order can be taken from the court which can take some time and a great deal of cost.

The Assured Private Wealth's Costco package 1 puts our clients and their families in a very strong position should anything happen in later life.

If you have any further questions then please ask your estate planner during your telephone appointment.



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