



7



RETIREMENT PLANNING |

- WORKBOOK

Estate Planning

This workbook belongs to:

ESTATE PLANNING

Estate planning is something that most of us come to consider eventually. We may not like to think about what it might mean for us in order for our estate plans to come into effect, but **there is great peace of mind that comes from having this stuff in order.**

This workbook is designed for you to get your estate planning ducks in a row, so that you can have constructive conversations with the different stakeholders and with any professional advisers you may bring on board.

Estate Planning Checklist

Take the following steps to get your estate plans in order. Each of the steps has its own section in this workbook:



Calculate your Inheritance Tax liability



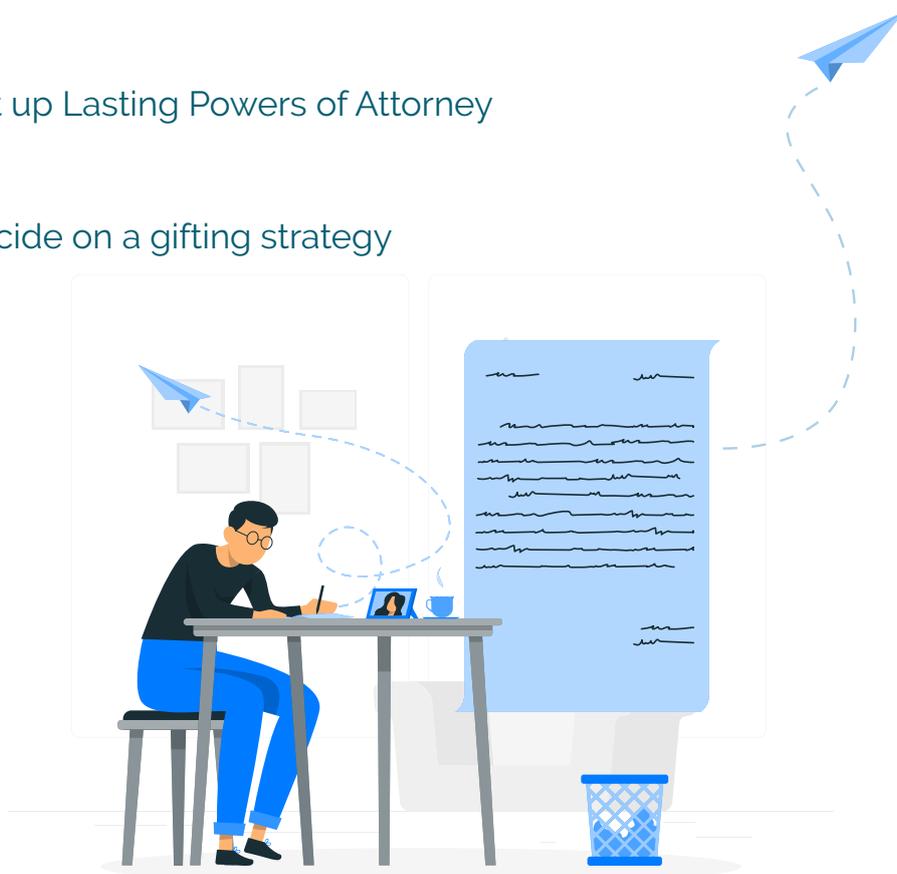
Make a will



Set up Lasting Powers of Attorney



Decide on a gifting strategy



1. CALCULATE YOUR INHERITANCE TAX LIABILITY

You can calculate your IHT liability in a very scratch fashion by following five simple steps:

1. Add up the value of everything you own including any gifts you have made in the past seven years
2. Take off the value of anything you owe
3. Deduct the Nil rate band of £325,000
4. Deduct the Residence Nil Rate Band of £175,000 if you have a home or had one before moving into care, and if you are leaving it to direct descendants
5. Whatever figure is left, multiply by 0.4 (40%) to get your inheritance tax bill.

Of course, it is a little more complex than that. The simplest way is to use Voyant Go and use the Legacy tab. Click the dropdown to choose which scenario you want to look at, if you die now or if in a couple if you both die now. The software will give you your IHT figure based at the end of the current plan year.

