

Planning for the Future

Wednesday 21 May 2025

Presentation by
Philip Warford

Welcome! The presentation will start soon – stay online



Contact is a national charity supporting families with disabled children and additional needs (from 0 to 25) across the UK.

We provide trusted information, advice & support via our:

- Free telephone Helpline 0808 808 3555
- Website www.contact.org.uk
- Workshops

Helping families to take action

- Campaigning, volunteering, fundraising
- National Network of Parent Carer Forums and Support Groups.



“It was such a relief to find people who understood what I was going through. They pointed me in the right direction and made me feel like there was hope.”



About Us



We specialise in **safeguarding** the finances and welfare of disabled or vulnerable people throughout their lifetime using Wills, Trusts, Powers of Attorney and Court of Protection applications.

We are based in Brighton but provide advice to clients **all over England and Wales** via Zoom and Teams.

We regularly speak at and hold legal clinics on behalf of many local and national Charities including **Mencap, National Autistic Society, Contact, Sense and Scope.**

About Us



Philip
Warford



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What is Covered?

- ❖ Common Issues
- ❖ Why make a Will
- ❖ Usual Will format
- ❖ Trusts

** Please note that we will use the example of the relationship of a parent to a vulnerable child throughout this presentation*



Common Issues

1. Reasons to avoid making outright gift:

If you gift direct, who deals with the recipient's financial affairs? (capacity)

Could the recipient be susceptible to financial abuse? (vulnerability)

A financial gift can affect means-tested benefits and LA funding now or in the future (means-tested benefits)



2. Reasons to avoid leaving money to other family members to 'look after':

- ❖ Bankruptcy
- ❖ Death
- ❖ Divorce
- ❖ Family fall out



3. Planning for where your child will live:

- ❖ Have a think about where your child will live if you die
- ❖ Is your child able to manage the property?
- ❖ Will there be sufficient funds for the upkeep of the property?
- ❖ Is there sufficient support for your child?





Why make a Will?

Why make a Will?

1. Intestacy Rules – apply where there is no Will

- ❖ Where there is a spouse or civil partner and child or children:
 - ❖ **The spouse or civil partner receives:**
 - ❖ Personal chattels
 - ❖ First £322,000 of value assets
 - ❖ Half of the remaining value
 - ❖ **The child or children receive:**
 - ❖ The other half of the remaining value at 18

Why make a Will?

1. Intestacy Rules – apply where there is no Will

- ❖ Where there is no spouse or civil partner but a child or children:

The child or children receive everything at 18



Why make a Will?

2. Inheritance Tax

- ❖ You might also need to consider Inheritance Tax planning
- ❖ The Inheritance Tax Nil Rate Band is £325,000
- ❖ The Inheritance Tax Residence Nil Rate Band is £175,000
- ❖ A gift to a spouse, civil partner or charity is IHT free
- ❖ The Inheritance Tax rate is 40%
- ❖ Set until April 2030
- ❖ Inheritance Tax due to commence on pensions in April 2027



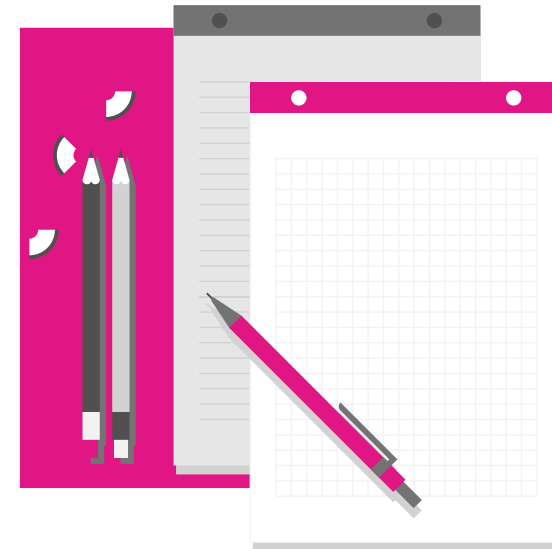
Usual Will Format

Usual Will Format:

1. Revocation of former Wills:

2. Funeral Instructions:

❖ Do you need a Letter of Wishes?



