

August 2024

You are never too young or too old to plan for the future. Planning is the key to achieving your wishes. Wills, funerals and powers of attorney are not nice things to think about, but by arranging these things sooner, it should help your family emotionally and financially when they are needed.



Wills

With a little bit of planning now, you can make it easier (and hopefully less expensive) for your loved ones to sort out your affairs after your death. It's not a nice thing to think about, but it's good to get it all sorted out sooner rather than later.

If you don't already have one, get one professionally drafted. If you already have a will, then make sure it's up to date.

It's also a good idea to review your Inheritance tax situation regularly to see if you can reduce the amount to be paid from your estate when you die.

Things to consider when producing your will

- Will it protect the interests of your children from a previous relationship?
- Will it help support your children or other beneficiaries who suffer from a disability and may be in receipt of benefits?
- Will it protect your estate if your spouse were to remarry after you have died?
- Will it work if you own a property abroad?

There are several other things you can do in a will including:

- Appoint guardians for any children you have under 18 (under 16 in Scotland); if you don't do this, the State will.
- Set up trusts and other arrangements to keep any inheritance tax bill on your estate to a minimum.
- Leave details of the kind of funeral you want.
- Leave details about what you want to happen to your pets.
- Say what should happen to your digital assets (such as social media, email and other online accounts).
- Name the executors of your will. These are the people who ensure the instructions in your will are carried out when you die.
- Make gifts to charity.



Without a will, the Government decides how your estate should be distributed, with no regard for your wishes. A will ensures your estate goes to the people you want it to. If you die without a valid will, the intestacy rules apply. These set out who is entitled to inherit from your estate if you don't leave a legally valid will. For more details click [here](#).

All adults should have a will but it's particularly important once you own property, have children, start a business or have savings and investments.

It's recommended to use a solicitor to write your will. A solicitor can ensure your will is clear and legally valid and can also offer advice on how to make it tax-efficient by reducing any potential inheritance tax bill.

You should review your will whenever your circumstances change such as getting married or entering a civil partnership, getting divorced, having a baby, buying property, moving home or receiving an inheritance.

It's important to keep your will safe and to tell your executors where it is.



What can you do to ease the tax burden on those you leave behind?

- Make a will - a solicitor will be able to help you make yours as tax-efficient as possible.
- Look into exemptions - for example how moving assets between spouses/civil partners or leaving money to charity could help.
- Use your gift allowances - if you can afford to give away some of your assets, you may want to consider doing this within the amounts allowed. Find out more about the current gift allowances [here](#).
- Consider using financial planning tools like life assurance and trusts to reduce your IHT liability.



Inheritance Tax

Inheritance tax (IHT) is tax paid after you die if the total of your estate exceeds a certain threshold. It is also sometimes payable on gifts you made to others during your lifetime.

The current IHT threshold is changeable with budget announcements. Check the current IHT amounts [here](#) on the HM Revenue & Customs website.

The things that can count towards your estate for IHT purposes, includes the following minus any debts or liabilities:

- Your home and other property.
- Savings and investments.
- Insurance and pension policies.
- Payments from a pension plan or employee death benefit (unless written in trust).
- Other assets like cars, art, jewellery, furniture etc.
- Gifts you have made but still benefit from eg. a house you have given away but still live in.
- Certain gifts you have made in the last seven years.
- Assets held in trust from which you receive a personal benefit.
- Your share of any assets held jointly.

For more details read our [Inheritance Tax guide here](#).

Where to find out more

[Find a solicitor in England and Wales](#)

[Find a solicitor in Scotland](#)

[Find a solicitor in Northern Ireland](#)

Powers of Attorney

You are never too young to benefit from having a power of attorney (POA). If your health failed suddenly or you had a serious accident and were unable to make decisions, having a POA in place would help your relatives immensely at a difficult time. If you don't have a POA in place and you lose the ability to make your own decisions, your family or friends would need to go to court to get authority to make decisions on your behalf. This can be an extremely costly, complicated and time consuming process. It is easier if you have already set up a POA that can be used.

In England and Wales there are two main types of POA:

- Property and financial affairs Lasting Power of Attorney (LPA)
- Health and care Lasting Power of Attorney.

