



**FINANCIAL LLP**

Independent advice from a leading firm of chartered financial planners

Guide to

# Protection Planning

Prepare for every possibility

SEPTEMBER 2018



**SHEFFIELD**

WFI House,  
2 Queens Road,  
Sheffield, S2 4DG  
T: 0114 275 8882  
F: 0114 275 8001  
E: [info@wfillp.co.uk](mailto:info@wfillp.co.uk)

**DERBY**

5 Brunel Business Park,  
Brunel Parkway, Pride Park,  
Derby, DE24 8HR  
T: 01332 296 222  
F: 01332 296 333  
E: [derby@wfillp.co.uk](mailto:derby@wfillp.co.uk)

**LINCOLN**

Greetwell Place,  
Limekiln Way, Greetwell Road,  
Lincoln, LN2 4US  
T: 01522 548 070  
F: 01522 548071  
E: [lincoln@wfillp.co.uk](mailto:lincoln@wfillp.co.uk)

**GRIMSBY**

27 Louth Road, Scartho,  
Grimsby, North East Lincolnshire,  
DN33 2ER  
T: 01472 278800  
F: 01472 276422  
E: [grimsby@wfillp.co.uk](mailto:grimsby@wfillp.co.uk)

**LONDON**

11 Bruton Street,  
London,  
W1J 6PY  
T: 0203 763 5837  
E: [london@wfillp.co.uk](mailto:london@wfillp.co.uk)



# Guide to Protection Planning

Prepare for every possibility

Welcome to our *Guide to Protection Planning*. Inside we look at the number of key areas that will empower you to put in place an effective protection planning strategy to preserve and protect your wealth for you and future generations.

We understand that peace of mind for the future is essential. You've worked hard to build and grow your wealth; it's only natural to put in place measures to protect it. But unforeseen life events and circumstances can potentially impact your finances in a number of ways. We can help you to safeguard your wealth today and for future generations and organise it to support your needs and goals.

No matter what the current economic environment, adhering to a few sound and well-practiced strategies will help you to prepare for the future. While your individual situation will always have its unique qualities, our *Guide to Protection Planning* provides suggestions to consider as you review your own and your family's protection plans.

Financial protection benefits have become more important as financial foundations have shifted, government resources have been strained, and costs have climbed. When people need them most, benefits such as disability, accident, critical illness and life insurance protect against financial hardships that can derail their stability.

Being prepared for the unexpected will protect you and your family from sudden and long-term financial hardship. It goes without saying that we need to enjoy our wealth today, but at the same time ensure it remains there for us and our family tomorrow.

*This guide is for your general information and use only and is not intended to address your particular requirements. It should not be relied upon in its entirety and shall not be deemed to be, or constitute, advice. Although endeavours have been made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions taken in respect of any articles. Thresholds, percentage rates and tax legislation may change in subsequent Finance Acts.*

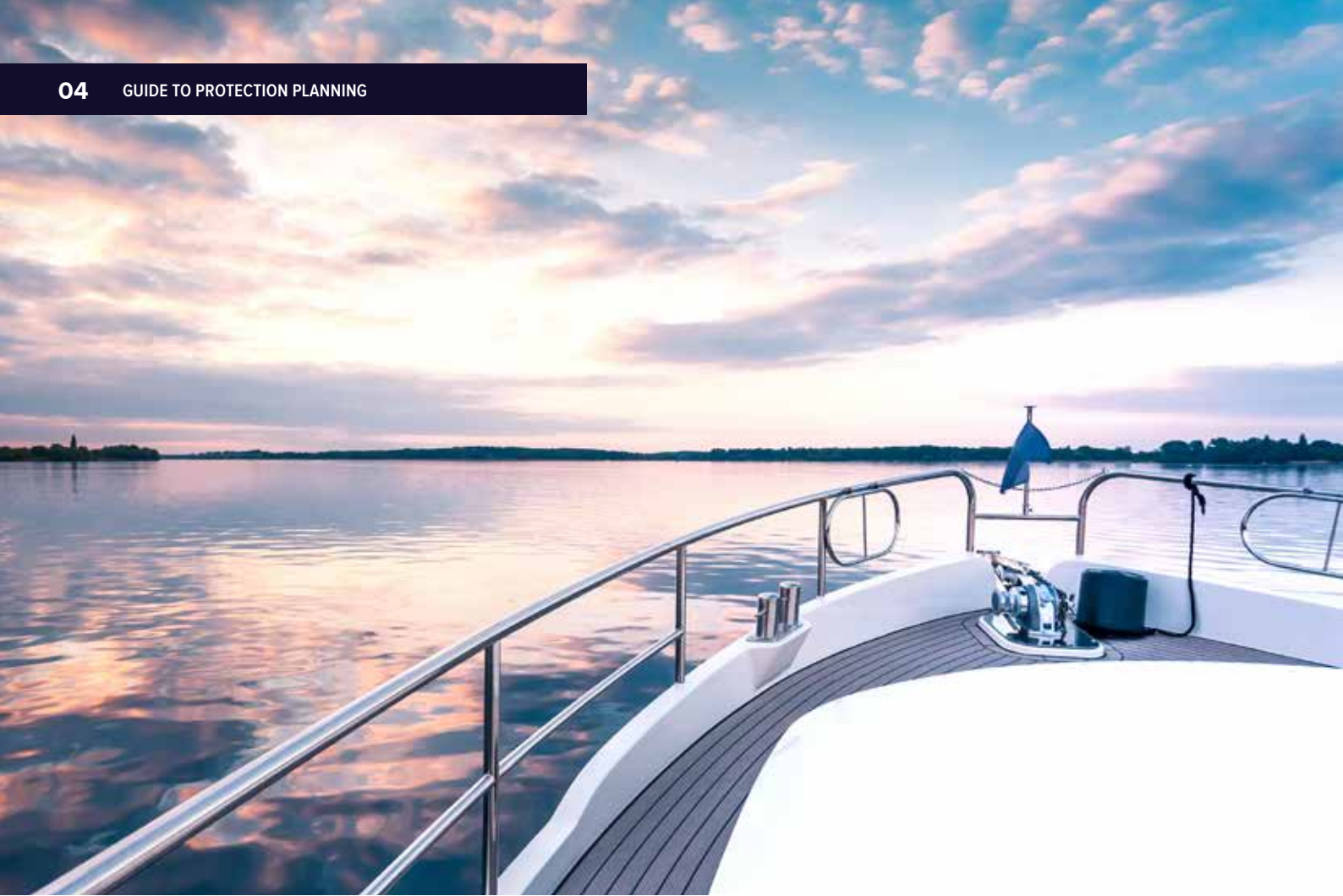
## UNDERSTANDING YOUR NEEDS

It's not easy to think about how you would secure your family's future if you were no longer around. But having an effective protection planning strategy in place prepares for every possibility. To review your current situation or if you have any concerns, please contact us – don't leave it to chance.