Usual Will Format:

3. Executors and Trustees:

- ❖ What do they do?
- ❖ How many can act?
- ❖ Who can act?

4. Guardians for minor children:

- ❖ Do you need a Letter of Wishes?



Usual Will Format:

5. Gifts:

- ❖ Gifts of personal chattels – use a Letter of Wishes?
- ❖ Cash gifts
- ❖ To charities:

35% of people say they would leave a charitable gift in their Will, but only 6% do

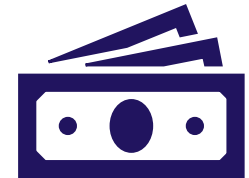
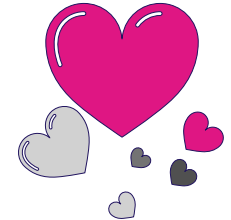
*Legacy income to charities in the tax year 2022/23 was approximately £3.9bn
against Inheritance Tax to the government of approximately £7.1bn*

Take care to make sure your gift is to the correct charity

Usual Will Format:

6. Residue:

- ❖ What is left after the payment of debts, Inheritance Tax, the cost of administering the estate and making gifts of cash or items





Trusts

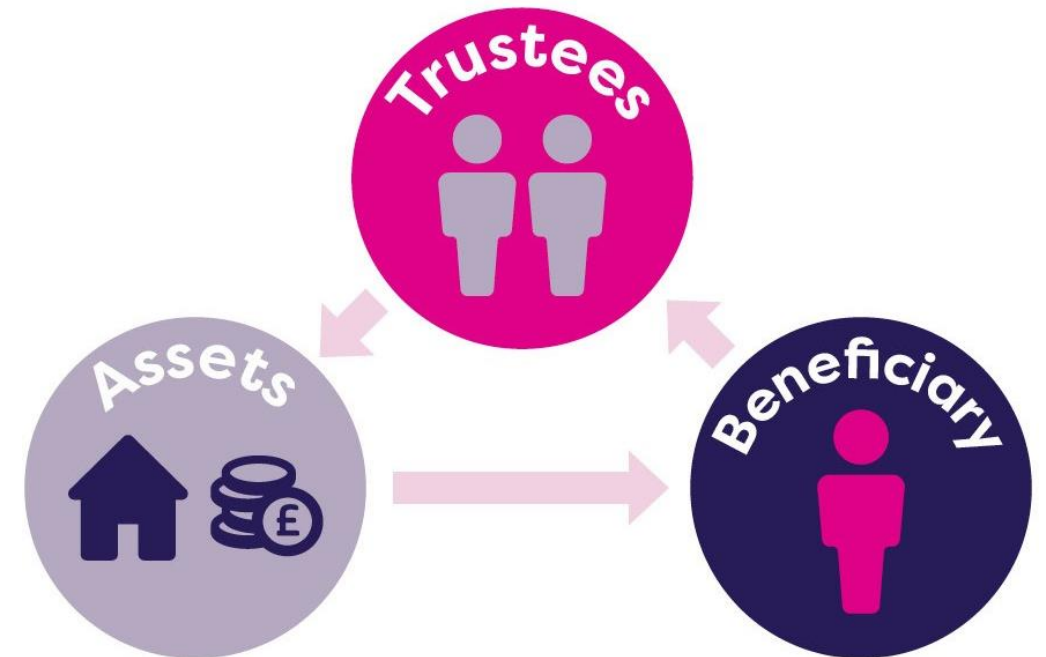
Why use a Trust?

Some of the reasons are:

- ❖ Provide for others but not to give them your assets (**capacity**)
- ❖ Protection of someone who is vulnerable (**vulnerability**)
- ❖ Protection of means-tested benefits (**means-tested benefits**)
- ❖ Tax planning
- ❖ Protection of assets for separate families on second relationships

Trusts:

What are the elements of a Trust?

