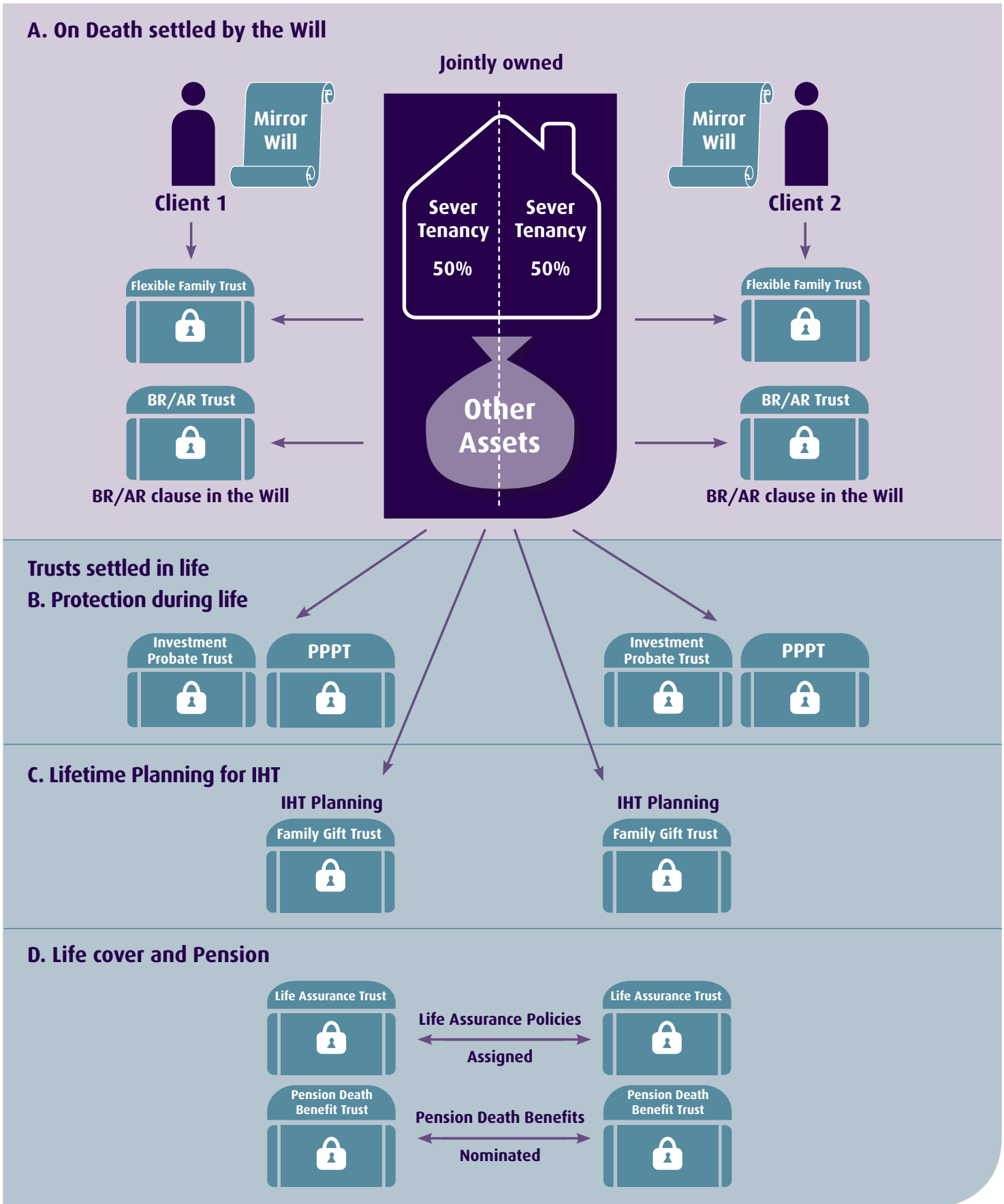


KEY FEATURES AND BENEFITS 3A

Example Planning Illustration

- ✓ NON-MARRIED COUPLES
- ✓ ESTATE VALUED **MORE THAN 2 X** NIL RATE BANDS (NRB)



● Section A are Trusts settled on death

● Sections B,C and D are Trusts settled in life

A. DEATH PLANNING FOR THE PERSONAL ESTATE ASSETS

Equalise the estate as much as possible, including savings and property, notably by becoming tenants in common. For unmarried couples over the Nil Rate Band/ Residence Nil Rate Band (NRB/RNRB), establish a Will and Flexible Family Trust (FFT) each (See Key Features and Benefits sheet 3).

Direct any business (or agricultural assets) that attract Business Relief/Agricultural Relief (BR/AR) into Trust via a separate legacy clause in the Will (See Key Features and Benefits sheet 9).

Clients could consider the use of multiple discretionary Trusts, as there are various options open to trustees following the death of a settlor to reduce the occurrence of periodic and exit charges in some cases. Multiple Trusts can also increase flexibility and autonomy, as it enables the beneficiaries to have and be in control of their 'own Trust' (See Key Features and Benefits sheet 22).

B. PROTECTING ASSETS IN LIFE

Savings can be transferred to an Investment Probate Trust in life (See Key Features and Benefits sheet 5).

Clients may wish to consider the Probate Preservation Plus Trust (PPPT) to transfer the family home into Trust in life (See Key Features and Benefits sheet 12).

C. LIFETIME GIFTING FOR IHT

Gift Trusts are settlor excluded discretionary Trusts. They allow the client to gift an asset away, retain no benefit and start the 7 year clock off for Inheritance Tax (IHT). (See Key Features and Benefits sheets 23).

D. PENSIONS AND LIFE COVER

One of the possible options with pension death benefits could be that of a beneficiary taking the lump sum, in which case nominate any benefits paid as a lump sum to Trust (See Key Features and Benefits sheet 7).

Assign life cover held on single life and of sums assured under the NRB to Trust. This will then be outside of the estate for IHT and protect against the usual threats (See Key Features and Benefits sheet 8).

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.