



The ELM Estate Management Plan

What is the Estate Management Plan?

Introducing the Estate Management Plan (EMP), the most comprehensive solution to your Estate Planning needs. The EMP includes a collection of powerful Estate Planning tools, featuring a Lifetime Discretionary Trust at its core. This Trust safeguards your property against hostile creditors during your lifetime by placing your family home within a protective bubble. This ensures your loved ones receive the maximum benefit from your estate when you are no longer here.

What is included?

- Lifetime Discretionary Trust
- Last Will & Testament(s)
- Property & Financial Affairs Lasting Power(s) of Attorney
- Secure document storage
- Unlimited Will updates
- Executor support
- Reduced Probate fees



Lifetime Discretionary Trust

Welcome to the heart of our Estate Management Plan, the Lifetime Discretionary Trust. This particular type of Trust boasts a longstanding legacy in the UK, spanning centuries, and is undoubtedly one of the most versatile and advantageous tools available for Estate Planning.

A Lifetime Discretionary Trust is a legal arrangement where assets are transferred by a Settlor (the person creating the Trust) to Trustees, who then manage and distribute the assets to Beneficiaries at their discretion. Unlike fixed Trusts, the Beneficiaries and distribution amounts are not predetermined, providing flexibility for Trustees to adapt to changing circumstances and needs over time.

All our Trusts are Inheritance Tax neutral, which means there are no increases in statutory allowances. However, with the use of a bare Trust, we can maximise the allowances and ensure there are no chargeable lifetime transfers, periodic charges, or any other Inheritance Tax liabilities whilst you are alive.



Benefits Include:

- **Asset Protection:** Placing assets in the Trust safeguards them from creditors, legal claims, and financial liabilities faced by Beneficiaries, while also aiding in retaining control over potential care home fees.
- **Succession Planning:** Trusts allow for a structured and controlled passing down of wealth across generations. This prevents situations where inheritances are unintentionally directed elsewhere, ensuring that Beneficiaries receive assets according to the Settlor's wishes.
- **Control:** The Settlor retains a level of control over the Trust assets while designating Trustees to manage and distribute them.
- **Flexibility:** Trustees have discretion in distributing assets among Beneficiaries, allowing them to respond to changing family circumstances or unforeseen events.
- **Confidentiality:** Trusts can provide a level of confidentiality as the details of the Trust and its assets are not publicly disclosed.
- **Protection for Vulnerable Beneficiaries:** Trusts can ensure that vulnerable Beneficiaries, such as minors or individuals with special needs, are provided for without risking mismanagement of assets.
- **Creditor Protection:** Beneficiaries dealing with financial troubles like bankruptcy or divorce are safer from creditor seizure due to the assets not being legally owned by them. This also applies to the Settlor as long as they were financially solvent at the time the Trust was created.

As of January 2023, the average UK house price was £290,000[†]. The Lifetime Discretionary Trust safeguards the full value of your property for your loved ones.

Last Will & Testament

A Last Will and Testament is a legally binding document that outlines an individual's wishes and instructions regarding the distribution of their assets, properties, and personal belongings upon their death.

Benefits Include:

- **Control Over Distribution:** A Will allows you to dictate how your assets and possessions will be distributed among your chosen Beneficiaries, ensuring that your wishes are followed after your passing. This also helps to reduce family disputes.
- **Avoid Intestacy Rules:** Without a Will, your estate will be subject to the Rules of Intestacy, which may distribute your assets in a way that doesn't align with your preferences or family dynamics.
- **Appointing Executors:** You can appoint trusted individuals as Executors to manage your estate and carry out your wishes, ensuring a smoother administration process.
- **Guardianship for Minor Children:** If you have minor children, you can use a Will to appoint guardians who will take care of them in the event of your death.
- **Charitable Donations:** If you wish to leave a portion of your estate to a charity or non-profit organisation, a Will allows you to specify these charitable donations.
- **Protection for Unmarried Partners:** In the absence of a legal marriage or civil partnership, a Will can provide financial security for unmarried partners, as they do not have automatic inheritance rights under the law.