# Contents

- 02 WELCOME**  
Prepare for every possibility
- 
- 04 LIFE INSURANCE**  
Peace of mind knowing that your family is protected
- 
- 06 DIFFERENT TYPES OF LIFE INSURANCE**  
When it comes to your life insurance, you've got options
- 
- 07 TERM LIFE INSURANCE**  
Protecting your family's finances by covering living expenses or replacing lost income
- 
- 08 WHOLE-OF-LIFE INSURANCE**  
A guaranteed payment tax-free whenever you
- 
- 09 CRITICAL ILLNESS COVER**  
A helping hand for you and your loved ones
- 
- 10 INCOME PROTECTION INSURANCE**  
How would you pay the bills if you were sick or injured and couldn't work?
- 
- 12 PRIVATE MEDICAL INSURANCE**  
There's nothing more important in life than your health
- 
- 13 MAKING A WILL**  
Continuing your support long into the future
- 
- 14 LONG-TERM CARE**  
Financial support you need if you have to pay for care assistance for yourself or a loved one
- 
- 16 LASTING POWER OF ATTORNEY**  
Peace of mind that there is someone you trust to look after your affairs
- 
- 17 TRUSTS**  
Protecting, preserving or ultimately distributing wealth
- 
- 18 INHERITANCE TAX**  
Passing assets efficiently to the next generation remains a primary objective for many





# Life insurance

Peace of mind knowing that your family is protected

It's understandable that we would rather not think of the time when we're no longer around. But it's important to protect the things that really matter – like our loved ones, home and lifestyle – in case the unexpected happens.

## PROTECTED FINANCIALLY

We insure our cars, homes and even our mobile phones – so it goes without saying that we should also be insured for our full replacement value to ensure that our loved ones are financially catered for in the event of our premature death. Life insurance helps you to financially protect your family. It could pay out a cash sum if you die while covered by the policy. You choose the amount of life cover you need and how long you need it for, and you can pay your premiums monthly or annually.

Life insurance provides a safety net for your family and loved ones if you die, helping them cope financially during an otherwise difficult time. Ultimately, it offers reassurance that your family would be protected financially should the worst happen.

We never know what life has in store for us, so it's important to get the right life insurance policy. A good place to start is asking yourself three questions: what do I need to protect? How much cover do I need? How long will I need cover for? This sum must take into account their living costs, as well as any outstanding liabilities, such as a mortgage.

## FINANCIAL SAFETY

It may be the case that not everyone needs life insurance (also known as 'life cover' and 'death cover'). But if your spouse and children, partner, or other relatives depend on your income to cover the mortgage or other living expenses, then it will be something you should consider.

Life insurance makes sure they're taken care of financially if you die. So whether you're looking to provide a financial safety net for your loved ones, moving house or a first-time buyer looking to arrange your mortgage life insurance – or simply wanting to add some cover to what you've already got – you'll want to make

sure you choose the right type of cover. That's why obtaining the right advice and knowing which products to choose – including the most suitable sum assured, premium, terms and payment provisions – is essential.

## PREMATURE DEATH

The appropriate level of life insurance will enable your dependants to cope financially in the event of your premature death. When you take out life insurance, you set the amount you want the policy to pay out should you die – this is called the 'sum assured'. Even if you consider that currently you have sufficient life assurance, you'll probably need more later on if your circumstances change. If you don't update your policy as key events happen throughout your life, you may risk being seriously under-insured.

## DIFFERENT STAGES

As you reach different stages in your life, the need for protection will inevitably change. How much life insurance you need really depends on your circumstances – for example, whether you've got a mortgage, you're single or have

children. Before you compare life insurance, it's worth bearing in mind that the amount of cover you need will very much depend on your own personal circumstances, such as the needs of your family and dependants.

#### Ask yourself:

- Who are your financial dependents: your husband or wife, registered civil partner, children, brother, sister, or parents?
- What kind of financial support does your family have now?
- What kind financial support will your family need in the future?
- What kind of costs will need to be covered, such as household bills, living expenses, mortgage payments, education costs, debts or loans, or funeral costs?

There is no one-size-fits-all solution, and the amount of cover – as well as how long it lasts for – will vary from person to person.

#### These are some events when you should consider reviewing your life insurance requirements:

- Buying your first home with a partner
- Covering loans
- Getting married or entering into a registered civil partnership
- Starting a family
- Becoming a stay-at-home parent
- Having more children
- Moving to a bigger property
- Salary increases
- Changing your job
- Reaching retirement
- Relying on someone else to support you
- Personal guarantee for business loans

#### INDIVIDUAL LIFESTYLE FACTORS DETERMINE THE COST

The price you pay for a life insurance policy depends on a number of things. These include the amount of money you want to cover and the length of the policy, but also your age, your health, your lifestyle and whether you smoke.

#### REPLACING AT LEAST SOME OF YOUR INCOME

If you have a spouse, partner or children, you should have sufficient protection to pay off your mortgage and any other liabilities. After that, you may need life insurance to replace at least some of your income. How much money a family needs will vary from household to household, so ultimately it's up to you to decide how much money you would like to leave your family that would enable them to maintain their current standard of living.

#### TWO BASIC LIFE INSURANCE TYPES

There are two basic types of life insurance: 'term life' and 'whole-of-life'. But within those categories, there are different variations.

The cheapest, simplest form of life insurance is term life insurance. It is straightforward protection – there is no investment element, and it pays out a lump sum if you die within a specified period. There are several types of term insurance.

The other type of protection available is a whole-of-life insurance policy, designed to provide you with cover throughout your entire lifetime. The policy only pays out once the policyholder dies, providing the policyholder's dependants with a lump sum, usually tax-free. Depending on the individual policy, policyholders may have to continue contributing right up until they die, or they may be able to stop paying in once they reach a stated age, even though the cover continues until they die.

#### REMOVE THE BURDEN OF ANY DEBTS

Generally speaking, the amount of life insurance you may need should provide a lump sum that is sufficient to remove the burden of any debts and, ideally, leave enough over to invest in order to provide an income to support your dependants for the required period of time.

The first consideration is to clarify what you want the life insurance to protect. If you simply want to cover your mortgage, then an amount equal to the outstanding mortgage debt can achieve that.

#### To prevent your family from being financially disadvantaged by your premature death and to provide enough financial support to maintain their current lifestyle, there are a few more variables you should consider:

- What are your family expenses and how would they change if you died?
- How much would the family expenditure increase on requirements such as childcare if you were to die?
- How much would your family income drop if you were to die?
- How much cover do you receive from your employer or company pension scheme and for how long?
- What existing policies do you have already and how far do they go to meeting your needs?
- How long would your existing savings last?
- What state benefits are there that could provide extra support to meet your family's needs?
- How would the return of inflation to the economy affect the amount of your cover over time?