If you are in a legal partnership and the plan is to leave everything to each other on the first death, then the steps above are very similar:

1. Add up the value of everything you own including any gifts you have made in the past seven years
2. Take off the value of anything you owe
3. Deduct the combined Nil rate band of £650,000
4. Deduct the combined Residence Nil Rate Band of £350,000 if you have a home or had one before moving into care, and if you are leaving it to direct descendants
5. Whatever figure is left, multiply by 0.4 (40%) to get your inheritance tax bill.

If you are planning anything more complex, for example if you have kids from a previous relationship and want to leave some money absolutely to them, then watch the lesson Modelling Estate Planning in Voyant Go and use the Legacy Tab to keep an eye on your IHT calculation.



2. PREPARING TO MAKE A WILL

I strongly suggest that you do NOT make your own will, but have it properly drawn up by a competent solicitor or a service such as Farewill.com.

Prior to engaging, with a legal professional, you should have some things prepared to make the conversations easier. The form below should help you to get the necessary ready and to do some thinking beforehand.

Family

Marital status

Single



Married



Registered Civil Partnership



Divorced



Widowed



Are you intending to be married in the near future?

Yes



No



Are you intending to enter into a registered civil partnership in the near future?

Yes



No



Do you have any children from any marriages?

Yes



No



Do you have any children from any unmarried relationships?

Yes



No



Spouse/Civil Partner's details

Full Name:

Address:

Relationship to you:

Detail of children (including those from previous marriages/relationships)

Full name:

Date of Birth / Age:

Address:

Full name:

Date of Birth / Age:

Address:

Full name:

Date of Birth / Age:

Address:



About your estate

| Assets | Total (£) |
|---|-----------|
| Principal Place of Residence | |
| Sole owner <input type="checkbox"/> Joint tenants <input type="checkbox"/> Tenant in common <input type="checkbox"/> Unknown <input type="checkbox"/> | |
| Other Property | |
| Sole owner <input type="checkbox"/> Joint tenants <input type="checkbox"/> Tenant in common <input type="checkbox"/> Unknown <input type="checkbox"/> | |
| Car(s) | |
| Cash in the bank | |
| Shares | |
| Unit trusts | |
| ISA | |
| Pension | |
| Bonds | |
| Jewellery | |
| Furniture | |
| Life insurance | |
| Your business | |
| Death in service | |
| Other items | |
| Total | |
| Debts | Total (£) |
| Mortgage | |
| Bank loans | |
| Credit cards | |
| Hire purchase agreement | |
| Other debts | |
| Total | |



Executors

1. Full name:

Full Postal Address:

To act solely or jointly:

Relationship to you:

2. Full name:

Full Postal Address:

To act solely or jointly:

Relationship to you:

Funeral Instructions

Do you wish your body to be:

Buried

Cremated

No preference

Other details of funeral:



Guardians for minor children

Full name:

Full Postal Address:

Postcode:

Relationship to you:

Gifts

Gifts of Chattels

| Description of item | Gifted to whom | Recipient's address |
|---------------------|----------------|---------------------|
| | | |
| | | |

Gifts of Property

| Address of property | Gifted to whom | Recipient's address |
|---------------------|----------------|---------------------|
| | | |
| | | |

Gifts of Money

| Amount of monetary gift | Gifted to whom | Recipient's address |
|-------------------------|----------------|---------------------|
| | | |
| | | |

Residuary estate

| Name of beneficiary | Beneficiary's address | % share of residuary estate |
|---------------------|-----------------------|-----------------------------|
| | | |
| | | |