Property & Financial Affairs

Lasting Power of Attorney

A Property and Financial Lasting Power of Attorney (LPA) is a legal document that allows an individual (the Donor) to appoint someone they trust (the Attorney) to make decisions and manage their financial affairs, including property, assets, and financial transactions, on their behalf if they become mentally incapacitated and unable to manage these matters themselves. The appointed Attorney assumes the responsibility to act in the best interests of the donor and ensure that their financial matters are properly handled.

Benefits Include:

- **Protection and Planning:** A Property and Financial LPA allows you to plan for the future and ensure that your financial and property affairs are managed in accordance with your wishes, even if you become unable to make decisions yourself due to illness, injury, or incapacity.
- **Choice of Attorney:** Choose a trusted family member, friend, or professional to act as your Attorney, ensuring that someone you know and trust is making important financial and property decisions on your behalf.
- **Avoiding Court Proceedings:** Without an LPA, if you become incapacitated, your loved ones may need to go through a costly and time-consuming court process to obtain the authority to manage your financial affairs. An LPA helps avoid these legal proceedings.
- **Reducing Stress:** Alleviate stress and burden on your loved ones by providing a clear legal framework for managing your financial affairs. It helps prevent disagreements and confusion among family members about your intentions.



Will Storage & Updates

Selecting the appropriate storage solution for your Will is crucial to maintain its impeccable condition, as any form of damage could lead to potential delays and even render it invalid in the eyes of the law. Our comprehensive Will Storage & Updates service, backed by insurance, safeguard your vital papers within cutting-edge facilities, guaranteeing effortless access for your Executors. Additionally, we offer unlimited updates to ensure your wishes align with your ever-changing circumstances.

Benefits Include:

- **Security:** As legal professionals, we use secure and controlled environments to store legal documents, reducing the risk of loss, damage, or unauthorised access.
- **Validity:** Storing your Will with ELM ensures that it remains legally valid and admissible in court, minimising the chances of disputes or challenges.
- **Organisation:** Your Executors know where the Will is, and it's easily retrievable when needed, preventing potential confusion or delays in locating the document.
- **Documentation:** Storing your Will with ELM creates a clear and documented record of its storage, making it easier to prove its authenticity and validity.
- **Updates and Amendments:** ELM can assist you in making updates, amendments, or revisions to your Will over time, ensuring that it reflects your current wishes and circumstances.



The ELM Digital Asset Vault

Creating a Will provides security for your material possessions such as property, finances, and valuable items. What about your digital assets? The ELM Digital Vault provides a secure space to store cherished photos, crucial passwords, and significant documents, ensuring that your chosen Beneficiaries can conveniently access the devices and accounts you designate.

Benefits Include:

- **Comprehensive Asset Management:** Ensure that all your digital assets are accounted for and properly integrated into your estate plan, preventing any oversight or confusion during the distribution process. Our vault not only stores your digital assets but also automatically distributes them to your nominated recipients.
- **Efficient Asset Transfer:** Streamline the process of transferring your digital assets to your chosen Beneficiaries, minimising delays and potential complications that could arise from lack of access or unclear ownership.
- **Secure Asset Preservation:** Robust security measures protect your digital assets from unauthorised access, cyber threats, and data loss, ensuring that your assets are preserved and accessible to your Beneficiaries as intended.



Executor Support

The Executor support is for your Executors when you pass away or for you if you have to act as an Executor of someone else's estate during your lifetime. At this time, our team will be made available to offer expert advice on performing this important role. Essentially, we will give guidance and advice to point you/them in the right direction to ensure you or your Executors are not lost.

Benefits Include:

- **Expertise:** Access to a deep understanding of the complex legal and administrative processes involved in estate administration, ensuring accurate and lawful execution of the deceased's wishes.
- **Minimise Errors:** We can help prevent costly mistakes and errors that could potentially delay the distribution of assets or lead to disputes among Beneficiaries.
- **Stress Reduction:** Dealing with the complexities of Probate can be emotionally challenging for an Executor. Enlisting the support of professionals can alleviate stress by guiding you through each step and offering expert advice.

