

LEGAL UPDATE

Edition 6

When people retire, protection of their assets can be a major issue. This month, Robert Forman, the consultant at McKay Norwell with many years of experience in the field, advises on how you can avoid losing the assets of a lifetime by default.

You Earned It - Now Let Us Help You Protect It

Despite the credit crunch many people can still look forward to a long and comfortable retirement on the strength of sound financial assets built up during their working lives.

Consequently, we are receiving ever-increasing instructions for advice to provide “asset protection for the elderly”. Most commonly these assets involve a main home (mortgage free), pension fund, stock market investments and Premium Bond, ISA and other savings.

Precisely because people now have greater life expectancy, one issue of concern to many clients is management of their assets should they become incapacitated mentally or physically in their later years. Fortunately, these fears can be put to rest by granting power of attorney to a trusted individual (or individuals), usually a close relative or very good friend. Should someone’s condition deteriorate, the person appointed “power of attorney”, administers their affairs for them..

Should there be no obvious person to appoint as Attorney or should there be a wish to appoint a neutral professional third party as attorney we are happy to provide such a service which, of course, will be supervised by our regulatory authority and the public guardian.

Click here to see our explanatory leaflet on Powers of Attorney and the Role of the Public Guardian.

Another area in which we may help relates to the cost of social care. We can help ensure that any benefits to which a person is entitled are taken up,

thus keeping a drain on their asset portfolio to a minimum.

Finally, many people are concerned after their death a substantial amount of the assets they worked hard to build up all their adult lives will go not to their family but to the State. Rising house prices have led to many people being snared by inheritance tax (IHT), especially in Edinburgh where a fairly modest family home can - quite apart from other assets - easily take the value of an estate to the point after which IHT becomes payable (at 40 per cent). However, there are ways to minimise liability to IHT, often inexpensively.

The key to asset protection for older people is to plan early to formulate wills and other appropriate legal documentation so that they can provide adequately and tax efficiently for themselves and their heirs.

But don't let failure to plan early put you off. We are confident we will still be able to assist. Remember, we offer an initial FREE half hour meeting to discuss your rights and options.

So, if you want to discuss this further:

- * Complete an online enquiry form, or
- * Call us on 0131 222 8000
- * or email Robert Forman or Nick Hooke