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 Flexible Inheritor Plan

Objectives

- To remove capital from the Planholder's estate in order to mitigate Inheritance Tax (IHT).
- To retain access to regular income or irregular capital withdrawal.
- 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 highly flexible Interest in Possession Trust under the control of appointed Trustees for the eventual benefit of chosen Beneficiaries.
- A bespoke pattern of reversions of investment parcels is "carved out" to provide future access to capital or an effective "income" stream on the annual anniversaries of the gift.
- The reversion pattern can be matched precisely to the Planholder's needs. It is not necessary to accept a fixed pattern such as 5% per annum.
- Surplus or excess reversions can be postponed in whole or in part to any later anniversary so that the Planholder only takes precisely what is needed from each reversion.
- Trustees can appoint or lend capital to Beneficiaries at any time.
- Trustees can appoint additional Beneficiaries or deny existing Beneficiaries if required.
- A spouse may be appointed as a potential Beneficiary after the Planholder's death and benefit from appointments of capital, or loans, which can help to mitigate their own IHT liability.

Tax benefits

- The Initial gift is a Chargeable Lifetime Transfer and is made without an immediate tax charge if kept within the IHT Nil Rate Band, subject to interaction with other gifts made.
- All growth is immediately outside of the Planholder's estate for IHT purposes and the capital falls out of estate after 7 years, subject to interaction with other gifts made.
- The Planholder's investment can be made directly into WAY Unit Trusts or OEICs, or via an offshore bond wrapper. The Planholder may choose the most efficient tax regime for accounting for the gains – Capital Gains Tax or Income Tax – according to their circumstances.
- Periodic and/or exit charges can be avoided by establishing multiple trusts.
- Deferral of the reversions does not create a chargeable event for **any** tax and so a generous level of reversions may be specified to build in a cushion in case of unexpected need.

Further information and help

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