



ESTATE PLANNING GUIDE

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MEET OUR TEAM



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LEGAL TEAM



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With over 60-years combined experience throughout the company, we can provide the best possible guidance and advice in all aspects of estate planning. Our team of consultants work in various locations across England and Wales and can offer a range of appointment options. From the comfort of your own home to a consultation via online video conferencing platforms. The choice is yours.



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Welcome to our estate planning guide to the services we offer.

HELPING PROTECT WHAT'S IMPORTANT TO YOU

Your estate encompasses all the assets you've spent a lifetime working to accumulate. We help families and individuals plan their estates so that their loved ones are cared for in the future. Failure to plan can leave a mess, with families facing court and conflict when they are at their most vulnerable. Having a thorough plan will give you the peace of mind, knowing that your affairs are in order for the day when you are unavailable or unable to manage them.

Please remember, this guide is simply an introduction to the field of estate and later life planning and does not constitute, nor should it be considered as being, legal advice.

No doubt, after reading this you will have questions regarding your specific situation. In which case, please contact us to arrange a consultation to discuss your individual needs, either face to face, virtually or over the phone.

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WHO WE ARE

We specialise in estate and later life planning. We operate in various locations across the UK, providing advice on estate and funeral planning in the comfort of your own home. Silvertime Legal guarantees peace of mind for you and your family, now and in the future.

At the heart of our service, it is our belief that we need to get to know you and understand your plans and wishes before we proceed. No individual is the same, so it is important we can tailor your plan to your needs.

Once we are happy that we understand your needs, we will work closely with you to safeguard your family's security, by putting a plan in place, that will help protect your wealth for you and your family.

Our ethos is to:

- Listen
- Inform
- Guide
- Provide a bespoke solution

GROUP COMMUNITY TALKS

We work with local communities throughout the country to raise awareness of some important issues that potentially affect families every single day. Our message is serious, but our delivery is informal and delivered in straight forward, understandable English – you can be assured of thought-provoking content, including a Question-and-Answer session at the end.

Our speakers deliver an informative talk on all aspects of estate planning and will answer all of your questions.

For more information please contact 0800 107 3105



WHY PLAN AHEAD?

People plan ahead for almost everything. From planning for holidays or that special birthday, to saving to move house or long-term retirement plans, you are constantly planning for the future. However, there is one thing that is often over-looked or left too late and that is estate planning.

WHAT IS AN ESTATE?

An estate is the net worth of a person at any point in time, alive or dead. It is your total assets – savings, possessions, including property, business etc – minus all your debts at that time. It is everything you own; minus everything you owe.

WHAT IS ESTATE PLANNING?

Estate planning is the process of arranging the management and distribution of your estate, both during your life and after your death. It is a way of controlling how your assets are distributed and express further wishes such as naming your children's guardian(s) in the event of your early death.

WHY PLAN AHEAD?

Put simply, having plans in place for the future will allow you to take care of the important things and people in your life. Planning ahead will provide answers when you are unable to make decisions for yourself; for example, what will happen to your home, your savings and any investments or your pension when you die. It will also make sure that you leave as much as possible to the people you love.

But planning for the future will also provide peace of mind, not only for yourself, but also for your family. So, when the time comes, your loved ones will know what you want to happen and can celebrate your life without having any unnecessary stress or worry.

6 REASONS TO PLAN NOW

1. Give you and your family peace of mind.
2. Remove stress and worry.
3. Make it clear what you want to happen if you became unable to make decisions yourself.
4. Protect your home and savings for future generations.
5. Make sure you can leave as much as possible to your loved ones.
6. Remove financial burden from your family.

THE PROCESS

HELPING YOU PLAN AHEAD

Being specialists in legal, estate and later life planning, we are ideally placed to help you put in place tailored plans that are right for you.

To make things easy, we have a simple 4 step process that helps you take control and gives you and your family the protection and peace of mind you need.

YOUR 4 EASY STEPS

Step 1 – Full review in the comfort of your own home to understand what is important to you and your family.

Step 2 – Creation of a tailored plan. From a simple Will to complex estate planning, we will build a plan that is right for you.

Step 3 – Go through your plan, making sure you fully understand everything we are recommending and why.

Step 4 – Review at any time – making sure your plans continue to meet any change in your circumstances.

WHAT ARE THE SERVICES/LEGAL DOCUMENTS THAT WILL BE INCLUDED IN CREATION OF MY ESTATE PLAN?