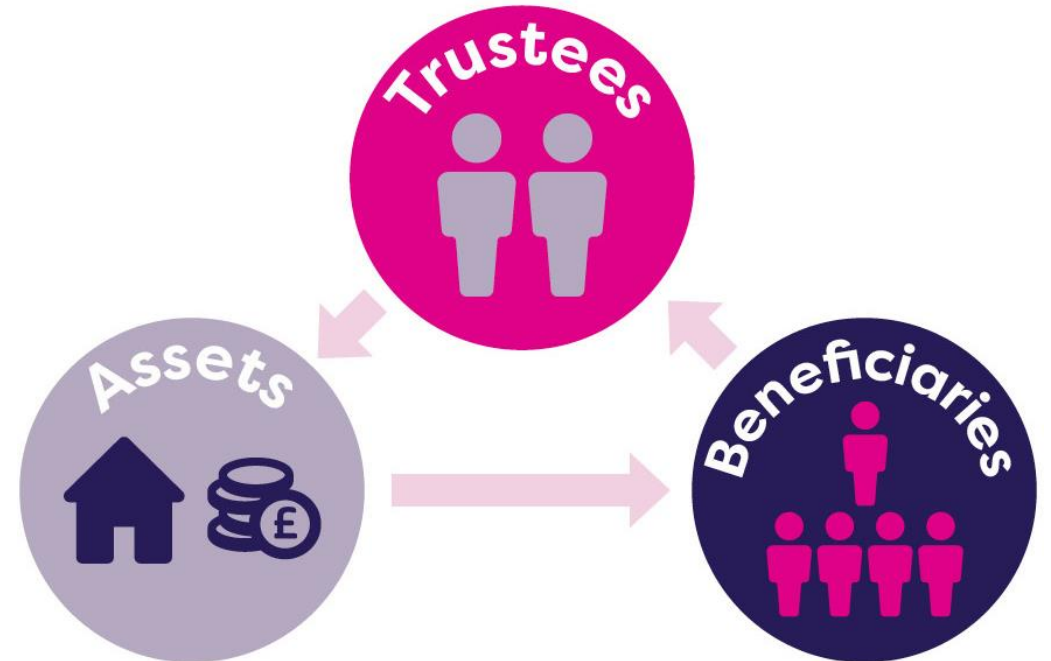


Trusts:

Discretionary Trusts:

Assets used for beneficiaries at the discretion of the Trustees

- ❖ Who?
- ❖ When?
- ❖ What?