# Different types of life insurance

When it comes to your life insurance, you've got options

'Single life' policies cover just one person. A 'joint life' policy covers two people, and when one person on the policy dies, the money is paid out and the policy ends. You will need to decide whether the joint policy pays out on first or second death, as this will determine when the policy ends.

**When choosing between these options, think about:**

- **Affordability** – a joint life policy is usually more affordable than two separate single policies
- **Cover needs** – do you both have the same life insurance needs, or would separate policies with different levels of cover be more appropriate?
- **Work benefits** – if one of you has work 'death in service' benefit, you might only need one plan
- **Health** – if your joint policy is with someone in poor health, this may increase your monthly payments





# Term life insurance

Protecting your family's finances by covering living expenses or replacing lost income

With term life insurance, you choose the amount you want to be insured for and the period for which you want cover. This is the most basic type of life insurance. If you die within the term, the policy pays out to your beneficiaries. If you don't die during the term, the policy doesn't pay out, and the premiums you've paid are not returned to you.

There are two main types of term life insurance to consider – level-term and decreasing-term life insurance.

## LEVEL-TERM LIFE INSURANCE POLICIES

A level-term policy pays out a lump sum if you die within the specified term. The amount you're covered for remains level throughout the term – hence the name. The monthly or annual premiums you pay usually stay the same, too.

Level-term policies can be a good option for family protection, where you want to leave a lump sum that your family can invest to live on after you've gone. It can also be a good option if you need a specified amount of cover for a certain length of time, for example, to cover an interest-only mortgage that's not covered by an endowment policy.

## DECREASING-TERM LIFE INSURANCE POLICIES

With a decreasing-term policy, the amount you're covered for decreases over the term of the policy. These policies are often used to cover a debt that reduces over time, such as a repayment mortgage.

Premiums are usually cheaper than for level-term cover, as the amount insured reduces as time goes on. Decreasing-term assurance policies can also be used for Inheritance Tax planning purposes.

## FAMILY INCOME BENEFIT POLICIES

Family income benefit life assurance is a type of decreasing term policy. Instead of a lump sum, though, it pays out a regular income to your beneficiaries until the policy's expiry date if you die.

You can arrange for the same amount of your take-home income to be paid out to your family if you die.

# Whole-of-life insurance

A guaranteed tax-free payment whenever you die

A whole-of-life insurance policy is designed to give you a specified amount of cover for the whole of your life and pays out when you die, whenever that is. Because it's guaranteed that you'll die at some point (and therefore that the policy will have to pay out), these policies are more expensive than term insurance policies, which only pay out if you die within a certain time frame.

## PAYING INHERITANCE TAX

Whole-of-life insurance policies can be a useful way to cover a future Inheritance Tax bill. If you think your estate will have to pay Inheritance Tax when you die, you could set up a whole-of-life insurance policy to cover the tax due, meaning that more is passed to your beneficiaries. To ensure the proceeds of the life insurance policy are not included in your estate, though, it is vital that the policy be written in an appropriate trust. This is a very complicated area of estate planning, and you should obtain professional advice.

A whole-of-life insurance policy has a double benefit – not only are the proceeds of the policy outside your estate for Inheritance Tax purposes, the premium paid for the policy will reduce the value of your estate while you're alive, further reducing your estate's future Inheritance Tax bill.

## DIFFERENT TYPES OF POLICY

There are different types of whole-of-life insurance – some offer a set payout from the outset, others are linked to investments, and the payout will depend on performance. Investment-linked policies are either unit-linked policies, linked to funds or with-profits policies which offer bonuses.

Some whole-of-life policies require that premiums are paid all the way up to your death. Others become paid-up at a certain age and waive premiums from that point onwards.

Whole-of-life policies (but not all) have an investment element and therefore a surrender value. If, however, you cancel the policy and cash it in, you will lose your cover. Where there is an investment element, your premiums are usually reviewed after ten years, and then every five years.

Whole-of-life policies are also available without an investment element and with guaranteed or investment-linked premiums from some providers.

## REVIEWS

The level of protection selected will normally be guaranteed for the first ten years, at which point it will be reviewed to see how much protection can be provided in the future. If the review shows that the same level of protection can be carried on, it will be guaranteed to the next review date.

If the review reveals that the same level of protection can't continue, you'll have two choices:

- Increase your payments
- Keep your payments the same and reduce your level of protection

## MAXIMUM COVER

Maximum cover offers a high initial level of cover for a lower premium, until the first plan review, which is normally after ten years. The low premium is achieved because very little of your premium is kept back for investment, as most of it is used to pay for the life insurance.

After a review, you may have to increase your premiums significantly to keep the same level of cover, as this depends on how well the cash in the investment reserve (underlying fund) has performed.

## STANDARD COVER

This cover balances the level of life insurance with adequate investment to support the policy in later years. This maintains the original premium throughout the life of the policy. However, it relies on the value of units invested in the underlying fund growing at a certain level each year. Increased charges or poor performance of the fund could mean you'll have to increase your monthly premium to keep the same level of cover.





# Critical illness cover

A helping hand for you and your loved ones

It's easy to think 'I'd cope, that'll never happen to me', but most of us know someone either directly or through friends and family that has been affected. Any of us can become ill at any age – and with appropriate critical illness cover in place, it could help to give some financial security at a difficult time.

Critical illness cover can help to minimise the financial impact on you and your loved ones. For example, if you needed to give up work to recover or if you passed away during the length of the policy, the money could be used to help fund the mortgage or rent, everyday bills, or even simple things like the weekly food shop – giving you and/or your family some peace of mind when you need it most.

## **SURVIVING FINANCIAL HARDSHIP**

After surviving a critical illness, sufferers may not be able to return to work straight away (or ever), or may need home modifications or private therapeutic care. It is sad to contemplate a situation where someone survives a serious illness but fails to survive the ensuing financial hardship. Preparing for the worst is not something we want to think about when feeling fit and healthy, but you never know what life is going to throw at you next.

## **TAX-FREE LUMP SUM**

Critical illness cover, either on its own or as part of a life assurance policy, is designed to pay you a tax-free lump sum on the diagnosis of certain specified life-threatening or debilitating (but not necessarily fatal) conditions, such as a heart attack, stroke, certain types/stages of cancer and multiple sclerosis. A more comprehensive policy will cover many more serious conditions, including loss of sight, permanent loss of hearing and a total and permanent disability that stops you from working. Some policies also provide cover against the loss of limbs. But not all conditions are necessarily covered, which is why you should always obtain professional financial advice.

