

Newsletter September 2018



ROTHCO Wills & Estate Planning

Estate Planning Adviser Update

It has been a very busy few months here at Rothco Wills & Estate Planning, with lots of positive changes.

Firstly and most importantly we launched our new website www.rothcowills.co.uk, which we are delighted with as we now have somewhere that our clients can go to for answers to their questions.

The website along with our Facebook pages @Rothcowills and @passionateaboutsport (Sports Assist - our Trading Style for raising funds for sports clubs/ charities and local groups), are being used more pro-actively to market the business.

In conjunction with this, I am presenting at Networking groups in the North East and Northumberland to educate and empower people with the knowledge and tools to make the best choices with their lifetime and death planning.

All in all a step change to the business which is enabling us to work with more clients and develop and strengthen what we already have.

One of the areas we are focusing on through social media is our Sports Assist trading style and expanding the fund raising from just sports clubs to local groups and charities. If you know any local sports clubs; groups; charities who could benefit by using our very simple referral scheme, contact us for more information.

We have officially welcomed Stuart to the team (formally). Stuart has been helping us with IT, marketing material and many other things since we started, but has now joined the team to support the business growth. Welcome Stuart, I couldn't do it without you!

Mandy Nicholson – Estate Planning Adviser.



Mandy Nicholson



Tom Wilson

DIRECTOR

Director of RFG Update

Hello and welcome to our latest newsletter. It's a very nice part of the job to do these newsletters and to communicate with our much valued client base.

It's been a very exciting chapter in the grand scheme of things for us, with our new website being launched and a real drive towards community involvement becoming more and more apparent.

Using our tried and tested affinity group marketing strategy, we have been able to assist with funding for the Stephen Carey Fund and the annual football competition they hold and our company stalwart, Mandy Nicholson has joined several business networking events, in order to personally present our offering. This has gone down extremely well as Mandy is a great orator and the message we deliver, one of sound legal and estate planning, is such a pertinent one.

The group marketing is set to continue with some excellent plans in the pipeline.

I would like to close by thanking all of our clients for their business and for entrusting us with some of the most important planning people will ever do.

Tom Wilson - Director of RFG (Parent company of ROTHCO Wills & Estate Planning).

Website: www.rothcowills.co.uk

The Perfect Estate Plan!

Done in a simplistic way for the purposes of illustration – in reality it is more detailed

Using Mr & Mrs professional, in their late 40's with 2 grown up children, who own their main residence valued at £300k.

Mr works and has a Death in Service Pension paying £100k on his death; Mrs has her own Florist business valued at £75k.

Both have whole of life policies that cover the mortgage with some extra to leave for the surviving spouse value £500k each.

Both have ISA savings & money in the building society totalling £100k.

Mrs will inherit from her parents their main residence worth £150k and any residue estimated at £25k. Mr will inherit with his brother from his parents approx £40k in total.

Mr has a Buy to Let property worth £120k which both children lived in whilst at University and is now let.

The total value of this Estate is £1,890,000.00

The amount that a married couple can have in their Estate before their children become liable for Inheritance Tax is currently £900,000.00. This is made up of 2 x NIL Rate Bands of £325k and 2 x Residence NIL Rate Bands of £125k (rising to £175k by 2020).

Therefore with no planning in place the Inheritance Tax risk to this Estate is £396,000.00 payable on death by the Executor on behalf of the beneficiaries (the Executor is personally liable for this so this is an important role).

The other risks to the Estate are loss of main residence and savings to Care Fees should one or both parties end up in long term care as a result of accident; ill health or old age. Each person has an allowance of £14,250 when being assessed for care, everything over that amount would be used to pay for care at anything up to £1000+ per week.

There is also the risk of divorce/separation; creditors and bankruptcy for each partner and for both children.

With the right planning and money spent in lifetime, we can completely negate the entire inheritance tax bill; risk of loss to care fees and all other risks!

