



Technical Sheet 1

Death Planning Solution for:

- Married Couples/Civil Partners and Non-Married Couples.
- Estate valued less than 2 X Nil Rate Bands.

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 spouse/partner need nursing Care then the whole estate including the family home would be assessed to pay for the cost of that Care.
- ! Creditors or Bankruptcy**
If the surviving spouse/partner 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/partner. What if the surviving spouse/partner 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:

- ! 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.
- ! Their 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.
- ! 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 absolutely. This then adds to the Beneficiaries' estate and could impact their own Inheritance Tax.



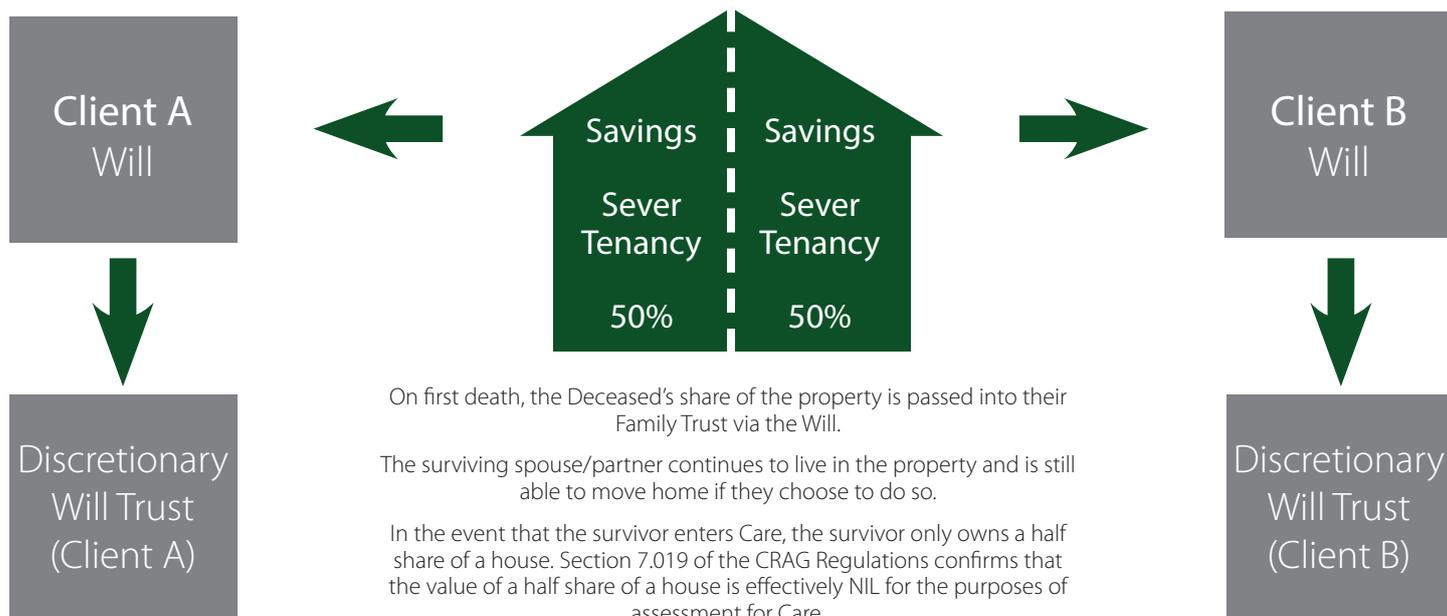
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The Solution

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



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:

- ✓ **Marriage After Death - MAD**
Placing half of the family home and other assets into a Trust on first death ensures that, should the surviving spouse/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.
- ✓ **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.
- ✓ **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 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.

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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