## **MUCH-NEEDED FINANCIAL SUPPORT**

If you are single with no dependants, critical illness cover can be used to pay off your mortgage, which means that you would have fewer bills or a lump sum to use if you became very unwell. And if you are part of a couple, it can provide much-needed financial support at a time of emotional stress.

## **EXCLUSIONS AND LIMITATIONS**

The illnesses covered are specified in the policy along with any exclusions and limitations, which may differ between insurers. Critical illness policies usually only pay out once, so they are not a replacement for income. Some policies offer combined life and critical illness cover. These pay out if you are diagnosed with a critical illness, or you die – whichever happens first.

## **PRE-EXISTING CONDITIONS**

If you already have an existing critical illness policy, you might find that by replacing a policy, you would lose some of the benefits if you have developed any illnesses since you took out the first policy. It is important to seek professional advice before considering replacing or switching your policy, as pre-existing conditions may not be covered under a new policy.

## **LIFESTYLE CHANGES**

Some policies allow you to increase your cover, particularly after lifestyle changes such as marriage, moving home or having children. If you cannot increase the cover under your existing policy, you could consider taking out a new policy just to 'top up' your existing cover.

## **DEFINED CONDITIONS**

A policy will provide cover only for conditions defined in the policy document. For a condition to be covered, your condition must meet the policy definition exactly. This can mean that some conditions, such as some forms of cancer, won't be covered if deemed insufficiently severe.

Similarly, some conditions may not be covered if you suffer from them after reaching a certain age – for example, many policies will not cover Alzheimer's disease if diagnosed after the age of 60.

## **SURVIVAL PERIOD**

Very few policies will pay out as soon as you receive diagnosis of any of the conditions listed in the policy, and most pay out only after a 'survival period'. This means that if you die within this period (even if you meet the definition of the critical illness given in the policy), the cover would not pay out.

## **RANGE OF FACTORS**

How much you pay for critical illness cover will depend on a range of factors, including what sort of policy you have chosen, your age, the amount you want the policy to pay out, and whether or not you smoke.

Permanent total disability is usually included in the policy. Some insurers define 'permanent total disability' as being unable to work as you normally would as a result of sickness, while others see it as being unable to independently perform three or more 'Activities of Daily Living' as a result of sickness or accident.

### **Activities of daily living include:**

- Bathing
- Dressing and undressing
- Eating
- Transferring from bed to chair and back again

## **MAKE SURE YOU'RE FULLY COVERED**

The good news is that medical advances mean more people than ever are surviving conditions that might have killed earlier generations. Critical illness cover can provide cash to allow you to pursue a less stressful lifestyle while you recover from illness, or you can use it for any other purpose. Don't leave it to chance – make sure you're fully covered.



# Income protection insurance

How would you pay the bills if you were sick or injured and couldn't work?

Being unable to work can quickly turn your world upside down. No one likes to think that something bad will happen to them, but if you couldn't work due to a serious illness, how would you manage financially? Could you survive on savings or sick pay from work? If not, you may need some other way to keep paying the bills – and you might want to consider income protection insurance.

You might think this may not happen to you, and of course we hope it doesn't, but it's important to recognise that no one is immune to the risk of illness and accidents.

No one can guarantee that they will not be the victim of an unfortunate accident or be diagnosed with a serious illness. This won't stop the bills arriving or the mortgage payments from being deducted from your bank account, so going without income protection insurance could be tempting fate.

## PROVIDING MONTHLY PAYMENTS

Income protection insurance is a long-term insurance policy that provides a monthly payment if you can't work because you're ill or injured, and typically pays out until you can start working again, or until you retire, die or the end of the policy term – whichever is sooner.

### Keep your finances healthy as you recover from illness or injury:

- Replaces part of your income if you become ill or disabled
- It pays out until you can start working again, or until you retire, die or the end of the policy term – whichever is sooner
- There's a waiting period before the payments start, so you generally set payments to start after your sick pay ends, or after any other insurance stops covering you. The longer you wait, the lower the monthly payments
- It covers most illnesses that leave you unable to work, either in the short or long term (depending on the type of policy and its definition of incapacity)
- You can claim as many times as you need to while the policy is in force

## GENEROUS SICKNESS BENEFITS

Some people receive generous sickness benefits through their workplace, and these can extend right up until the date upon which they had intended to retire. However, some employees with long-term health problems could, on the other hand, find themselves having to rely on the state, which is likely to prove hard.

## TAX-FREE MONTHLY INCOME

Without a regular income, you may find it a struggle financially, even if you were ill for only a short period, and you could end up using your savings to pay the bills. In the event that you suffered from a serious illness,

medical condition or accident, you could even find that you are never able to return to work. Few of us could cope financially if we were off work for more than six to nine months. Income protection insurance provides a tax-free monthly income for as long as required, up to retirement age, should you be unable to work due to long-term sickness or injury.

### PROFITING FROM MISFORTUNE

Income protection insurance aims to put you back to the position you were in before you were unable to work. It does not allow you to make a profit out of your misfortune. So the maximum amount of income you can replace through insurance is broadly the after-tax earnings you have lost, less an adjustment for state benefits you can claim. This is typically translated into a percentage of your salary before tax, but the actual amount will depend on the company that provides your cover.

### SELF-EMPLOYMENT

If you are self-employed, then no work is also likely to mean no income. However, depending on what you do, you may have income coming in from earlier work, even if you are ill for several months. The self-employed can take out individual policies rather than business ones, but you need to ascertain on what basis the insurer will pay out. A typical basis for payment is your pre-tax share of the gross profit, after deduction of trading expenses, in the 12 months immediately prior to the date of your incapacity. Some policies operate an average over the last three years, as they understand that self-employed people often have a fluctuating income.

### COST OF COVER

The cost of your cover will depend on your gender, occupation, age, state of health and whether or not you smoke. The 'occupation class' is used by insurers to decide whether a policyholder is able to return to work. If a policy will pay out only if a policyholder is unable to work in 'any occupation', it might not pay benefits for long – or indeed at all. The most comprehensive definitions are 'Own Occupation' or 'Suited Occupation'. 'Own Occupation' means you can make a claim if you are unable to perform your own job; however, being covered under 'Any Occupation' means that you have to be unable to perform any job, with equivalent earnings to the job you were doing before not taken into account.

**You can also usually choose for your cover to remain the same (level cover) or increase in line with inflation (inflation-linked cover):**

- **Level cover** – with this cover, if you made a claim, the monthly income would be fixed at the start of your plan and does not change in the future. You should remember that this means if inflation eventually starts to rise, the buying power of your monthly income payments may be reduced over time.
- **Inflation-linked cover** – with this cover, if you made a claim, the monthly income would go up in line with the Retail Prices Index (RPI).

**When you take out cover, you usually have the choice of:**

- **Guaranteed premiums** – the premiums remain the same all the way throughout

the term of your plan. If you have chosen inflation-linked cover, your premiums and cover will automatically go up each year in line with RPI.

