



verve
group

Talk Money: Death

A will



It is important for you to make a will whether or not you consider you have many possessions or much money. It is important to make a will because:

- if you die without a will, there are certain rules which dictate how the money, property or possessions should be allocated. This may not be the way that you would have wished your money and possessions to be distributed.
- unmarried partners and partners who have not registered a civil partnership cannot inherit from each other unless there is a will, so the death of one partner may create serious financial problems for the remaining partner.
- if you have children, you will need to make a will so that arrangements for the children can be made if either one or both parents die.



A will



- it may be possible to reduce the amount of tax payable on the inheritance if advice is taken in advance and a will is made.
- if your circumstances have changed, it is important that you make a will to ensure that your money and possessions are distributed according to your wishes. For example, if you have separated and your ex-partner now lives with someone else, you may want to change your will. If you are married or enter into a registered civil partnership, this will make any previous will you have made invalid.



A will - common mistakes



- not being aware of the formal requirements needed to make a will legally valid.
- failing to take account of all the money and property available.
- failing to take account of the possibility that a beneficiary may die before the person making the will.
- changing the will. If these alterations are not signed and witnessed, they are invalid.
- being unaware of the effect of marriage, a registered civil partnership, divorce or dissolution of a civil partnership on a will.
- being unaware of the rules which exist to enable dependants to claim from the estate if they believe they are not adequately provided for. These rules mean that the provisions in the will could be overturned.

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A will - what should be included



- how much money and what property and possessions you have, for example, property, savings, occupational and personal pensions, insurance policies, bank and building society accounts, shares.
- who you want to benefit from your will. You should make a list of all the people to whom you wish to leave money or possessions. These people are known as beneficiaries. You also need to consider whether you wish to leave any money to charity.
- who should look after any children under 18.
- who is going to sort out the estate and carry out your wishes as set out in the will. These people are known as the executors.



A will - executors



- Executors are the people who will be responsible for carrying out your wishes and for sorting out the estate.
- They will have to collect together all the assets of the estate, deal with all the paperwork and pay all the debts, taxes, funeral and administration costs out of money in the estate.
- They will need to pay out the gifts and transfer any property to beneficiaries.

For more info check here:

<https://www.citizensadvice.org.uk/family/death-and-wills/wills/>



Lasting Power of Attorney



A lasting power of attorney (LPA) is a way of giving someone you trust, your attorney, the legal authority to make decisions on your behalf if you lose the mental capacity to do so in the future, or if you no longer want to make decisions for yourself.

There are two types of LPA:

- LPA for financial decisions
- LPA for health and care decisions.



Lasting Power of Attorney



An LPA for financial decisions can be used while you still have mental capacity or you can state that you only want it to come into force if you lose capacity.

An LPA for financial decisions can cover things such as:

- buying and selling property
- paying the mortgage
- investing money
- paying bills
- arranging repairs to property.



Lasting Power of Attorney



You can restrict the types of decisions your attorney can make, or let them make all decisions on your behalf.

If you're setting up an LPA for financial decisions, your attorney must keep accounts and make sure their money is kept separate from yours. You can ask for regular details of how much is spent and how much money you have. These details can be sent to your solicitor or a family member if you lose mental capacity. This offers an extra layer of protection.



Lasting Power of Attorney



LPA for health and care decisions covers health and care decisions and can only be used once you have lost mental capacity.

An attorney can generally make decisions about things such as:

- where you should live
- your medical care
- what you should eat
- who you should have contact with
- what kind of social activities you should take part in.
- you can also give special permission for your attorney to make decisions about life-saving treatment.



Lasting Power of Attorney



Don't assume!

If you're married or in a civil partnership, you may have assumed that your spouse would automatically be able to deal with your bank account and pensions, and make decisions about your healthcare, if you lose the ability to do so. This is not the case. Without an LPA, they won't have the authority.

Find out more here:

<https://www.gov.uk/power-of-attorney>



Life insurance



In your 20s, buying life insurance likely isn't at the top of mind. You're probably focusing on paying off student loans or meeting basic expenses, and adding yet another bill to the mix can be hard to justify. Still, making room for life insurance in your financial plan may make sense.

It may be a good idea to buy life insurance in your 20s if you have dependents who rely on your income, you have a lot of debt or if you want to lock in a low rate while you're young and generally in good health. Locking in a good rate now can give you peace of mind knowing there's a financial safety net for the people you care about most.



Life insurance



One of the main ways to determine whether you need life insurance is to consider what your financial obligations are to your loved ones and how it would impact them financially if you were no longer here.

If you pass away, would your loved ones be able to maintain their lifestyle? Would they be able to pay the household bills? Would they be able to take over and pay your mortgage repayments?

You may also want to consider any medical or funeral costs or any outstanding debts (e.g. a mortgage) which may fall onto your next of kin. Having an insurance policy in place can ensure that your debts are covered when you are gone.



Life insurance



Sometimes having life insurance means leaving a legacy for your loved ones and providing the financial means to contribute to any future of costs or help maintain the cost of living.

Whether you choose to leave £5,000 or £50,000, making these provisions early can provide you with some peace of mind.

Find out more information here:

<https://www.moneyhelper.org.uk/en/everyday-money/insurance/what-is-life-insurance>



Other things to think about



Protection - like Critical Illness Cover (CIC):

Critical illness insurance will pay out if you get one of the specific medical conditions or injuries listed in the policy. It only pays out once, after which the policy ends.

The conditions and illnesses covered can vary significantly between different insurers. The most comprehensive policies cover 50 different conditions or more, but others are much more limited.

Find out more:

<https://www.moneyhelper.org.uk/en/everyday-money/insurance/what-is-critical-illness-cover>



Other things to think about



Funeral plans

A funeral plan is the easy way to arrange and pay for your funeral in advance, giving you comfort in knowing that costs are covered. It also allows you to choose how you want to be remembered, which can remove any uncertainty your loved ones may have about your final wishes.

More information is here:

<https://www.moneyhelper.org.uk/en/family-and-care/death-and-bereavement/planning-and-paying-for-your-funeral>



Don't forget



- Check you've got the right beneficiary on any pensions you have.
- Same on your Death In Service benefit at The Verve Group.
- Make sure you've done your death list and saved it online somewhere so it can be constantly updated. Also make sure you have given the link / a copy to your loved ones so they know where to access the information.
- Give a copy of your will to the same people.
- To talk about death with your loved ones!





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