Don't give the taxman 40%
Put your plan in trust

AVIVA

- Did you know that if the value of your assets (like your home) exceeds £325,000 when you die, your loved ones may be liable to pay inheritance tax? This tax is payable on the part of your taxable estate valued at over £325,000.
- Do you want your loved ones to benefit from your plan payout – and not the taxman?
- Do you want to choose exactly who receives the payout?
- Would you want your loved ones to receive the cash sum as soon as possible?

With past rises in property values, it's definitely worth thinking about whether your estate could be affected by inheritance tax. If the above issues are relevant to you, then you should seriously consider putting your plan in trust – the application form enclosed with this pack contains a trust deed for you to consider using.

Setting up a trust needn't be complex or daunting. We'd like to make life simpler by giving you some helpful information and guidance.

How putting your plan in trust could help

A trust is simply a legal way in which you can keep some of your assets separate from your estate when it's assessed for inheritance tax purposes. When you put your plan under trust, you sign it over to the trustees you appoint, and they look after it for your beneficiary or beneficiaries. This means that the plan no longer forms part of your estate, and the proceeds will not be taken into account when the inheritance tax liability is being calculated.

Legally speaking, you'll be known as the 'Settlor'. You'll also be one of the trustees for the plan and will be able to appoint other trustees in addition to yourself. The trustees you appoint will ensure that any beneficiaries you name receive the proceeds when your plan pays out.

You can also change beneficiaries at a later date, if your circumstances change.

Inheritance tax – a huge 40%

Inheritance tax is a 40% tax charge which is made on the value of your taxable estate exceeding £325,000 when you die. If your estate passes to your husband, wife or registered civil partner when you die, then no inheritance tax will be payable. But if it's left elsewhere (to children or grandchildren, for example), or when your surviving spouse or civil partner then dies, the beneficiaries could face a hefty tax bill.

If not all of your nil rate band is used when you die, and you leave a surviving spouse or civil partner, then their estate can benefit from the unused part of your nil rate band.

Some very good reasons to put your plan in trust

- So you can leave as much as you can for your loved ones – and not to the taxman.
- Putting your plan in trust means the plan benefits can be paid out more quickly.
- A swift payout could mean your executors don't have to borrow money to pay any inheritance tax.

  Inheritance tax must be paid before your personal representatives can obtain probate and deal with your estate. Sometimes they have to borrow money to pay any tax.

Putting your plan in trust – what to do next

This pack enables you to put your plan in trust from the very start of your plan or at a later date. It's not compulsory to do so, but it gives you added peace of mind. We've provided a trust deed at the end of the enclosed application form. This could save you the time and expense involved in having a bespoke deed drafted.

You'll need to complete this with the help of your financial or legal adviser. They'll also be able to let you know if a trust is suitable for you and tell you about any implications of putting your plan in trust.

Remember that current tax laws could change.

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