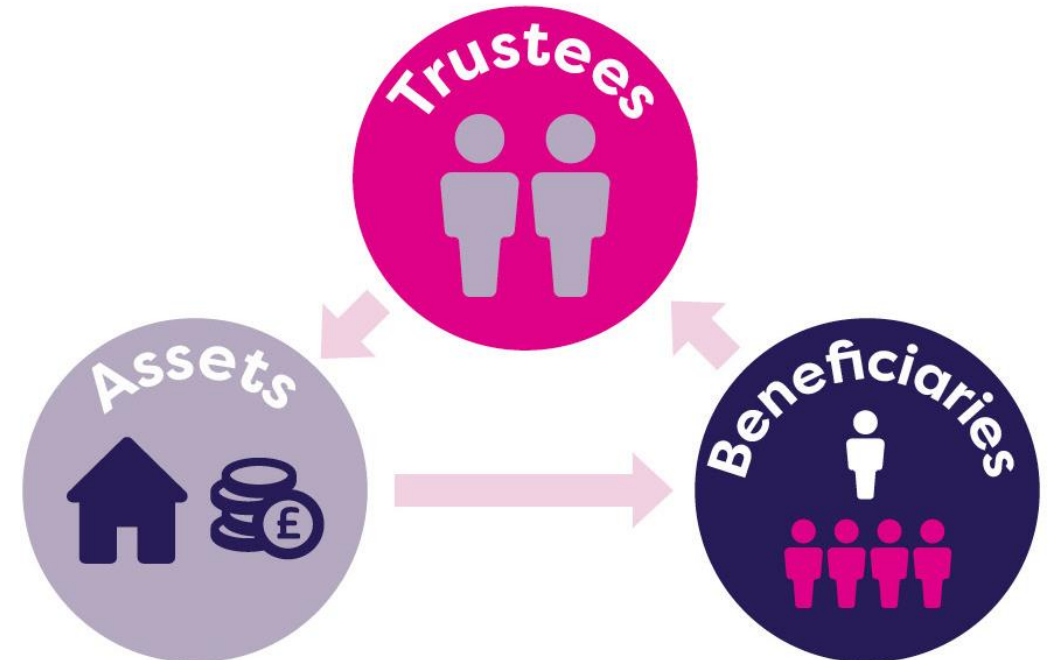


Trusts:

Disabled Person's Trust:

There is a specific test for ascertaining a 'disabled beneficiary' related to Disability Living Allowance (DLA), Personal Independence Payment (PIP), the Mental Health Act and Attendance Allowance (AA)

No more than the lesser of £3,000 or 3% of the value of the Trust Fund can be given to a person other than the disabled person each year



Trusts:

Trustees:

- ❖ Who can act?
- ❖ Friends, family, professional people such as Solicitor and a Trust Company such as Renaissance Trust
- ❖ How many can act?
- ❖ What are the duties and responsibilities?



Trusts:

Letter of Wishes:

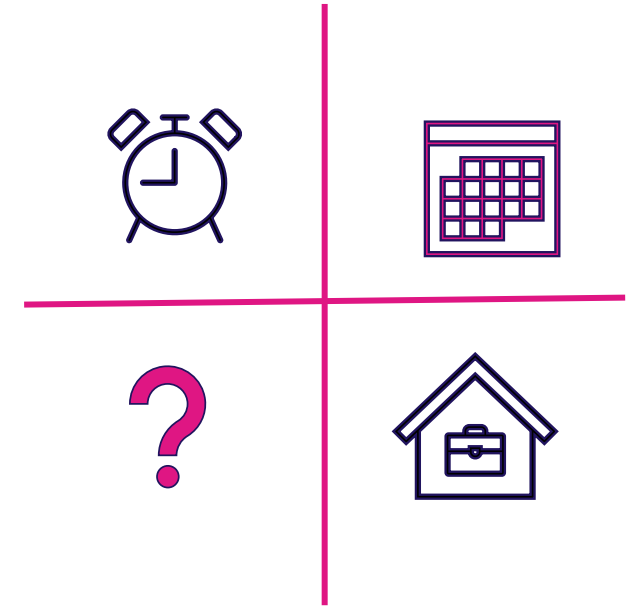
- ❖ Guidance to the Trustees of what you would like them to do with the Trust fund
- ❖ Must keep up to date
- ❖ Suggest that it is reviewed annually although it does not have to be updated annually



