

POOR HEALTH



SCENARIO

Dr Keeling is in a care home and has a life expectancy of approximately five years. Dr Keeling had a successful career as a surgeon and has an estate worth approximately £2m. He therefore has enough money to pay the expected care home fees and has few other financial commitments.



PROBLEM

Dr Keeling is unlikely to live the seven years required for traditional estate planning. Dr Keeling is also unlikely to be underwritten for life insurance and therefore wants to maximise the estate passed to his children and grandchildren.



POTENTIAL SOLUTION

Dr Keeling invests £1m into a Business Relief (BR) qualifying proposition, leaving approximately £1m to cover care home fees and any other requirements. £400,000 of IHT will be saved by the estate beneficiaries, assuming Dr Keeling lives beyond the required two years and continues to hold this asset on death. After the second year, if Dr Keeling requires an income to cover his £50,000 pa care home fees he can choose to receive £60,000 per annum in dividends from the BR proposition.



IF THE INVESTOR DIES AFTER 2 YEARS

£1m returned to the estate, saving £400,000 in inheritance tax.



DEEPBRIDGE FEES CHARGED TO THE INVESTOR

Nil. If invested via a financial adviser, there are no fees, dealing costs, custodian fees or exit penalties charged to the investor at any time during the investment, all of the investment is deployed affording up to 100% tax relief.

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