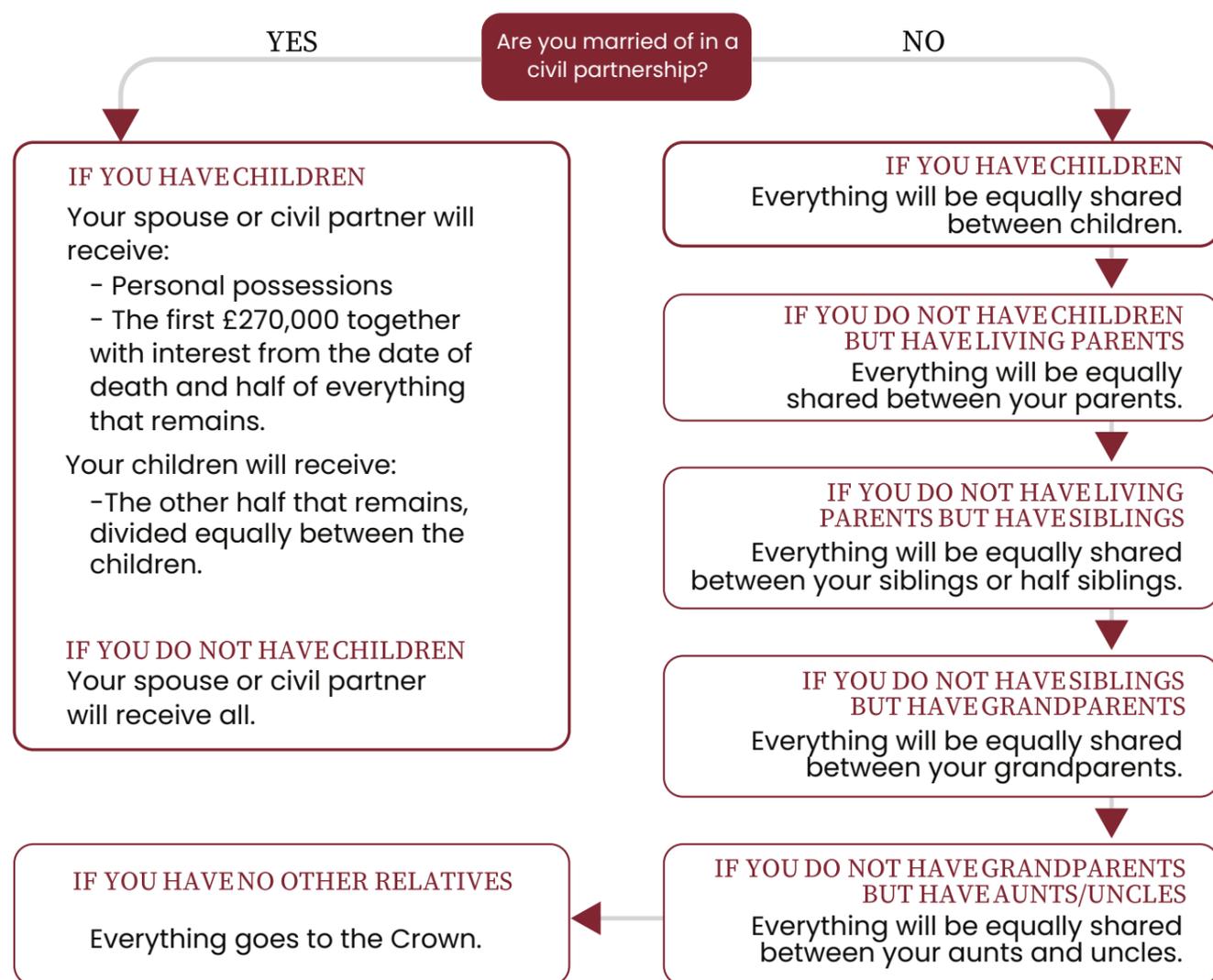
Most people will require the following documents:

- A Will and an accompanying letter of wishes;
- Lasting Powers of Attorney;
- A funeral plan; and potentially, the use of a Trust(s)

We will go through these terms individually in the following sections, providing you with an explanation of what they mean, their importance and their benefits. However, whether your plan will include the use of some or all of them, will depend on what we learn of your situation during our initial meeting.



THE RULES OF INTESTACY FLOW CHART



- The term children includes illegitimate and adopted children but not step children.

