Some sensible things to do for 'Peace of Mind' and to help others who will have to deal with your affairs - Protecting yourself against yourself

Introduction

Many already keep very good records that enable others to step in and take over when they lose mental capacity or on their death. There are matters that come into more prominence with age. This document starts to address a number of those issues. However, a lazy or 'I'll get round to doing it one day' attitude exposes that person to the risk of 'missing the boat' and others presented with a horror show to sort out!

Sometimes, in a relationship the one person deals with all these matters meaning that if they lose mental capacity or on death their spouse or partner might be left high and dry not knowing where to turn to and without the vital information needed to access accounts and manage their money.

So, trapping all the key information in one place will help those left to deal with your or their ongoing financial affairs.

This document sets out some: -

- key elements
- common sense and good housekeeping suggestions
- important legal documents such as a Lasting Power of Attorney and an up to date Will
- you may have some other ideas not covered in this document so add to those here

This becomes more important the older we are because we live in a world with constant change. Greater reliance on the internet and online activity while our understanding of key matters may not have kept up with reality.

So, for your 'peace of mind' and to help others avoid potential frustration, angst, delay, and unnecessary expense through lack of forethought do invest some of your time now. Take stock, think of the options, and decide upon a course action whatever that may be. It may well be that everything is in good order so take a bow. If not, you might only need to pull together a few loose ends and trap the key information in a way suggested and signpost others where to find the key information, contacts, and documents when the time comes. Whatever you may do now promise yourself that you will review things from time to time just in case you need to fine tune what you do now as circumstances change.

At first sight, looking at the following pages it might seem daunting. However, as they say *'to eat an Elephant you can do so in bite size pieces'*. A little at a time. Why not make a start and target certain elements so that gradually you will accomplish it? It might make sense to gradually compile documents such as '**About me'**, **'Key Contacts'**, **'Key Documents'** and **'Financial Resources'** so that in due course all the essential detail and signposts are recorded. Having done that remember to review and update from time to time. Share these electronically and in paper form with your close family, friend, or selected Attorneys / Executors as a security measure. Of course, if there is a more pressing need then the greater the urgency to get it done sooner rather than later! Once someone has lost mental capacity they cannot make a Will or revise it. They cannot make a Lasting Power of Attorney. The result could be undesired outcomes and expensive ones at that. So, 'Protect yourself against yourself', by doing the right thing while time and mental capacity are on your side.

Step 1 'About me'

Perhaps the most important first thing to do is to pull together all that personal information in a concise **'About me'** document. That document could include information such as: -

- Your full name – and if appropriate prior maiden name or name prior to adoption
- Date of birth
- National Insurance Number
- Income Tax reference number for self-assessment
- NHS Number
- Name and contact details of your General Practitioner, Dental Surgeon, Optician, other relevant Health professionals and your Religious Minister
- Prescriptions online through Pharmacy2U or local pharmacy as well as contact details
- Name and contact details, if you have any pets, of your Veterinary Surgeon
- List of any medication for you or any pets
- List of previous illnesses / treatments / operations that might be relevant to a GP or Dentist
- Details of any dietary needs, allergies, or intolerances
  - Vegan, vegetarian, diabetic foods needed, gluten intolerance etc.
- Organ donor
- Driving Licence Holder
- Other licences and important documents held (passport, shotgun licence...)
- Club or Association memberships
- Existence of a Power of Attorney, Enduring Power of Attorney, Lasting Power(s) of Attorney and Will
  - In that way others will know they need to locate these documents
- Details of any preferences – food, sensory, music, authors etc
- Indicate existence of any pre-paid funeral plan, long term care policy, life assurance policy, 'Equity Release' borrowing and any remaining mortgage commitment
  - In that way your spouse, partner, other family members, Attorneys or Executors will be put on notice to investigate
- Other family members / friends not evident from your diary or book of addresses
- Names of your professional advisers – Accountant, Financial Adviser, Solicitor or any other

This might only be a 10-minute task but save a great deal of time and trouble for others later on!

The same can be repeated for your spouse or partner. Then keep that document with your Will and ensure a copy is kept by your chosen close family member, trusted friend (if appropriate) and Attorneys named in your Enduring Power of Attorney or Lasting Power of Attorney.

Step 2 Stock taking and identifying how best to put control into your life so that if others need to manage your or their own affairs they are better equipped

Several suggestions and thought provokers follow.