Discounted Probate Services

As an EMP client, both you and your Executors will have access to our Probate services at a discounted rate, if required. By choosing ELM Legal Services for Probate services, you can streamline the process, ensure accurate handling of assets, and alleviate the burden of legal and administrative tasks during an already difficult time.

For the standard first death service, which typically involves a straightforward Grant of Probate and property transfer, our fee for EMP clients is £900, including VAT, plus any court or land registry fees. If any complex matters arise that necessitate extensive legal assistance, such services will be offered at a reduced rate, capped at a maximum of 1.5% of the estate value.

Upon the occurrence of the second death within a mirrored Will, your Executors can access our discounted Probate services, once again capped at a maximum of 1.5% of the estate value. These services include:

- **Estate Valuation & Probate Process:** The estate's value is estimated, including its debts.
- **Applying for Probate:** The estate's assessment papers and Will are submitted to the Probate Court.
- **Asset Collection:** After obtaining the Grant of Probate, we register it with the asset-holding companies that have frozen the assets. We then gather accessible assets and settle liabilities.
- **Tax Obligations:** We'll gather the necessary information to complete the final income tax return and settle tax matters with the HMRC.
- **Distribution of Assets:** We distribute available funds to Beneficiaries, while also considering potential estate claims and tax obligations.

Benefits Include:

- **Time-saving:** Probate can be a time-consuming process involving numerous forms, documents, and legal procedures. We can streamline the process, saving you time and effort in handling paperwork and administrative tasks.
- **Reduced Stress:** Dealing with the loss of a loved one is emotionally challenging. Having a Probate professional handle the legal aspects allows you to focus on grieving and healing without the added stress of navigating complex legal procedures.
- **Avoid Mistakes:** Mistakes in the Probate process can lead to delays, disputes, and even legal complications. We have the experience to avoid common errors and ensure that the process is completed accurately.
- **Dispute Resolution:** If disagreements or disputes arise among Beneficiaries or heirs, we can act as a neutral third party to help resolve conflicts and maintain a smooth process.
- **Legal Compliance:** The Probate process involves complying with various legal and regulatory requirements. We will ensure that all necessary legal steps are followed, reducing the risk of challenges or complications later on.
- **Communication:** We will act as a point of contact between Beneficiaries, creditors, and other parties involved in the process, ensuring clear and effective communication.
- **Estate Management:** We will help manage the estate efficiently, including selling assets, settling debts, and distributing inheritances in accordance with the Will.

Solicitors typically charge 2% to 5% of the estate value for Probate, plus VAT. Banks charge between 4% to 5%, plus VAT[†].

Additional IHT Mitigation

Once you've completed the EMP process and your core lifetime trust is in place, you have the option to look further ahead at Inheritance Tax (IHT) planning.

One powerful option is to potentially reduce the value of your main asset, your family home, by up to 50% through gifting a share to your children (provided they are 18 or older). By utilising Section 102b of the Finance Act 1986, we can help structure this gift to avoid unnecessary tax.

- When set up correctly, this gift becomes a Potentially Exempt Transfer, meaning it will fall outside your estate after seven years.
- To protect your interests, the gifted share will be held within a Trust arrangement, ensuring that any unexpected life events, like deaths, divorces, or bankruptcies of beneficiaries, do not impact you.
- There is no requirement to pay rent, and you can still move house if you wish.

A direct gift may be treated as a Gift with Reservation of Benefit, meaning it would be pulled back into your estate for IHT calculations. Our strategy ensures the gift is not classified this way by meeting the criteria defined by current legislation.

Pricing (all prices include VAT as standard)

Choose the right option for you with our available payment methods
Single payment:

- £5950

Fixed-term payment plans:

Deposit of £950 followed by your choice of interest-free instalments

- £208.34 over 24 months
- £138.89 over 36 months
- £104.17 over 48 months
- £83.33 over 60 months

Additional 102b Transfer and associated Trust:

- £3000

We are here to help

If you have any questions, would like additional guidance or need some support, we're here when you need us.

Call us at:

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or visit our website:

elm-online.co.uk



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