A property and financial affairs LPA covers all aspects of someone's financial wellbeing. So may include paying of bills, managing bank accounts or even selling property. They can be set up for a set period of time or for once you're no longer able to make decisions yourself.

With a health and care LPA decisions are concerning how you will be cared for. This could include anything from where you live, how you are cared for and the type of treatment given. A health and care LPA only takes effect once you're no longer able to make decisions yourself.

You must have mental capacity at the time you set up the LPA and, to make sure no-one has forced you into signing an LPA, when you complete the forms you will appoint a person to be a certificate provider. This is someone who confirms you know what you're signing and understand the powers it will give your attorneys.

In Scotland there are three main types of POA. These are:

- Continuing POA which allows your attorneys to make decisions for you about your money and/or property.
- Welfare POA which covers your health or personal welfare.
- Combined POA which enables your attorneys to make both financial and welfare decisions for you.

Funerals

As already mentioned you can add details of the type of funeral you would like in your will, however, it's also worth talking to your family about your wishes.

With regards to paying for your funeral, there are several ways you can do this, you could use basic life assurance, a savings account or a specific funeral plan or an over 50s plan.

Funeral plans and funeral insurance are two different ways of paying for part of a funeral in advance. So, when you die, your family will have less financial responsibility.

With a funeral plan, you arrange and pay for it in advance, either as a lump sum or by instalments. So your relatives don't have to cover the full cost themselves. The plan won't usually cover everything that is needed for a funeral, you will need to check with the plan to see what is covered.

You can arrange a funeral plan for your own funeral or for someone else's, as long as the funeral will be held in the UK.

Funeral insurance policies are also known as 'over 50s plans'. Over-50s' plans are an insurance policy that will pay out a fixed sum towards the cost of a funeral when you die. They don't require medical underwriting, so poor health makes no difference to your pay-out.



Where to find out more - England and Wales

You can find out more about LPAs at: [GOV.UK Power of Attorney](https://www.gov.uk/power-of-attorney)

Where to find out more – Scotland

You can find out more about POAs at: [Office of the Public Guardian Scotland mygov.scot](https://www.mygov.scot)

Using the links below, you can find more general information about funerals:

for England and Wales - visit [GOV.UK](https://www.gov.uk)

for Northern Ireland - visit [nidirect.gov.uk](https://www.nidirect.gov.uk)

for Scotland - visit the [Scottish Government website](https://www.scottishgovernment.gov.uk)

Police Mutual Services

Worrying about money can be extremely stressful and may lead to mental health conditions. Police Mutual are here to help.

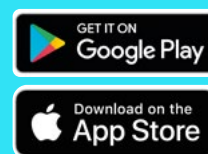
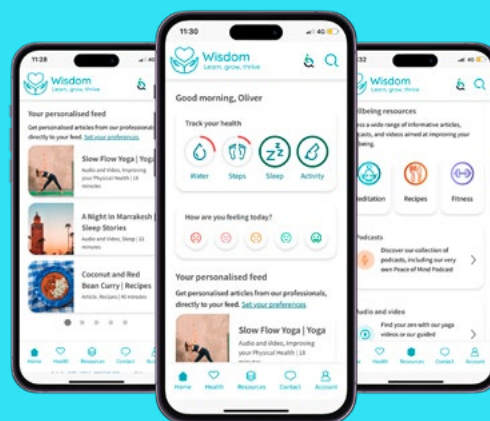
We've teamed up with [PayPlan](https://www.payplan.co.uk)*, one of the UK's leading free debt advice providers, who offer free and confidential advice to anyone in serious financial difficulties.

They're able to advise you on a range of debt solutions suited to your individual circumstances, helping to protect you and your family with a sustainable way to manage your debt.

Get free and confidential help to combat your debt, call [PayPlan](https://www.payplan.co.uk)* on **0800 197 8433**.

Our Care Line Service provided by Health Assured can offer advice and information, helping with a range of concerns including emotional support. Take a look at the e-portal or download the APP.

Wisdom App



Download the [Health Assured App](#) and register today - your code is **MHA107477**



To read more of our wellbeing guides take a look at the wellbeing pages on the [NARPO website](https://www.narpo.org.uk).

Visit [policemutual.co.uk](https://www.policemutual.co.uk)



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