WAY One Page Guides® for IFAs

WAY Regional Managers

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Please Note:
This document is for the use of and is directed at Financial Intermediaries only. No reliance must be placed on this information by any other persons. This is an outline guide only. Full details of the Plan/Product described can be found in the appropriate WAY brochure. Copies of all WAY literature are available from your Regional Manager or at www.wayinvestments.com
All information correct as at 1st March 2010

The WAY Duo Inheritor Plan

~ enjoying a discount and flexibility ~

Objectives

- To remove capital from the estate in order to mitigate Inheritance Tax (IHT).
- To provide an immediate reduction in IHT liability.
- To deliver a regular monthly cash 'income' for a minimum period of eight years.
- To provide the flexibility to adapt to changing needs.
- To deliver good growth potential from a well-diversified risk-graded international portfolio.

The mechanics of the plan

- Capital is invested in one or more of the risk-graded WAY Portfolio Funds.
- The investment is immediately gifted into a flexible Interest in Possession Trust under the control of appointed Trustees for the eventual benefit of chosen Beneficiaries.
- Two specific sets of reversions of investment parcels are 'carved out' to provide (a) monthly cash reversions over the first eight years at the rate of 5% a year and (b) four annual flexible reversions of 15% each over the first four years.
- The monthly cash reversions arise from the sale of a fixed number of units/shares each month so that the monetary sum may rise over time if units/shares grow in value.
- The monthly reversions are set in stone and have to be taken by the Settlor but the annual reversions can (and often will) be postponed in whole or in part by the Trustees to a later anniversary.
- Trustees can appoint or lend capital comprising the flexible reversions to Beneficiaries at any time.
- Trustees can appoint additional beneficiaries or deny existing ones if required.
- A spouse may be appointed as a Beneficiary after the Planholder's death and benefit from appointments of capital, or loans, which may help mitigate their own IHT liability.

Tax benefits

- The initial gift is a Chargeable Lifetime Transfer and is made without an immediate tax charge if the discounted value is kept within the available Nil Rate Band.
- All growth is immediately outside of the Planholder's estate for IHT purposes and all of the capital potentially falls out of the estate after seven years.
- The Planholder's IHT liability is immediately reduced, due to the discount on the gifted value.
- The Planholder's investment is made directly into WAY Unit Trusts or OEICs to take advantage of the trustees' CGT allowance and low flat-rate tax regime.

Further information and help

Simply call your local WAY Regional Manager – see the panel on the left.

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