Sensible matters to consider and where action might be desirable or essential. Remember that this stock taking needs to be repeated from time to time as things change.

- **List showing the address, email or telephone numbers** of who need to be informed should you lose mental capacity or on your death – the lists for each eventually might be different. Suggest you create a '**Key Contacts'** document and it is held with your Will. Then decide with whom you might need to share this document remembering trustworthiness!

- Remember that a **Power of Attorney** in England and Wales ceases to be valid when you lose Mental Capacity and that is when an Enduring Power of Attorney or Lasting Power of Attorney comes into play once registered if it is already in existence
    - Review these from time to time to ensure that the documents are still valid such as the people to whom powers are to be granted just in case they have died or lost mental capacity themselves
    - If you do not have an Enduring Power of Attorney or a Lasting Power of Attorney (LPA) do consider the merits of having such a document to avoid a more expensive and protracted process when mental incapacity arises and there are no appointed Attorneys. Visit https://www.gov.uk/power-of-attorney There are two types of LPA in England and Wales. The one deals with money and financial affairs and the other with welfare considerations

- **Do your Attorneys named in an Enduring Power of Attorney know where it is to be found?** If not recorded in the **'Key Documents'** document or kept with your Will then do share that location with your Attorneys. Do the same for any Lasting Power of Attorney

- A **Joint Account** can continue to be operated by both signatories but be careful as the authorities could consider that if the bulk of the income into that account related to the one person then unfettered access to that account, to the potential detriment of the person in respect of whom that income is receivable into that Joint Account when mental incapacity arises, could be an issue especially when seeking funding for care. More likely to be an issue where the other name on the Joint Account is not a spouse or partner

    - Adding another name to an Account to make it a Joint Account depends on complete trustworthiness and in any event might leave the person to be protected exposed to potential risk without the added protection that an LPA offers. For the relatively small costs involved it might be a small price to pay, rather like insurance, for 'peace of mind'
        - Registration fee involved for an LPA is not great and if matters are straightforward then the paperwork from the government website can be completed online or downloaded
        - However, many people prefer the comfort of a Solicitor undertaking that work mindful of their expertise and familiarity with the process as well as understanding the' legal' language
        - Adding another name to a Joint Account means that they too own the money in that account 100% and without any limitation on spending from that

account or transparency of the transactions then there is always the potential exposure to risk of fraud / theft

  - Sibling and family rivalry can arise with suspicions sometimes arising with the addition of another family member to the Joint Account. Claims that they have 'milked the account' for personal reasons or run down the value of the potential Estate to the detriment of other beneficiaries named in the Will while not truly caring for the needs of the person to be protected. Sometimes informal means to cope with money management in anticipation of loss of mental capacity or death can become the source of rancour and family dispute between family members which would be better handled by an Enduring Power of Attorney or Lasting Power of Attorney with the implicit controls in place that can continue when mental capacity is lost unlike a normal Power of Attorney that becomes invalid on the person's loss of mental capacity

- Are **your Executors aware where your Will can be found** in the house or the address of the Solicitors / Will Writing Service where it might be lodged? Record the location in a **'Key Documents'** document.
  - If you have not reviewed your Will(s) for quite some time and there have been changes in your potential beneficiaries or a particular Executor might no longer be valid (loss of mental capacity or death) then seek amendments by a Codicil to the Will or a new Will
  - If you have so-called 'Mirror Wills' where each is an Executor to the Will of the other then on first death there is then a non-valid Executor for the survivor's Will
  - Is your Will helping or hindering in efficient Inheritance Tax planning for your Estate(s)?
    - Are you potentially taking advantage of the Main Residence Nil Rate Band Allowance? Visit https://www.gov.uk/inheritance-tax/passing-on-home
  - If not already included in a Will, record your wishes about burial /cremation, type of service etc with other papers alongside your Will

- **If you have not made a Will** or a Will becomes invalid then do recognise how an Estate is dealt with without a valid Will as well as the unintended consequences yet alone added costs and delay that can occur. Visit https://www.gov.uk/inherits-someone-dies-without-will if in any doubt about making a Will

- While covering end of life why not consider putting together your **own Obituary** to help others when the time comes including the Local Circle and Editor of Catena

- Where are your **Property Title Deeds?** At home or stored elsewhere such as with your Solicitor? Record the location in a **'Key Documents'** document.