- If these relatives were not living at the date of your death but they left descendants who are, then those would usually inherit the share their parents would have taken had they survived you.

- Please note that this information is provided as a guide and only summarises the laws relating to the rules of intestacy in England and Wales since 2020. This page illustrates the new rules set out in The Inheritance and Trustees Powers Act 2014 and The Administration of Estates Act 125 (Fixed Net Sum) Order 2020.

WILLS

WHAT IS A WILL?

A Will is a legally binding document that allows you to decide how your estate will be handled and how your assets are distributed upon your death. It helps ensure that the people you love get what you want.

HAVING A WILL MEANS YOU CAN:

- Set out what you want the people or charities you care about to receive after your death.
- Legally appoint people you trust to deal with your property and possessions when the time comes; things like cashing in assets, paying debts and giving what's left to the right people.
- Protect assets for future generations.

DO I NEED A WILL?

Yes, a will is a basic estate planning tool that almost everyone needs, even if you think you are not wealthy enough. Most people come to us having never made a Will and we understand that thinking about death can be scary, but we are here to guide you through the process of making your Will and take the fear and complication away.

Furthermore, if you do not create a Will, your estate will still be distributed, but you will not have the option to choose who gets what. Instead, it will be distributed in accordance with a specific set of government rules.

WHAT WILL HAPPEN IF I DIE WITHOUT A WILL?

Whoever you are and whatever your circumstances, if you die without a will in England and Wales, then legal rules called - the intestacy rules, will decide who benefits from your estate. In many cases, this means your loved ones are not guaranteed to benefit in the way you would have hoped.

HERE A FEW EXAMPLES OF HOW THE RULES OF INTESTACY WORK:

- If you are not married, but in a relationship then your partner has no automatic right to benefit from your estate. This is true even if you are engaged or living together.
- If you are married and you have children, your spouse is not necessarily entitled to all of your estate.
- Step-children have no automatic entitlement to your estate.
- The intestacy rules don't care about what is or is not inheritance tax efficient - often tax is charged when it needn't have been.
- The intestacy rules don't care about protecting your assets if you have a way.

MAKING SURE YOU PROTECT YOUR ESTATE AND THAT IT GOES TO THOSE YOU CHOOSE

WHAT ARE TRUST WILLS?

Unlike a Lifetime Trust, which is set up when you are alive, a Trust Will is set up once you have died. In simple terms, instead of transferring everything in your share of the estate to your spouse or partner when you die, it is put into a Trust.

For example, if you put your share of your home into a Trust, your spouse can continue to live in the home for as long as they wish. It also makes sure your share can't be transferred to anyone who is not named in a Trust as a Beneficiary - helping protect it should your spouse remarry or want to pass it to someone else.

It may also have tax advantages, as putting assets in a Trust can help to reduce the burden of Inheritance Tax for future generations.

WHY A TRUST WILL COULD HELP YOU CONTROL AND PROTECT YOUR WEALTH?

- Your share will only go to those loved ones you have named.
- Helps to reduce Inheritance Tax for future generations

There are many different types of Trust Wills and it is important that the correct one is identified for you and your family. Our experts will help to work through the different options, exploring what is best for you before making final recommendations, as part of your long term plan.

OUR ADVANCED PROTECTION PLAN

Understanding that most people want to protect both their families and their wealth, we now have developed our Advanced Protection Plan.

This plan combines a Will, an LPA and a Lifetime Protection Trust. It allows you to protect your home and savings for your loved ones, while also making sure any other matter is handled to make things as straightforward as possible for your family.



LASTING POWERS OF ATTORNEY

WHAT IS A LASTING POWERS OF ATTORNEY?

Lasting Powers of Attorney (LPAs) are documents that let you choose people to look after your affairs if you are not able to do so yourself - whether due to dementia, stroke, accident, or perhaps simply being unable to get out and about.

WHY IS IT IMPORTANT?

An LPA ensures that, should you be unable to manage your own affairs, the people you have appointed can start making decisions on your behalf immediately. This can save a great deal of money and distress, and will ensure that, as a vulnerable person, your affairs will be handled correctly and quickly.

DIFFERENT TYPES OF LASTING POWERS OF ATTORNEY

There are two types - Health and Welfare or Property and Finances. We recommend preparing both types so that you have everything covered, but you do have the option of preparing just one or the other. In addition, if you have a business, you may wish to prepare a separate LPA appointing special attorneys who can take over your business interests if the need arises.