Here is how we would do it and how much it would cost:

2 Standard Wills with Distribution to Pilot Trusts (one each – mirror Wills)	£290
Property Trust with money back guarantee (protects home from care fees if done in good time)	£2950
2 Flexible Family Trusts (for all assets to enter after death)	£1200
Pension Death in Service Trust (removes from estate therefore not in IHT calculation)	£450
2 Life assurance Trusts (removes from Estate therefore not in IHT calculation)	£1000
Trust of Land (removes Buy to Let from Estate immediately as family members have lived in it)	£1500
2 x Power of attorney (in case of accident or loss of capacity)	£800
Family Gift Trust (to assign the IHT free allowable amount annually)	£800
Admin fees/storage/STEP compliance (the legal stuff)	£100
Business Trust (for Mrs Business at 100% tax relief & removes from estate)	£455
TOTAL	£9545

***we would see Mr & Mrs parents for their own planning to keep inheritance out of this estate*

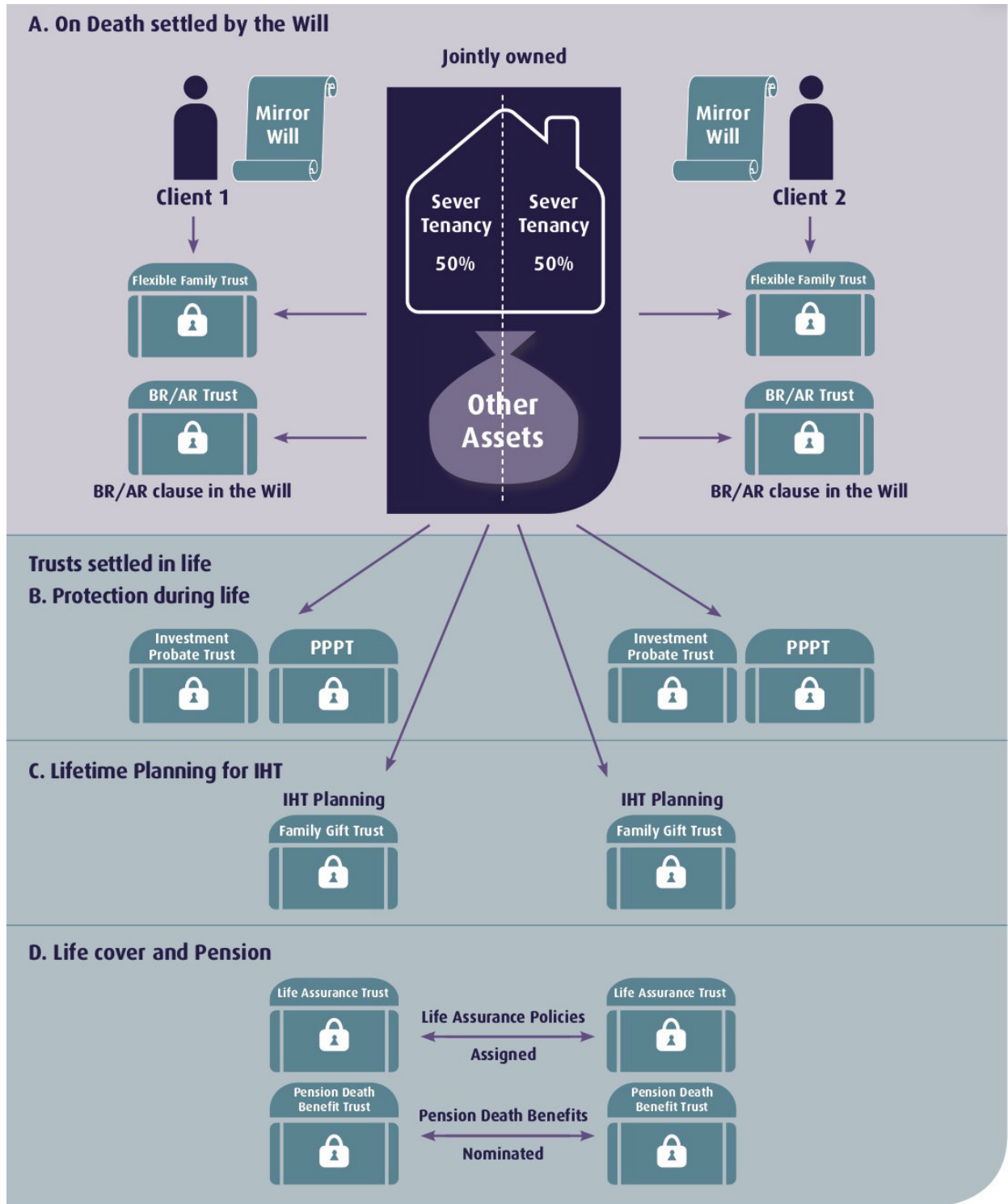
This is NOT your typical Estate, but I wanted to show you how for under £10,000 we could actually negate completely the Inheritance Tax bill of £396k, whilst protecting the Estate and main residence from being assessed for care fees, keeping the wealth in the family and protecting the children from risk from divorce/separation; bankruptcy/creditors and their own care fees. This planning is robust, a one off payment and safe from attack, preserving your wealth for generations to come.