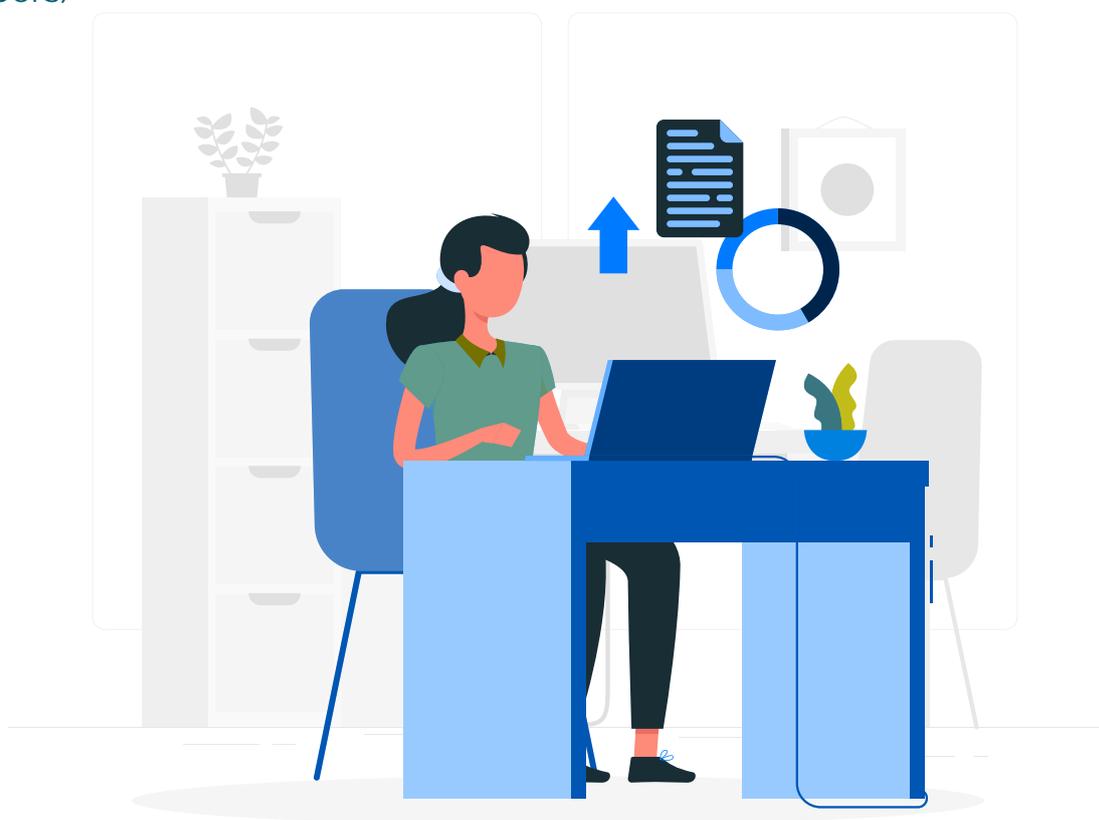


3. SET UP A LASTING POWER OF ATTORNEY

All the help you need, including the forms to use, can be found at:
[gov.uk/power-of-attorney](https://www.gov.uk/power-of-attorney)

Prior to that, give some thought to the following questions:

1. Do I want both kinds of LPA? (Property & Financial and Health & Welfare)
2. Who will act as my attorneys?
3. Are there any special instructions that I would like my attorneys to bear in mind? (e.g. regular gifts, favourite charities, wishes regarding care)
4. Do I want the LPAs to be able to be used before I lose capacity, or only if I lose capacity?
5. Who will act as my certificate provider (the person certifying that you are of sound mind and understand what you're doing)?
6. Who can be my witnesses?
7. Who needs to know about the LPA? (There is an option in the form to notify certain individuals when the LPA is made and when it is triggered – perhaps other family members)



4. DECIDE ON A GIFTING STRATEGY

You may have already considered in the earlier sections about who you might make certain gifts to in your will. But what about lifetime gifts?

You can use your financial plan in Voyant to determine a gift strategy that doesn't jeopardise your own financial wellbeing. There's a lesson on how to do that in Module Seven of Retirement Planning.

Remember your gifting allowances:

- £3,000 annual gift allowance
- £250 small gifts allowance (as many of these as you like)
- Gifts from income exemption (gifts must be regular, from income and not diminish your standard of living)

Any gifts outside of these allowances should be made carefully, considering their impact.

And ALL gifts should be carefully recorded on a gift register. Use this template as a gift register:

| Date of gift | Description of item and value, or value of monetary gift | Beneficiary of the gift |
|--------------|--|-------------------------|
| | | |
| | | |
| | | |
| | | |