  All is not lost however as HM Land Registry records are digital. They do not store paper title Deeds. Property is Registered at HM Land Registry and proper title can always be verified. HM Land Registry hold the definitive record of land and property ownership in England and Wales. So, if your property is registered with them you do not need the deeds to confirm your ownership. It is a good idea to keep the original deeds though, as they can hold extra

information, about legal boundaries or who the previous owner was, for example

- Important, if you can, to have critical documents, including **the 'Key Documents'** and **'Key Contacts'** and any other important papers either stored in a fireproof /resistant box or copies stored away from the home

- **List of all your passwords and any secret words used for security checks for your computers, accounts, websites, and linked services such as Internet / TV** and inform your spouse, partner, Attorneys, Deputies or Executors where they can be found – preferably with the **'Key Documents'** document
    - Important to have a paper copy not just stored in your 'Documents' section on your laptop / computer
    - Important that this is always updated with any changes
    - **'Key Documents'** document kept with your Will in safe place where others know where to find it

- **Operating codes and procedures for any key appliances** recorded in a '**Key Documents'** document
    - Gated security entrance
    - Gas central heating system
    - Home security system
    - Internet / TV interface / computer
    - Broadband router
    - Any other such items
    - Important that this is always updated with any changes
    - **'Key Documents'** document kept with your Will in safe place where others know where to find it

- Make allowance for the fact that on death obtaining **Grant of Probate** to implement the Will and to deal with an Estate can take some time leaving the Executors / family with much work to do. This can be particularly stressful for them if all the relevant information and papers cannot be found easily / quickly. The tidier and organised the paperwork the less expensive the cost of any professional charges involved in winding-up an Estate. So, you will save the time, trouble, and expense by enabling them with quick access to key information and where to easily find key documents.

- Schedule of **'Key Dates'** for renewal or payment of key expenditure items to ensure essential services and obligations are fulfilled. The **'Key Dates'** document kept with your Will as your spouse, partner, Attorneys, Deputies or family will need these at some point in time. These details for payment obligations might already be kept in a household accounts folder with the latest correspondence / emails / bills and importantly the account numbers: -
    - Insurances (house, contents, vehicle(s), travel insurance, as well as warranty for domestic and other appliances, any health/ dental insurance)
    - Council Tax
    - Rent payments, if appropriate
    - DVLA vehicle tax and Vehicle MOT
    - Passport

- Utilities (TV licence, internet service, telephone, gas, water, and electricity)
- Termination date for any of those services when current contract terms might change
- Subscriptions (professional bodies, magazines, TV, and Internet services)
- Significant prepayments for things like holidays or hotels that might need to be cancelled or costs recouped
- Regular gifts such as Gift Aid paid by Direct Debit or Standing Order that could be stopped

- Do your Executors, Attorneys, family, or key friend know where to find important items such as **car and house keys, access codes to your home or to operate / disengage the home security alarm?**
  - Name and contact details for any key holders so that house entry is possible

- Do your Executors, Attorneys, family, or key friend know who will continue to **take care of any pets?**
  - Do they have or have you on your list of **'Key Contacts'** the key information for them including the name and contact details for the Veterinary Practice used by you?
  - How can anyone outside the family be reimbursed for any expenses they take on board?

- **If the house is likely to be unoccupied for some time**: -
  - Do the family or close friend know where to turn off the water supply at the main stop cock?
  - During very cold weather will the central heating be set for cold weather setting to prevent water pipes being frozen and then bursting? Who will attend to that?
  - If the house is left unoccupied continuously for a period of time the house insurance cover might be invalid
    - Check what the situation is with your current insurers and record in the **'Key Dates'** document kept along with other papers with your Will
    - On death notify the insurer to ensure cover is still valid to date of sale if no occupant left or to change the name of the insured to the survivor
  - Is there a gardener, family member or friend who will tend to the garden? Who will deal with refuse bins? Details included in the **'Key Contacts'** document will help
  - Who will check the mail and other literature coming through your letter box or into a mailbox on a regular basis? Mail or items sticking out of a letter box are an open invitation to burglars
  - Who will check your email, mobile and phone messages?
    - Do they have any security passwords to access the emails and messages?
    - Who will check messages left on your answerphone?
    - If your communication facilities are integrated then does anyone know how to access them and the key codes – will they need instructions on how to access / open?
    - Include the relevant details in the **'Key Contacts'** document

- List of the **trusted traders** used in the past or where you have a service agreement. Such as builders, plumbers, electrician, milkman, and their contact details

- There might be copies of correspondence and previous bills in a household folder or better still include them in the **'Key Contacts'** document with all details in one place

- **Credit, debit, store cards, loyalty cards as well as cheque books**
  - Where are they kept if not in your purse/ wallet?
  - Someone acting as Attorney or Deputy appointed by the Court of Protection will want to know the PIN number to operate some cards on your behalf while you are still living. The same might apply for your spouse or partner. Record in the **'Key Documents'** document
  - On death will your spouse / partner need to arrange these for themselves?

