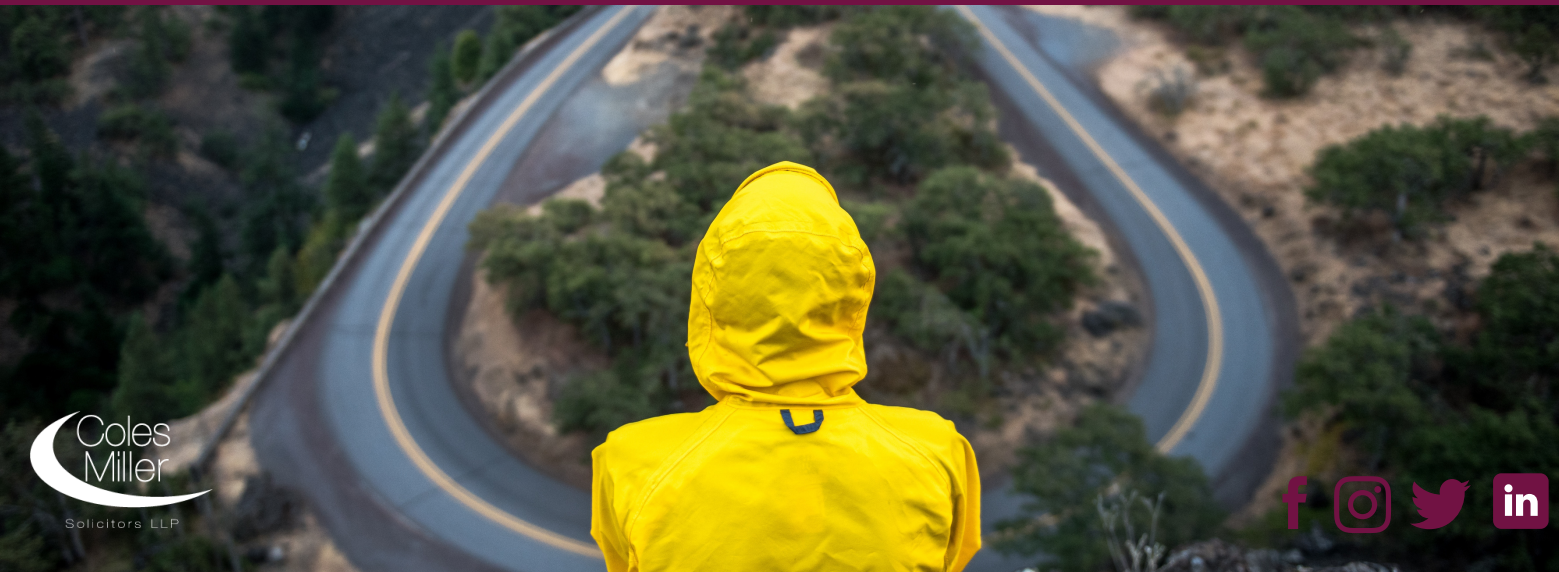


TAX AND ESTATE PLANNING

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Making the best provision for your family or your business now and in the future requires careful financial planning. In addition to making a will and planning arrangements for your care later in life, those with more complicated financial affairs should give consideration to carefully planning and taking pre-emptive action in order to mitigate against their tax liabilities and maximise the benefits left to their families and loved ones.

Inheritance Tax Planning

In simple terms, inheritance tax is the tax payable on your estate when you die if the value of your estate exceeds a certain amount. Currently, inheritance tax is charged at 40% on the value of estates above the threshold (nil-rate band), subject to any exemptions and reliefs that may be available. Your estate is basically the net value of everything you own - all your assets minus any debts.

Without proper tax planning, many people can end up leaving a substantial tax liability on their death, considerably reducing the value of the estate passing to their family or chosen beneficiaries. Our dedicated specialists can review your financial position and offer expert advice on your options.

Trust Creation and Administration

Our Wills and Probate team can also advise on the creation and management of trusts including responsibilities and power of trustees, dealing with legacies to minors, protecting assets from possible creditors or failed marriages, and taxation of trusts. We also advise on the use of trusts for tax planning purposes and for the protection of damages awarded for personal injury.

Property Trust Wills

You may be concerned that your property would have to be sold if you went into residential care to meet the cost of such care. It is possible to protect your family's inheritance by making Property Trust Wills. Property Trust Wills contain a provision that upon your death your share of the property can be held upon trust for your children or other beneficiaries, whilst allowing your partner to live in the property for his/her lifetime. In this way you can pass your share of the property to your children or other beneficiaries and at the same time protect your partner.

Property Trust Wills can also be used for second relationships to provide for the second partner whilst preserving the first partner's assets for the children of the first relationship. Such Wills can also protect against the possibility of the children of a first relationship losing out if the surviving partner enters into a new relationship after the first partner's death. Marriage or entering into a Civil Partnership automatically revokes a will. Therefore if your partner does not make a new will following any subsequent marriage or Civil Partnership, his/her new partner and family may benefit from your share of the property.

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Equity Release

The term 'Equity Release' is used to describe schemes whereby homeowners raise income or capital from their property. The two main types of equity release schemes are 'Home Reversion Plans' and 'Lifetime Mortgages'. Under a Home Reversion Plan all or part of the home is sold to a company and in return the homeowner receives a cash lump sum, an income or both. With a Lifetime Mortgage the homeowner borrows against the value of their home releasing a loan which can be used to provide a cash lump sum, an income, or both. -

The loan does not have to be repaid until the homeowner dies or moves into long term care. Equity release does not suit everyone and should not be undertaken without careful consideration and advice from an experience legal advisor. Coles Miller have a knowledgeable and friendly equity release specialist who can advise on the implications involved.

Found this information useful and
want to know your next steps?



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