It doesn't matter if your Estate is £10k or £1m, we can make sure that it stays in your family and the cost is relative to the needs of the Estate.

See the Example Planning Illustration on Page 3

			
Wills	Trusts	Business Succession	Powers of Attorney
Around 70% of people pass away without writing a will, some believe they are too young, where others believe that the process is too difficult or expensive.	A Trust Fund can run for up to 125 years but can be closed down or changed by the Trustees at any time. Most assets can be placed into trust or your home.	Business planning is an area that all of our key team members understand well, because we are all business owners and have been for many years.	There may come a time when you are unable to manage your financial affairs or personal welfare, owing to some form of incapacity and you will need someone to act on your behalf.

Planning Illustration



● Section A are Trusts settled on death

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



Care Fee Planning

Planning for your 'Golden Years' should be considered as early as possible and we can help you both with the planning in terms of Pensions and Financial Investments



Inheritance Tax

We work hard all of our lives to provide for our families and leave something behind, would you want almost half of your hard earned assets to go to the tax man?



Probate

Probate is the legal process of handling a person's belongings, savings, investments and property in accordance with their final wishes.



Funeral Planning

Funeral planning may not be the most pleasant task, but it is enormously beneficial for those who are left behind when you pass away.



Having money does not mean that you 'get it right' when you die!

Many a wealthy celebrity has died in intestate (without a Will), despite their millions, they have been badly advised or thought they were going to live forever!

Here are just a few:

Rik Mayall; Martin Luther King Jr.; Jimi Hendrix; Amy Whitehouse; Pablo Picasso; Abraham Lincoln; Howard Hughes & most recently Aretha Franklin.

When there are no feuding families the Estates can be resolved, however at a huge cost in probate & solicitor's fees, so having a Will ensures that these are minimised.

Michael Jackson was initially thought to have died intestate but a Will was later found. Before he died he was facing bankruptcy, however this article from Today's Wills & Probate shows that his Estate has been well managed since and come around full circle and is able to take care of his beloved children.

Marking Michael Jackson's 60th birthday this week, new court papers showed that his estate has made extraordinary recovery after he died. Jackson now earns more money in death than he did when he was alive, after stacking up a huge £57 million in 12 months.

Following his death, the legendary 'King of Pop' had debts and creditor claims amounting to £388 million but his estate has recouped all monies and flourished. It was reported that more than half of the estate's earnings covered Jackson's debilitating debts and long-term legal battles, but it seems money worries have been eradicated and is now financially secure.

Just months before Jackson died of an overdose at the age of 50 he stated they were living like 'vagabonds'. This staggering turnaround means that Michael's children Paris, 20, Prince, 21, and Blanket, 16 will now be well looked after and have no money worries for the rest of their lives which was a stark contrast to the last three years before his death in 2009. MJ's fortunes were presented in the Los Angeles' court filing by the executors including his close friends Branca and McClain.

The lengthy document revealed in detail some of the estate spending which included an extravagant home in Calabasas for the children, \$60,000 for a year of private schooling – and \$28,500 in spending money for numerous holidays that year.

IT'S NEVER TOO EARLY, BUT IT'S OFTEN TOO LATE!!



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