- **Reviewable premiums** – this means the premiums you pay can increase or decrease in the future. The premiums will not typically increase or decrease for the first five years of your plan, but they may do so at any time after that. If your premiums do go up or down, they will not change again for the next 12 months.

### MAKING A CLAIM

How long you have to wait after making a claim will depend on the waiting period. You can typically choose from between 1, 2, 3, 6, 12 or 24 months. The longer the waiting period you choose, the lower the premium for your cover will be, but you'll have to wait longer after you become unable to work before the payments from the policy are paid to you. Premiums must be paid for the entire term of the plan, including the waiting period.

### INNOVATIVE NEW PRODUCTS

Depending on your circumstances, it is possible that the payments from the plan may affect any state benefits due to you. This will depend on your individual situation and what state benefits you are claiming or intending to claim. This market is subject to constant change in terms of the innovative new products that are being launched. If you are unsure whether any state benefits you are receiving will be affected, you should seek professional financial advice.



# Private medical insurance

There's nothing more important in life than your health

Nothing is more important to you than your health and the health of your family. If you or your loved ones were to experience worrying symptoms, private medical insurance can offer reassurance and control at a difficult time.

Private medical insurance (often also referred to as health insurance) gives you access to private healthcare for conditions that develop after your policy has started. One of the main benefits of private medical insurance is the speed of access to medical treatment. You'll pay a monthly premium which covers all or some of the costs for your treatment. You'll be covered for conditions that begin after joining which can be cured. These are known as 'acute conditions'.

The environment you'll be treated in will vary depending on where you're located and the type of treatment you need. You could be treated in a private hospital, health centre or private section of an NHS hospital.

## CONCENTRATE ON GETTING BETTER SOONER

Diagnosis and treatment can be dealt with almost immediately, reducing the anxiety of the unknown and allowing you to concentrate on getting better sooner. With many health experts predicting that patients are set to experience poorer care and even longer waiting times, many people are turning to private health care for that extra peace of mind.

If you don't already have it as part of your employee benefits package, and you can afford to pay the premiums, you might decide it's worth paying extra to have more choice over your care.

## CHOICE IN THE LEVEL OF CARE

Most UK residents are entitled to free healthcare from the NHS. One of the main reasons people take out private health insurance is to avoid long NHS waiting times. Health insurance pays all – or some – of your

medical bills if you're treated privately. It gives you a choice in the level of care you get and how and when it is provided.

You don't have to take out private medical insurance – but if you don't want to use the NHS, you might find it hard to pay for private treatment without insurance, especially for serious conditions.

It may also be possible, under private medical insurance, to access the latest drugs and treatments licensed by the National Institute of Health and Clinical Excellence (NICE), which aren't routinely available on the NHS (outpatient drugs are not covered).

## WHAT DOES IT COVER?

Like all insurance, the cover you receive from private medical insurance depends on the policy you buy. Basic private medical insurance usually covers the costs of most in-patient treatments (tests and surgery) and daycare surgery.

Some policies extend to out-patient treatments (such as specialists and consultants) and might pay you a small fixed amount for each night you spend in an NHS hospital.

You also might be able to choose a policy which covers mental health, depression and sports injuries, but these aren't always covered.

## THERE ARE TWO MAIN TYPES OF PRIVATE MEDICAL INSURANCE POLICY:

- Indemnity policies that meet the costs of having private medical treatment for an acute illness or injury on a short-term basis. This could include a private room in a hospital, surgeons' and other specialists' fees, outpatient treatment like physiotherapy, and daycare treatment including surgical and diagnostic procedures.
- Cash plan policies, which provide a lump sum benefit payment in certain situations.

Generally, the consumer will pay a monthly premium in return for cover, for up to 100% of costs for treatment like an inpatient stay in an NHS hospital, or dental or optical treatment. These may not be included under an indemnity policy.

## BOTH INDEMNITY AND CASH-PLAN POLICIES CAN HAVE ADDITIONAL BENEFITS. FOR EXAMPLE:

- Cover for partners and/or children
- One-to-one telephone support for cancer and heart patients
- Patient health checks and helplines
- Access to complementary therapies and psychiatric treatment
- Dental and optical treatment
- Treatment at home for intravenous therapies like chemotherapy

Another variation is a six-week plan which covers the costs of private medical treatment when NHS waiting times for that treatment are likely to be more than six weeks.

International private medical insurance policies (IPMI) provide medical treatment costs cover to expatriates living overseas.

## MAIN BENEFITS OF PRIVATE MEDICAL INSURANCE ARE:

- Shorter waiting times for treatment on the NHS
- Better facilities
- Faster diagnosis
- Choose from a range of private facilities
- Choose a convenient time for appointments and treatments

Nothing is more important to you than your health and the health of your family. If you or your loved ones were to experience worrying symptoms, private medical insurance offers reassurance and control at a difficult time.

# Making a Will

## Continuing your support long into the future

We spend our lives working to provide for ourselves and our loved ones. You may have a house or flat (in the UK or overseas), shares, savings, and investments, as well as your personal possessions. All of these assets are your 'estate'. Making a Will ensures that when you die, your estate is shared according to your wishes.

Everyone should have a Will, but it is even more important if you have children, you own property or have savings, investments, insurance policies, or you own a business. Your Will lets you decide what happens to your money, property and possessions after your death.

### LAW WILL DECIDE

If you die with no valid Will in England or Wales, the law will decide who gets what. If you have no living family members, all your property and possessions will go to the Crown.

If you make a Will, you can also make sure you don't pay more Inheritance Tax than you legally need to. It's an essential part of your financial planning. Not only does it set out your wishes, but die without a Will, and your estate will generally be divided according to the rules of intestacy, which may not reflect your wishes. Without one, the state directs who inherits, so your loved ones, relatives, friends and favourite charities may get nothing.

### SAME-SEX PARTNERS

It is particularly important to make a Will if you are not married or are not in a registered civil partnership (a legal arrangement that gives same-sex partners the same status as a married couple). This is because the law does not automatically recognise cohabitants (partners who live together) as having the same rights as husbands, wives and registered civil partners. As a result, even if you've lived together for many years, your cohabitant may be left with nothing if you have not made a Will.

A Will is also vital if you have children or dependants who may not be able to care for themselves. Without a Will, there could be

uncertainty about who will look after or provide for them if you die.

### PEACE OF MIND

No one likes to think about it, but death is the one certainty that we all face. Planning ahead can give you the peace of mind that your loved ones can cope financially without you, and at a difficult time helps remove the stress that monetary worries can bring. Planning your finances in advance should help you to ensure that when you die, everything you own goes where you want it to. Making a Will is the first step in ensuring that your estate is shared out exactly as you want it to be.