WHAT IS PROPERTY AND FINANCE LPA USED FOR?

- Bank or building society accounts
- Renovations or maintenance on your property
- Payment of bills
- Pension and or benefits
- Re-mortgaging or selling your home

This type of LPA can be used by your Attorney or Attorneys as soon as it is registered at the Office of the Public Guardian. Alternatively, it is possible to restrict the LPA so that it can only be used if you become mentally incapable.

If you lose mental capacity without an LPA, someone then will need to apply to the Court of Protection for the right to become your deputy, which would then grant them decision making rights. This is a much protracted process and far more costly.

Applying to the Court of Protection will take a lot longer and cost you more than creating a Lasting Power of Attorney. On average, it is taking in the region of 9 months. Being a deputy also has far more ongoing obligations including reporting and accounting requirements. See the diagram opposite for a visual comparison of the two processes. Furthermore, there is no guarantee that the person the court appoints as your deputy, would be the person you would have chosen to make those decisions for you. In addition, the Court of Protection is reluctant to grant ongoing Deputy Orders in relation to Health and Welfare. Therefore, this may not be an option if a Lasting Power has not been put in place.

WHAT IS HEALTH AND WELFARE LPA USED FOR?

- Where you live
- What you eat, how you dress, how you are cared for daily
- Who you have contact with
- Your medical care and end-of-life care

This type of LPA can only be used if the Donor becomes mentally incapable of making their own decisions.

In both cases, you must have mental capacity when making the lasting power of attorney.

APPLYING FOR A DEPUTYSHIP

John has lost his mental capacity due to a heart attack.

- Widowed - 1 Child (Sam)

1

- Sam is now advised to make an application to the Court of Protection (COP) as a Deputy.
- Capacity assessment is carried out for John. (Approx. £200)

2

- Completion of forms with details required. A payment of *£365 including form + copy sent.
- Within a month, Sam receives a stamped copy of the application from COP.
- Sam must notify John and anyone else involved about the application, as well as send a confirmation of notification to the COP.

3

- COP now decides to accept or reject the application and if more information is required.
- If required more information, process is likely to be delayed, while COP accepts 2nd application.
- It could take up to 9 months for Sam to receive a Court Order on his rights as Deputy.

4

- A Security bond/fee is charged when Sam is appointed as Property and Affairs Deputy.
- Official copies of Deputy order sent to all relevant organisation.
- Sam needs to now provide all the transactions and decisions to the COP annually.

5

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6

As John's Deputy, Sam is now supervised directly by the **OPG. To make sure he is fulfilling his duties, he may be visited by the COP. Sam also must keep all the copies of any transactions, receipts, gifts, contracts of service, letter and emails.

This can be a stressful, expensive and time consuming process.

INITIAL COST CAN BE FROM

£1800 + PA***

APPLYING FOR AN LPA

1

- Whilst in good health, John arranges a Lasting Powers of Attorney (Costing £450)
- John has appointed Sam as his attorney for Property and Financial affairs as well as Health and Welfare affairs.

2

- LPA'S are registered with the OPG (Costs £164)
- LPA'S are presented to all relevant organisations.

3

- If John loses mental capacity, Sam immediately will have a right to look after John's financial affairs as well as his care and medical decisions.

Setting up a Lasting Powers of Attorney is an easy 3 month process.

TOTAL INITIAL COST

£614 + PA

* Current Court of Protection application fee payable.

** Office of the Public Guardian.

*** Estimated annual costs and dependent upon personal circumstances each year.

TRUSTS

WHAT IS A TRUST?

Sometimes, having a basic Will just isn't enough to protect your estate once it's passed on to your loved ones. A Trust is a way of managing your assets, either during your lifetime or after you are gone, and can often play a key role in your estate planning if you are looking to add an extra layer of protection.

A great way to describe a Trust is like a chest, or safety deposit box.

When you set up a Trust, you decide who holds the key now and who can hold it in the future, you can also decide what type of assets can be placed into the chest, such as your Main Residence, an Investment, a Life Policy, how and when they can be altered or distributed, and who to (the beneficiaries).

