



# ESTATE & TAX PLANNING

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## Securing your business for the unexpected

Having a Will in place is essential if you want to have the final say in what happens to your business and personal assets after you die.

If you die without a Will, everything you own - including business and non-business assets - will be distributed under the laws of intestacy. This means that you or your loved ones will have no say as to who inherits.

Of course, when it comes to writing a Will, you have a plethora of options:

- You can buy DIY kits from the high street
- Do it online
- Get advice from forums or
- Write your own.

If you are looking to save money, these can provide seemingly good options.

But, when you own a business, not using a professional is almost always a mistaken false economy.

Six common mistakes with a DIY Will include:

- It's not signed or dated
- It's signed in the wrong place
- It doesn't have the necessary number of witnesses
- The wrong person has witnessed the Will (e.g. a witness must not benefit from a Will so any family member you want to inherit cannot sign it)
- The Will fails to cover all your assets
- The Will fails to consider issues around inheritance tax, executors and trusts.

Even the smallest of mistakes could render a Will invalid, so expert advice is always recommended.

When you are a business owner, it is even more important that your Will is drafted by a professional. Not least because, if you own a business (or shares in a business), you will probably want to create your Wills in a tax efficient way to help minimise inheritance tax.

### Business assets

When you die, any shares or interest you own in a business become an asset of your estate. Without a Will, these shares could be sold, the company could be broken up, or it could run into trouble without the correct day-to-day management in place.

For example, you might know who you want to inherit your business after you die, but what happens if there is a tragedy and these people don't survive? All eventualities should be considered and only a professional Will writer will know what questions to ask to make sure that your Will covers all situations.

In some cases, you might already have a partnership agreement or company agreements in place that set out what will happen to the business after you die. These types of agreements are usually put in place if more than one person owns a business and you want the company to continue after your death. However, to avoid your assets being dealt with under the rules of intestacy, your Will should detail who will receive your shares.

Drawing up a Will is something that must be done correctly. Speak to David Frederick by calling 020 8670 0917 or email [david@marcus-bishop-associates.co.uk](mailto:david@marcus-bishop-associates.co.uk) to ensure your Will is updated, and your wealth is passed on in line with your wishes.

# Planning for the future with Disability Trusts

If you have a child with a disability, planning for their future is vital. While it is understandably difficult to imagine a time when you won't be around to care for your child, you will want to ensure that they are taken care of.

By including a Trust in your Will, you can provide for your disabled child when you are gone.

A Trust is often a better option than just leaving a specified amount in a Will. Especially where:

- Leaving your child with a large amount of money could put them in a vulnerable position. For example, making them a target of abuse from others
- Where your child is not able to deal with their own finances
- Where your child could lose their means-tested benefits.

Of course, you could leave all your money to someone you trust, on the basis that they look after your child. However, this option is fraught with difficulties.

Firstly, you never know how someone's changing situation and finances (e.g. divorce, bankruptcy, etc.) could impact your child. The courts a full of such cases.

Secondly, if they die, their estate could go directly to their children (or other beneficiaries), leaving your child with nothing. Had you considered this option when choosing that trusted person?

Establishing a Trust helps to avoid such uncertainties and ring-fences the inheritance earmarked for your disabled child.

## Trusts in Wills

When you create a Trust, you can establish it in the terms of your Will.

There are different types of Trusts and they each work in different ways. It pays to speak to a professional advisor to ensure the right Trust for

your circumstances.

Where a disabled child is involved often the most suitable trust is a Disabled Person's Trust.

## Disabled Person's Trusts

A Disabled Person's Trust lets you leave some or all of your estate to a beneficiary who is unable to manage the inheritance themselves.

You establish the amount of the Trust and the people you want to manage the inheritance on behalf of the disabled beneficiary. These people are called the Trustees.

You can also leave a Letter of Wishes stating how you would prefer the Trust to be used. This will help the Trustees to carry out their duties as you would want.

A Disabled Person's Trust does not affect any means-tested benefits, and the money cannot be used to pay off any debt (or be considered an asset in a divorce etc.). Furthermore, your child cannot be coerced into giving away the assets in the Trust or using the money for other purposes.

If you have a disabled child and would like to protect them in you Will, speak to David Frederick by calling 020 8670 0917 or email [david@marcus-bishop-associates.co.uk](mailto:david@marcus-bishop-associates.co.uk).

**If you would like to discuss your Estate & Tax Planning, call David on 020 8670 0917 or email him at: [david@marcus-bishop-associates.co.uk](mailto:david@marcus-bishop-associates.co.uk).**