If you leave everything to your spouse or registered civil partner, there'll be no Inheritance Tax to pay, because they are classed as an exempt beneficiary. Or you may decide to use your tax-free allowance to give some of your estate to someone else or to a family trust. Scottish law on inheritance differs from English law.

### GOOD REASONS TO MAKE A WILL

A Will sets out who is to benefit from your property and possessions (your estate) after your death.

#### There are many reasons why you need to make a Will:

- You can decide how your assets are shared – if you don't have a Will, the law says who gets what
- If you're an unmarried couple (whether or not it's a same-sex relationship), you can make sure your partner is provided for
- If you're divorced, you can decide whether to leave anything to your former partner
- You can make sure you don't pay more Inheritance Tax than necessary
- Several people could make a claim on your estate when you die because they depend on you financially
- You want to include a trust in your Will (perhaps to provide for young children or a disabled person, save tax, or simply protect your assets in some way after you die)

- Your permanent home is not in the UK or you are not a British citizen
- You live here but you have overseas property
- You own all or part of a business

Before you write a Will, it's a good idea to think about what you want included in it.

### YOU SHOULD CONSIDER:

- How much money and what property and possessions you have
- Who you want to benefit from your Will
- Who should look after any children under 18 years of age
- Who is going to sort out your estate and carry out your wishes after your death (your executor)

### PASSING ON YOUR ESTATE

Executors are the people you name in your Will to carry out your wishes after you die. They will be responsible for all aspects of winding up your affairs after you've passed away, such as arranging your funeral, notifying people and organisations that you've died, collating information about your assets and liabilities, dealing with any tax bills, paying debts, and distributing your estate to your chosen beneficiaries.

You can make all types of different gifts in your Will – these are called 'legacies'. For example, you may want to give an item of sentimental value to a particular person, or perhaps a fixed cash amount to a friend or favourite charity. You can then decide who you would like to receive the rest of your estate and in what proportions. Once you've made your Will, it is important to keep it in a safe place and tell your executor, close friend or relative where it is.

### REVIEW YOUR WILL

It is advisable to review your Will every five years and after any major change in your life, such as getting separated, married or divorced, having a child, or moving house. Any change must be by Codicil (an addition, amendment or supplement to a Will) or by making a new Will.



# Long-term care

Financial support you need if you have to pay for care assistance for yourself or a loved one

With the UK's population ageing, more people will be living with long-term care needs. Oscar Wilde once said: 'The tragedy of old age is not that one is old, but that one is young.' But the good news of rising life expectancy also brings with it the challenge of how we fund our future care costs. The question is: who is responsible for looking after us if we need care in old age?

As we get older, it becomes more likely that we may need day-to-day help with activities such as washing and dressing, or help with household activities such as cleaning and cooking. This type of support, along with some types of medical care, is what is called 'long-term care'.

## PROVIDING FINANCIAL SUPPORT

Long-term care insurance provides the financial support you need if you have to pay

for care assistance for yourself or a loved one. Long-term care insurance can cover the cost of assistance for those who need help to perform the basic activities of daily life such as getting out of bed, dressing, washing and going to the toilet.

You can receive long-term care in your own home or in residential or nursing homes. Regardless of where you receive care, paying for care in old age is a growing issue.

## LEVEL OF STATE SUPPORT

Government state benefits can provide some help, but may not be enough or may not pay for the full cost of long-term care. The level of state support you receive can be different depending on whether you live in England, Wales, Scotland or Northern Ireland.

## HOW YOUR ASSETS AND SAVINGS AFFECT HOW MUCH YOU PAY FOR CARE

Region	Local authority or trust helps pay for care costs if you have assets and savings of
England	£23,250
Scotland	£26,500
Wales	£30,000
Northern Ireland	£23,250

Your local authority or trust will still expect you to contribute some of your income if you're below these limits.



## TYPES OF LONG-TERM CARE PLANS

**Immediate needs annuities** – pay a guaranteed income for life to help cover the cost of care fees in exchange for a one-off lump sum payment, if you have care needs now.

**Pre-funded care plans** – gave you the option of insuring your future care needs before they develop (these plans are no longer available to purchase)

## OTHER OPTIONS

**Enhanced annuities** – you can use your pension to buy an enhanced annuity (also known as an ‘impaired life annuity’) if you have a health problem, a long-term illness, if you are overweight, or if you smoke. Annuity providers use full medical underwriting to get a more accurate individual price. People with medical conditions including Parkinson’s disease and multiple sclerosis, or those who have had a major organ transplant, are likely to be eligible for an enhanced annuity.

**Equity release plans** – give you the ability to get a cash lump sum as a loan secured on your home – these can be used if you are looking to fund a care plan now or in the near future.

**Savings and investments** – give you the opportunity to plan ahead and ensure your savings and assets are in place for your care needs.

If you are already retired, or nearing retirement, it makes good sense to take professional financial advice to ensure that your affairs are in order – for example, arranging your Will or a power of attorney. It also makes sense to ensure your savings, investments and other assets are in order in case you or your spouse or registered civil partner may need long-term care in the future.

## WHEN PLANNING FOR YOUR FUTURE CARE NEEDS, THINK ABOUT:

- Who (in your family) most needs long-term care and for how long
- Whether you need a care plan now
- Whether you should be planning ahead for yourself or a loved one
- Whether you have the money to pay for long-term care
- How long you might need to pay for a care plan
- Whether home care or a nursing home is required
- What kinds of things would be required of the help – for example, help with dressing, using the toilet, feeding or mobility
- Whether you find that your home requires additional features such as a stair lift, an opening and closing bath or a bath chair, and/or home help

## MAKING DECISIONS AT WHAT CAN BE AN EMOTIONAL TIME

Life expectancy has increased, which in turn puts a greater strain on the standard of care that state support can provide. Many people don’t consider the issue of care at all, and it falls to their families to make long-term decisions (and often very expensive ones) at what can be an emotional time. However, when an individual reaches the stage that they require long-term care, this does not necessarily mean that their life expectancy becomes reduced. The required care could last for 15 years or more, and therefore incurs considerable costs.



# Lasting Power of Attorney

Peace of mind that there is someone you trust to look after your affairs

A Lasting Power of Attorney (LPA) is a legal document that allows you to appoint one or more people to make decisions on your behalf during your lifetime. The people you appoint to manage your affairs are called the 'attorneys'. An LPA is a completely separate legal document to your Will, although many people put them in place at the same time as getting their will written, as part of wanting to plan for the future.

## DURING YOUR LIFETIME

Once you have an LPA in place, you can have peace of mind that there is someone you trust to look after your affairs if you became unable to do so yourself during your lifetime. This may occur, for example, because of an illness, old age or an accident.

Having an LPA in place can allow your attorney to have authority to deal with your finances and property, as well as make decisions about your health and welfare. Your LPA can include binding instructions together with general preferences for your attorney to consider. Your LPA should reflect your particular wishes so you know that the things that matter most would be taken care of.