TYPES OF TRUSTS

There are many types of different trusts, depending on your aims and objectives. However, the most commonly used are:

- Discretionary Trusts
- Bare Trusts
- Life Interest

These Trusts mainly vary in flexibility – whether the beneficiaries set in stone once named or do the trustees have full discretion over who the beneficiaries are; whether the beneficiaries are entitled to the asset at an exact age or not; or even whether the beneficiary is even ever entitled to the asset at all, or just the income it produces.

These trusts can also be set up now – Lifetime Trusts; or on death – Will/Testamentary trusts i.e. only coming into effect on your death,

WHY ARE TRUSTS USED?

PROBATE – Trusts can be useful to avoid the need to obtain probate altogether allowing the assets to be accessible immediately. Probate can be time consuming and expensive.

INHERITANCE TAX – If the estate is over the IHT threshold, there is quite a high price to pay in inheritance tax (40%) which drastically reduces the amount inherited. Trusts can drastically reduce or even remove the tax altogether.

DIVORCE – By holding their inheritance in trust your beneficiaries ensure that once you pass away, if they are subject to divorce proceedings their inheritance is protected from divorce settlements .

MARRIAGE AFTER DEATH – Following your death, you may wish for all your assets to pass to your spouse. But what if they remarry? The entire estate (including your share) passes to their new spouse. The new spouse may choose to disinherit your children/grandchildren and family in favour of their own. Assets in trust are protected from marriage after death – the surviving spouse can still use the assets, but eventually they would pass to your beneficiaries only.

LONG-TERM CARE – Assets in a trust may not be assessed for care; if held in a trust they could be deemed as owned by the trust, not the individual – meaning that they are protected from care costs.

PROTECT YOUNG OR DISABLED BENEFICIARIES – A trust can ensure that your assets pass on to your beneficiaries in a safe environment. Your trustees would ensure that any inheritance is looked after until minors are of reasonable age; and ensure beneficiaries that are unable to make decisions for themselves are well looked after. Importantly, most benefits are means tested, a trust will also ensure that and disabled beneficiaries benefits can continue.

HOW DO I DECIDE WHICH TRUST I SHOULD GET?

The Trust you require is largely dependent on your aims and objectives. Trusts primarily differ in the way in which they are created and commence, how they are taxed, who can benefit and when.



INHERITANCE TAX PLANNING

WHAT IS INHERITANCE TAX?

Inheritance Tax (IHT) is levied against a person's estate upon death. If you are single, then the current threshold before you pay inheritance tax (known as the Nil Rate Band) is £325,000 and for married couples (or civil partnerships) this is £650,000. In many cases, on the first death of a spouse, no tax will be due, and the Nil Rate Band will be transferred to the surviving spouse and can be used on their death. Anything over these amounts will be taxed at 40%.

HOW DOES THE RESIDENCE NIL RATE BAND WORK?

The residence Nil Rate Band will only apply if you own, or have previously owned a residence, which is or has been passed down to your children or grandchildren (including step, adopted or foster children).

Please note that if you have an estate of over £2million then your residence nil rate band will be reduced therefore increasing your inheritance tax liability and if your estate is worth more than £2.7million then all your residence nil rate band allowance will be lost. Consequently, Inheritance Tax is becoming an issue for more and more families, largely due to house prices increasing at a high rate over the last fifty years. Many people are now finding their assets are creeping over the inheritance tax threshold, thus causing a greater liability of Inheritance Tax than first thought.

HOW AND WHEN IS INHERITANCE TAX PAID?

After passing of an individual, the executors will have to administer the estate and calculate if the estate is liable for inheritance tax. Your Executor will be liable to pay the inheritance tax at 40%. Only when this has been paid can the Grant of Probate be issued, which then allows the executor to bring together all of the assets and distribute them as per the wishes of the will, or if no will then assets will be distributed as per the laws of intestacy.

HOW AND WHEN IS INHERITANCE TAX PAID?

Many parents/grandparents give some of their assets to loved ones whilst still alive. These are called 'potentially exempt transfers'. For these assets to be excluded from your estate and be tax free, you must live for seven years after passing them to your loved ones. You can make gifts of up to £3,000 per annum which would immediately come out of your estate and not be liable for inheritance tax. If you would like to know how to reduce or avoid inheritance tax on property then speak to one of our Experts (mainly used for rental portfolios).

WHAT CAN I DO TO MINIMISE MY INHERITANCE TAX LIABILITY?

Use your gift allowance of £3,000 each year.

