



*Thy Will  
be done*

NIL RATE AND RESIDENTIAL NIL RATE  
BAND TRUSTS IN WILLS VALID IN  
ENGLAND AND WALES

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## **IN SIMPLE EASY TO UNDERSTAND TERMS**

Everyone with assets in England and Wales has up to £325,000 that they can give to their beneficiaries inheritance tax free, and If they own a property and that property is being left to a spouse or a child/grandchild on death that figure of £325,000 rises to £500,000.

### ***Nil Rate Band and Residential Nil Rate Band Trusts add a layer of protection so that:***

1. If a beneficiary is married and divorces, their inheritance is not included in the value of their assets in the divorce settlement, so they cannot lose half of it.
2. If a beneficiary goes bankrupt the official receiver cannot take the amount they inherited into consideration.
3. If a beneficiary goes into care later in life, the value of the amount they inherited cannot be included in a Local Authority assessment.
4. If a beneficiary is on benefits those benefits will not be negatively impacted by their inheritance.
5. When the beneficiary dies, the value of that which they inherited has to be deducted from the value of their estate meaning their own children/beneficiaries will not pay inheritance tax on the figure.

And these protections are all made possible through the use of documents called "loan notes"

They are simple documents that we can provide free of charge when needed that the Trustees issue when they distribute the estate according to your wishes.

Instead of the beneficiaries inheriting "absolutely" they take the money as a technical "loan" which is never actually repaid by them in their lifetime and as such they carry this technical "debt" back to the Trust throughout their lives as protection because if they get divorced or go bankrupt or go into care, the money is "owed" to the Trust and cannot be taken into consideration and this is also true with benefits.

At the end of a beneficiary's life then, any inheritance tax that might otherwise have had to be paid is "offset" by this "debt" and the money is then simply paid back into the Trust rather than paid to the government in tax and this then benefits the next generation of beneficiaries who, in many cases, will be the grandchildren of the person who originally set up the Trust within their Will.

This process can actually go on for up to 125 years which is why it has been used by generation after generation of families in the know to keep as much money as possible in the family and out of the hands of potential "attackers".

**Call us Free on: 0800 668 1164**

[www.thywill.co.uk](http://www.thywill.co.uk)

***Where there's a Will there's a Way***



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