## REQUIRED LEGAL CAPACITY

You can only put an LPA in place whilst you are capable of understanding the nature and effect of the document (for example, you have the required legal capacity). After this point, you cannot enter into an LPA, and no one can do so on your behalf.

Many people don't know that their next of kin has no automatic legal right to manage their spouse's affairs without an LPA in place, so having to make decisions on their behalf can become prolonged and significantly more expensive.

**A Lasting Power of Attorney for health and welfare can generally make decisions about matters including:**

- 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.

**A Lasting Power of Attorney for property and financial affairs decisions can cover:**

- Buying and selling property
- Paying the mortgage
- Investing money
- Paying bills
- Arranging repairs to property

## MANAGE YOUR AFFAIRS

Without an LPA in place, there is no one with the legal authority to manage your affairs, for example, to access bank accounts or investments in your name or sell your property on your behalf. Unfortunately, many people assume that their spouse, partner or children will just be able to take care of things, but the reality is that simply isn't the case.

In these circumstances, in order for someone to obtain legal authority over your affairs, that person would need to apply to the Court of Protection, and the Court will decide on the person to be appointed to manage your affairs. The person chosen is appointed your 'deputy'. This is a very different type of appointment, which is significantly more involved and costly than being appointed attorney under an LPA.

If you wish to have peace of mind that a particular person will have the legal authority to look after your affairs, and you want to make matters easier for them and less expensive, then you should obtain professional advice about putting in place an LPA.

## HEALTH AND WELFARE LASTING POWER OF ATTORNEY

Allows you to name attorneys to make decisions about your healthcare, treatments and living arrangements if you lose the ability to make those decisions yourself. Unlike the Property and Financial Affairs LPA, this document will only ever become effective if you lack the mental capacity to make decisions for yourself.

If you can't communicate your wishes, you could end up in a care home when you may have preferred to stay in your own home. You may also receive medical treatments or be put into a nursing home that you would have refused, if only you had the opportunity to express yourself; this is when your attorney, appointed by the LPA, can speak for you.

## PROPERTY AND FINANCIAL AFFAIRS LASTING POWER OF ATTORNEY

Allows you to name attorneys to deal with all your property and financial assets in England and Wales. The LPA document can be restricted, so it can only be used if you were to lose mental capacity, or it can be used more widely, such as if you suffer from illness, have mobility issues or if you spend time outside the UK.

# Trusts

Protecting, preserving or ultimately distributing wealth

As part of your Inheritance Tax planning, you may want to consider putting assets in trust – either during your lifetime or under the terms of your Will. Putting assets in trust – rather than making a direct gift to a beneficiary – can be a more flexible way of achieving your objectives.

## For example:

- You might want assets that will pass to a child to be held on trust until they are older
- You might want assets to eventually pass to your children, but to ensure that your spouse can benefit from them for the rest of his or her life

The tax treatment of trusts is complex and depends on such factors as the kind of trust, the value of the assets put into it, and who the beneficiaries are. Recent changes to the rules mean that the tax treatment of some trusts is no longer as favourable as it used to be, but there are still circumstances in which they can help to reduce the overall level of tax payable.

The structures into which you can transfer your assets can have lasting consequences for you and your family, and it is crucial that you choose the right ones. The right structures can protect assets and give your family lasting benefits. A trust can be used to reduce how much Inheritance Tax your estate will have to pay on your death.

## LEGAL ARRANGEMENT

A trust, in principle, is a very simple concept. It is a legal arrangement where the ownership of someone's assets (such as property, shares or cash) is transferred to someone else (usually a small group of people or a trust company) to manage and use to benefit a third person (or group of people). An appropriate trust can be used to reduce how much Inheritance Tax your estate will have to pay on your death.

## BARE (ABSOLUTE) TRUSTS

The beneficiaries are entitled to a specific share of the trust, which can't be changed once the trust has been established. The settlor (person who puts the assets in trust) decides on the beneficiaries and shares at outset. A simple and straightforward trust – the trustees invest the trust fund for the beneficiaries but don't have the power to change the beneficiaries' interests decided on by the settlor at outset. Offers the potential Income Tax and Capital Gains Tax benefits, particularly for minor beneficiaries. The assets, both income and capital, are immediately owned and can be taken by the beneficiary at age 18 (16 in Scotland).

## INTEREST IN POSSESSION TRUSTS

With this type of trust, the beneficiaries have a right to all the income from the trust, but not necessarily the capital. Sometimes a different beneficiary will get the capital – say, on the death of the income beneficiary.

They're often set up under the terms of a Will to allow a spouse to benefit from the income during their lifetime, but with the capital being owned by their children. The capital is distributed on the remaining parent's death.

## DISCRETIONARY (FLEXIBLE) TRUSTS

The settlor decides who can potentially benefit from the trust, but the trustees are then able to use their discretion to determine who, when and in what amounts beneficiaries do actually benefit. Provides maximum flexibility compared to the other trust types, and for this reason is often referred to as a 'Flexible Trust'.

A few trusts will now have to pay an Inheritance Tax charge when they are set up, at ten-yearly intervals and even when assets are distributed.

You should always obtain professional advice on whether trusts could be of benefit for your particular circumstances and requirements.

TAX TREATMENT DEPENDS ON INDIVIDUAL CIRCUMSTANCES AND MAY BE SUBJECT TO CHANGE IN THE FUTURE. THE INFORMATION GIVEN IS NOT INTENDED TO PROVIDE LEGAL, TAX OR FINANCIAL ADVICE.





# Inheritance Tax

Passing assets efficiently to the next generation remains a primary objective for many

There are many things to consider when looking to protect your family and your home. Protecting your estate is ultimately about securing more of your wealth for your loved ones and planning for what will happen after your death to make the lives of your loved ones much easier. It's not nice to think about, but it means that your loved ones can carry out your wishes and be protected from Inheritance Tax.

If you don't make the right financial arrangements, your family could potentially have to foot a hefty Inheritance Tax bill in the event of your premature death. Passing assets efficiently to the next generation remains a primary objective for many who have spent a lifetime accumulating their wealth. Providing funds for family members or a charitable interest is also an important way to see the benefit of your wealth during your lifetime, as well as leaving a legacy.

**Inheritance Tax is payable on everything you have of value when you die, including:**

- Your home
- Jewellery
- Savings and investments
- Works of art
- Cars
- Any other properties or land – even if they are overseas

## PEACE OF MIND AFTER YOU'RE GONE

Making sure that you've made plans for after you're gone will give you peace of mind. It's not nice to think about, but it means that your loved ones can carry out your wishes and be protected from Inheritance Tax. You don't have to be wealthy for your estate to be liable for Inheritance Tax when you die.