- If you receive income surplus to your requirements, you can make regular gifts from your income, which will be free of IHT.
- Put assets into Trust.
- Life Assurance to cover any IHT liability.
- Make a gift to charity in your will.
- Certain Investments can be used to take assets outside of your estate.



PROBATE SERVICE

WHAT IS PROBATE?

Probate is the entire process of administering a deceased person's estate. Applying for the legal right to deal with someone's property, money, and possessions (their 'estate') when they die is called 'applying for probate'. If the person left a will, you would get a 'grant of probate'. If the person did not leave a Will, you will get 'letters of administration'

WHO APPLIES FOR PROBATE?

If the deceased left a Will, the 'executors' named within the will apply for probate.

DO YOU HAVE TO ACT IF YOU ARE APPOINTED AS AN EXECUTOR WITHIN A WILL?

Executors do not have to act. They can either renounce their executorship permanently or they can reserve power. Reserving power allows the executor to act in future if needed, alternatively we could act as Attorney.

WHY IS A GRANT OF PROBATE OR LETTER OF ADMINISTRATION REQUIRED?

These are formal documents that the court issues to confirm you have the authority to deal with the estate. You will need them to gain access to the deceased assets, which are held by third parties (bank accounts, property, insurance policies).

IS PROBATE NECESSARY?

If the deceased leaves a property or assets worth £15,000 or more in their sole name, it is usually necessary for the estate to go through probate.

WHAT IS CONSIDERED AS AN ASSET WHEN DETERMINING WHETHER SOMEONE'S ESTATE IS WORTH £15,000 OR MORE?

- | | |
|------------------------------|---|
| • Cash | • Property |
| • Stocks and shares | • Land held in their own name or as 'tenants in common' |
| • Certain insurance policies | |

WHAT ABOUT PROPERTY THAT IS OWNED JOINTLY WITH SOMEONE ELSE?

If the deceased owned anything jointly with someone else, as a joint tenant on a property for example or as a signatory on a joint bank account, then everything relating to that joint relationship passes automatically to the surviving joint owner and is not considered part of the deceased's estate. Similarly, anything held in a Trust or being directed to a Trust within a Will is not considered part of the deceased's estate and as such will not be required to go through the Probate process. However, it may still be considered for inheritance tax purposes and the appropriate process followed.

ESTATE WORTH LESS THAN £15,000.

If the estate is worth less than £15,000, you still may need to go through probate if:

- The bank or building society still insists on seeing a Grant of Probate.
- Insurance policies are involved which need to be paid to the estate rather than directly to a beneficiary.
- The person has given away any substantial assets in the last seven years - in which case, Inheritance Tax may be due.

We will handle the entire probate process, or individual elements while offer a fixed fee service. Contact us for more information.

WHY TRUST ANYONE ELSE TO PROTECT YOU AND YOUR FAMILY?

PRICE

Our initial no-obligation review is free. Once we have a clear understanding of your needs, we will develop a clear set of recommendations and then discuss through them. At this stage, we will also provide a clear indication of the costs of putting each element of the plan in place.

We will always be open and clear about the costs of our plans and what benefits they offer. You can then make an informed choice on what is right for you and your family.

YOUR NEXT STEP TO PEACE OF MIND

Implementing the right plan can help you overcome any of the following concerns:

1. Protecting your home and savings for future generations.
2. Stopping 'sideways disinheritance' - protecting your home and savings when a surviving partner changes their Will.
3. Making sure your assets go to exactly who you want them to.
4. Removing the possibility of a Beneficiary losing their inheritance through divorce or bankruptcy.
5. Planning for if/when you lose mental capacity, by making sure your chosen family/friends can make decisions on our behalf when you can no longer do so.
6. Appointing Guardians for minors and deferring an age of inheritance beyond 18.
7. Providing for a disabled Beneficiary, or a Beneficiary who can't be trusted to spend their inheritance wisely.
8. Making the most of tax allowances and tax planning opportunities.

We hope this guide has proved to be informative and helped you appreciate the benefits you will receive by taking a pro-active approach to planning for your future.

Furthermore, while this guide is packed full of useful information, there really is no substitute to speaking to a professional adviser about your specific situation, because everyone is different, and one size does not fit all.

That is why we are pleased to offer a COMPLIMENTARY, no obligation initial appointment to all prospective clients, so there really is no reason not to call us now on 02476 939 940, to arrange this, or if you have questions about this guide.

**Call us now and take control.
Now is the time to protect you and your family's future.**

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