

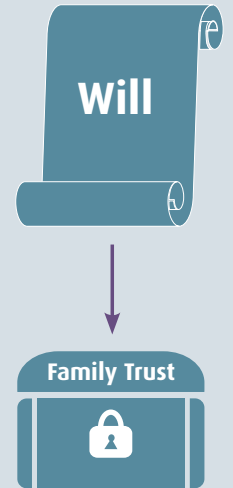
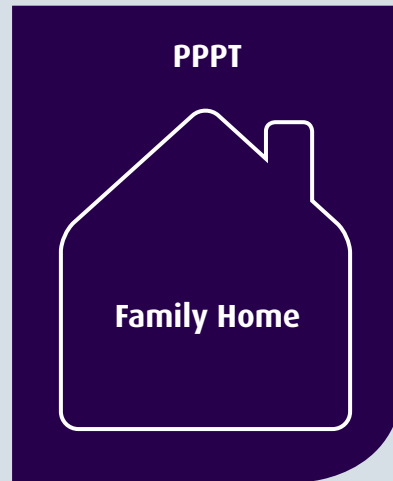
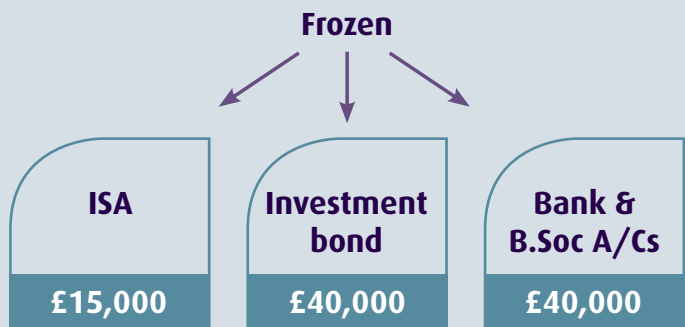
KEY FEATURES AND BENEFITS 5

Additional Care Planning Solution for:

✓ SAVINGS AND INVESTMENTS

THE PROBLEM

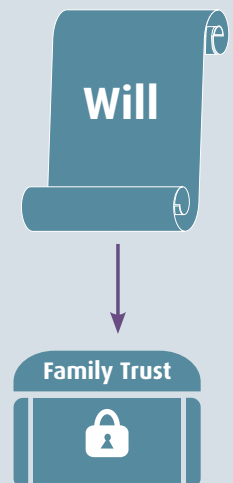
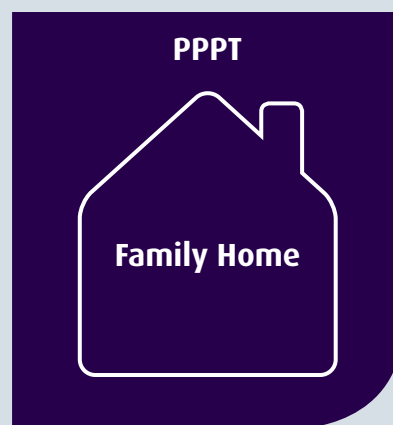
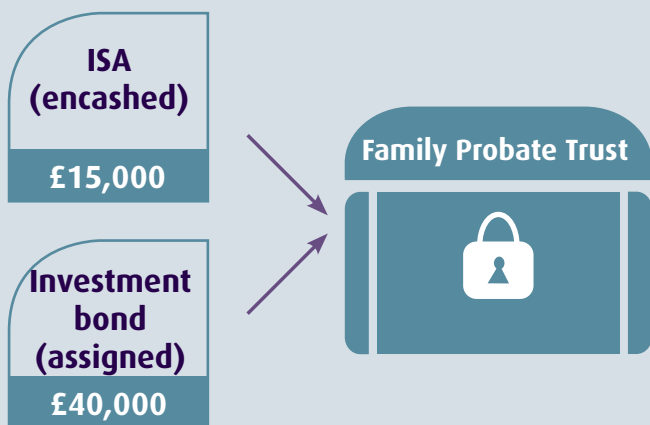
IT MAY TAKE A LONG TIME TO OBTAIN THE GRANT OF PROBATE



! It can take a few weeks, often months or maybe even years to obtain the Grant of Probate.

! The house will need to be maintained! Where are the family going to find the money to do that throughout the weeks/months/years that the Grant of Probate may take to be obtained? The other assets are frozen.

COUNTRYWIDE TAX & TRUST CORPORATION SOLUTION



✓ Assets are ring fenced prior to the death and post-death which means protection from divorcing Beneficiaries, third party claims and bankruptcy, for example.

✓ The assets are also protected from depletion in value while we wait for the Grant of Probate.

✓ Assets available to Beneficiaries immediately waiting for the Grant of Probate will not delay access to these funds. In some cases the Grant of Probate might not even be necessary.

THE FAMILY HOME

CHIEF ADJUDICATION OFFICER V PALFREY (1995)

This case is authority for a share in a property potentially being valued at nil because there is “nothing obscure in the conclusion that the amount of capital which the applicant’s joint possession of that dwelling house represents may fall for the time being, to be qualified in a nominal amount.”

The case of Wilkinson v Chief Adjudication Officer supports the Palfrey case.

INVESTMENT BONDS

THE CARE AND SUPPORT STATUTORY GUIDANCE, ANNEX B, PARA. 55

“Where an investment bond includes one or more element of Life Insurance Policies that contain cashing-in rights by way of options for total or partial surrender, then the value of those rights **must** be disregarded as a capital asset in the financial assessment.”

- ✔ This means that any liquid assets held in this particular kind of Investment Bond cannot be assessed for Care (Subject to the rules concerning Deliberate Deprivation - See below).
- ✔ As both the Settlor and Beneficiary of the Trust you have access to the Trust assets (i.e. the Investment Bond) at all times.

DELIBERATE DEPRIVATION

Deliberate Deprivation is the term used when someone knowingly gives away assets such as income or savings, or sells them at less than their market value, in order to qualify for benefits. If someone has deliberately deprived themselves of monies, the Local Authority may assess the person as having ‘notional’ capital or income. In practice, the ability of the Local Authority to do this depends on how much time has elapsed between transfer of assets and the requirement for Care.

YOUR CASH AND OTHER LIQUID ASSETS ARE NOW BETTER PROTECTED FOR YOUR BENEFICIARIES FROM ATTACK BY THE FOLLOWING:

- ✔ **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 Key Features and Benefits Sheet 6: Generational IHT)
- ✔ **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.
- ✔ **Capital Gains Tax - CGT**
As the Settlor of the PPPT is also a Beneficiary of the Trust, Principal Private Residence Relief will apply and there will be **no CGT payable** on either the sale of the property or on the death of the Settlor.

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.