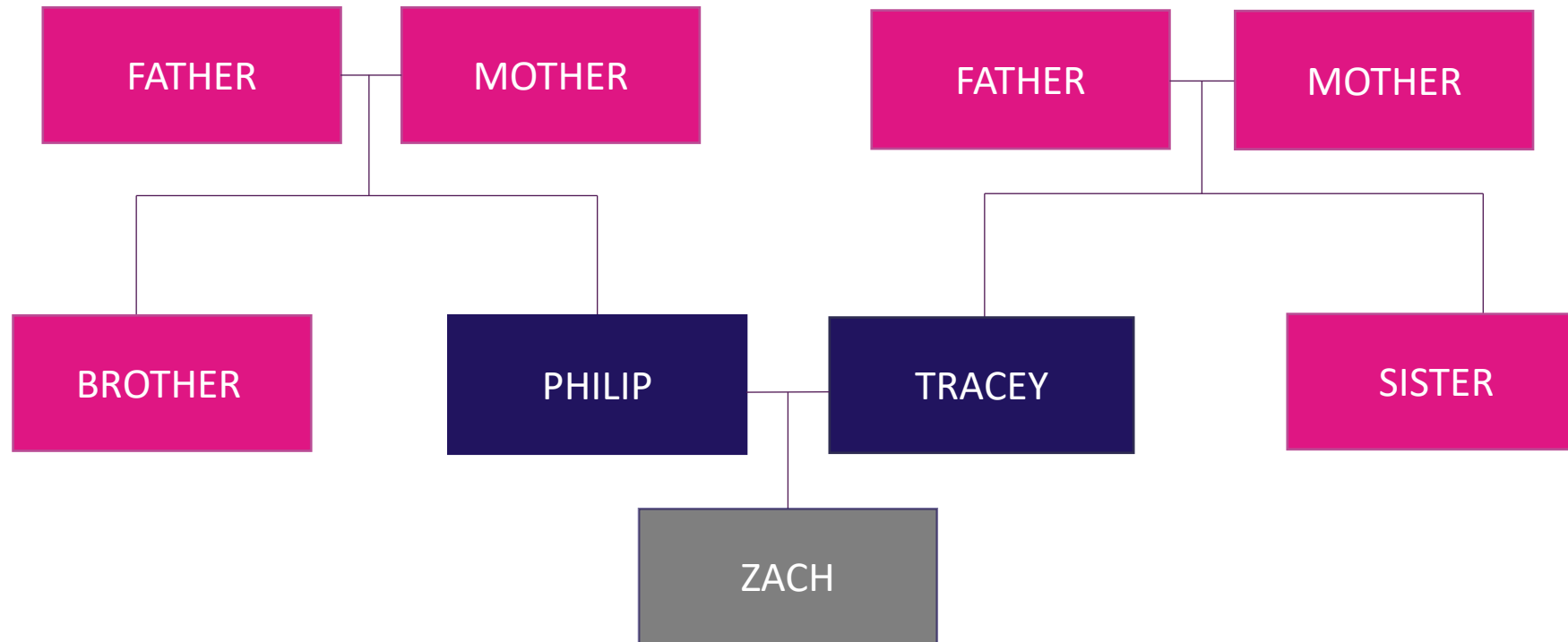
Trusts:

When should I set up a Trust?

- ❖ Do you set it up now? OR
- ❖ Do you put it in your Will?
- ❖ What assets do you have?
- ❖ What are your family circumstances?



Family Considerations:



What do I do now?



Planning for the Future advice package

- ❖ A meeting to assess your circumstances and advise you on how you can protect the inheritance for your disabled or vulnerable loved one
- ❖ Advice on how Trusts work and the best one for you
- ❖ Preparation of new Will(s), a Trust, and accompanying Letter(s) of Wishes
- ❖ Consider any decision making and welfare benefits issues for you and your loved one
- ❖ Consider your Inheritance Tax position
- ❖ Fees - £2,350 plus VAT (£2,820) for a couple and £2,100 plus VAT (£2,520) for a single person. £750 plus VAT (£900) for a review and follow up letter

Helpful Resources



Our website contains a **Blog** and **free Resources**, providing **practical advice** and **support** for parents and carers:

www.renaissancelegal.co.uk

Follow us:



@renaissance_uk



@renaissancelegal

Contact Us

If you need any help or advice, please contact:



info@renaissancelegal.co.uk

Or



Call our office on 01273 610611

Leaving a legacy to Contact

Through a gift in your Will you can support Contact's vital work and ensure that Contact is here for families with disabled children for many years to come.

Please download our legacy guide to discover more:

<https://contact.org.uk/support-us/donate/leaving-a-legacy/>

Or call Sophie Norden on 020 7608 8733.

Thank you.