Any part of your estate that is left to your spouse or registered civil partner will be exempt from Inheritance Tax. The exception is if your spouse or registered civil partner is domiciled outside the UK. The maximum you can then give them before Inheritance Tax may need to be paid is £325,000. Unmarried partners, no matter how long standing, have no automatic rights under the Inheritance Tax rules.

## EXECUTORS MAKE THE NECESSARY DECISIONS

Where your estate is left to someone other than a spouse or registered civil partner (for example, to a non-exempt beneficiary), Inheritance Tax will be payable on the amount that exceeds the nil-rate threshold. The current threshold is £325,000. The threshold usually rises each year but has been frozen at £325,000 for tax years up to and including 2020/21.

Every individual is entitled to a nil-rate band (that is, every individual is entitled to leave an amount of their estate up to the value of the nil-rate threshold to a non-exempt beneficiary without incurring Inheritance Tax). If you are a widow or widower and your deceased spouse did not use the whole of his or her nil-rate band, the nil-rate band applicable at your death can be increased by the percentage of nil-rate band unused on the death of your deceased spouse, provided your executors make the necessary elections within two years of your death.

## NON-EXEMPT GIFTS MADE WITHIN SEVEN YEARS

To calculate the total amount of Inheritance Tax payable on your death, gifts made during your lifetime that are not exempt transfers must also be taken into account. Where the total amount of non-exempt gifts made within seven years of death – plus the value of the element of your estate left to non-exempt beneficiaries – exceeds the nil-rate threshold, Inheritance Tax is payable at 40% on the amount exceeding the threshold.

This reduces to 36% if the estate qualifies for a reduced rate as a result of a charity bequest. In some circumstances, Inheritance Tax can also become payable on the lifetime gifts themselves – although gifts made between three and seven years before death

could qualify for taper relief, which reduces the amount of Inheritance Tax payable.

## ESTATES WORTH MORE THAN £2 MILLION ON DEATH

Since 6 April 2017, an IHT 'residence nil-rate band' is available in addition to the standard nil-rate band. It's worth up to £125,000 for 2018/19, £150,000 for 2018/20 and £175,000 for 2020/21. It starts to be tapered away if your Inheritance Tax estate is worth more than £2 million on death. Unlike the standard nil-rate band, it's only available for transfers on death. It's normally available if you leave a residential property that you've occupied as your home outright to direct descendants.

It might also apply if you've sold your home or downsized from 8 July 2015 onwards. If spouses or registered civil partners don't use the residence nil-rate band on first death – even if this was before 6 April 2017 – there are transferability options on second death. As a number of conditions apply, it's best to review your Will and obtain specialist professional advice if you're hoping to rely on the residence nil-rate band.

## TAPER RELIEF

Taper relief applies where Inheritance Tax, or additional Inheritance Tax, becomes payable on your death in respect of gifts made during your lifetime. The relief works on a sliding scale. The relief is given against the amount of tax you'd have to pay rather than the value of the gift itself. The value of the gift is set when it's given, not at the time of death.

Years before death in which transfer made	Taper relief
3–4	20%
4–5	40%
5–6	60%
6–7	80%

## GIFTING

HM Revenue & Customs (HMRC) permits you to make a number of small gifts each year without creating an Inheritance Tax liability. Each person has their own allowance, so the amount can be doubled if each spouse or registered civil partner uses their allowances.

You can also make larger gifts, but these are known as 'Potentially Exempt Transfers' (PET), and you could have to pay Inheritance Tax on their value if you die within seven years of making them. Any other gifts made during your lifetime which do not qualify as a PET will immediately be chargeable to Inheritance Tax. These are called 'Chargeable Lifetime Transfers' (CLT), and an example is a gift into a discretionary trust.

The taxation rules of CLTs are complicated, and you should obtain professional advice if you are considering a CLT. Also, if you make a gift to someone but keep an interest in it, it becomes known as a 'Gift With Reservation' and will remain in your estate for Inheritance Tax purposes when you die.

### HMRC permits you give the following as exempt transfers:

- Up to £3,000 each year as either one or a number of gifts. If you don't use it all up one year, you can carry the remainder over to the next tax year. A tax year runs from the 6 April one year to 5 April in the next year.
- Gifts of up to £250 to any number of other people – but not those who received all or part of the £3,000.
- Any amount from income that is given on a regular basis, provided it doesn't reduce your standard of living. These are known as gifts made as 'normal expenditure out of income'.
- If your child is getting married, you can gift them £5,000; if a grandchild or more distant descendent is getting married, you can gift them £2,500; and a friend or anyone else you know, you can gift them £1,000.

- Donations to charity, political parties, universities and certain other bodies recognised by HMRC.
- Maintenance payments to spouses (and ex-spouses), elderly or infirm dependant relatives, and children under 18 or in full-time education
- There are certain other gifts that can qualify for relief from Inheritance Tax. These can include gifts of a small business, sole trader enterprise, or partnership and shares in companies listed on the smaller, more risky stock exchange, the Alternative Investment Market (AIM).
- Farmers can also gain up to 100% relief from Inheritance Tax when making gifts of certain agricultural land or farm buildings. But the rules in both these situations are complex, and you'd be best to seek expert advice before gifting anything away.
- Members of the armed forces killed in action or whose death is hastened by injuries sustained on active duty are also exempt from Inheritance Tax.

## LIFE INSURANCE POLICY

If you don't want to give away your assets while you're still alive, another option is to take out life cover, which can pay out an amount equal to your estimated Inheritance Tax liability on death. Taking out a life insurance policy written under an appropriate trust could be used towards paying any Inheritance Tax liability.

Under normal circumstances, the payout from a life insurance policy will form part of your legal estate, and it may therefore be subject to Inheritance Tax. By writing a life-insurance policy in an appropriate trust, the proceeds from the policy can be paid directly to the beneficiaries rather than to your legal estate, and will therefore not be taken into account when Inheritance Tax is calculated. It also means payment to your beneficiaries will probably be quicker, as the money will not go through probate.

# Do you have an effective protection planning strategy in place?

There are many things to consider when looking to protect you and your family – premature death, Inheritance Tax, illness and loss of income, to name but a few. These events all need to be considered in an effective protection planning strategy. To review your situation, please contact us – we look forward to hearing from you.

This guide is for your general information and use only, and is not intended to address your particular requirements. The content should not be relied upon in its entirety and shall not be deemed to be, or constitute, advice. Although endeavours have been made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions taken in respect of the content. Thresholds, percentage rates and tax legislation may change in subsequent Finance Acts. Levels and bases of, and reliefs from, taxation are subject to change and their value depends on the individual circumstances of the investor. The value of your investments can go down as well as up and you may get back less than you invested. All figures relate to the 2018/19 tax year, unless otherwise stated.