- **Important certificates, policies, papers, and items**– where are all the personal and family certificates, documents, policies, and other important items to be found? Is their location recorded on the **'Key Documents'** document?
  - Birth and marriage certificates for self and other family members
  - Other documents such as adoption papers, First communion and confirmation certificates, key divorce documents
  - Will
  - Other papers if you are acting as an Executor or an Attorney / Deputy on behalf of another person
  - Your Enduring Power of Attorney or Lasting Power(s) of Attorney
  - Bank accounts and credit card statements
  - Car 'Log book' and Driving Licence
  - Car, house, contents, private medical cover, and long-term care insurance policies
  - Life assurance policies and insurance / investment bonds
  - Contracts for any utilities and other matters
  - Any other important documents of value
  - Some organisations may not accept copy certificates and might insist upon certified copies so if in any doubt do check in good time

  Can they be stored in a fireproof / resistant cabinet?

- Schedule showing summarised details of any **savings and investments as well as the life assurance policies, investment bonds, ISA investment certificates, NSI savings and investments and other forms of savings / investments** in a **'Financial Resources'** document kept with your Will
  - Are the contact details for these assets shown on the **'Key Contacts'** documents kept with your Will or in another place?
  - Is the location of all these items listed in the **'Key Documents'** document if in hard copy form or electronic form?

- **Contact details and passcodes for online access for the Trustees, Administrators, or providers for any occupational or personal pension benefits** in payment, that can be accessed or potentially available on death
    - Include in any schedule of '**Key Contacts'** so that spouse, partner, Attorneys, Deputies or Executors can take appropriate action promptly
    - Your spouse, partner or another financial dependant might need these details to put into payment promptly their own benefits
    - There might possibly be some lump sum benefits payable
        - Have you provided the Trustees / Provider with a Nomination Form or Expression of Wish Form for the distribution of benefits on death from each scheme or arrangement?
        - If so, does that document need to be updated due to changed circumstances since last submitted?

If in 'Income Drawdown' with a Personal Pension Plan it might be appropriate to review the investment policy of any remaining assets in the 'Income Drawdown' account mindful of how those assets might need to be accessed going forward

- Contact details for the appointed Independent Financial Adviser or 'income drawdown' provider – are they recorded on the **'Key Contacts'** document?

- **Tax return papers** needed when your circumstances change
    - Do the people who need to know about the documents / record / statements/ previous tax returns and tax codes know where they can be found and if they are stored electronically?
        - Include on the **'Key Contacts'** document the website and passcodes to access the websites for HMRC Self-Assessment tax returns and details of dividends and investments
    - Does an Accountant submit the tax returns? Are those details recorded in the **'Key Contacts'** document?
    - Record of gifts to charities (regular and one-off) under Gift Aid to enable final tax returns to be made. Particularly important for Higher Rate tax- payers as are dividends received and any other taxable income to be included on the Tax return. Record details where that information is held in **'Key Documents'**
    - On death, Executors effectively make a tax return on behalf of the deceased so will look for this information. What will be the tax status of the survivor? Will their situation need to be reviewed?
    - While living, Attorneys or Deputies are faced with potential tax returns for the person covered by the Lasting Power of Attorney or Enduring Power of Attorney

- It might be that there is an **incorrect Tax Code** in operation meaning that over deduction of tax is occurring. Understanding of Income Tax allowances is important. Visit https://www.gov.uk/tax-codes and https://www.gov.uk/income-tax-rates and contact HM Revenue & Customs to correct any Tax Code(s)

- Always be aware that there might be **State and Welfare benefits that can be claimed** given certain states of health, mobility, and financial status
    - So, while with mental capacity review periodically or draw the attention of your Attorney or Deputy to visit https://www.gov.uk/ to look up the 'Benefits' and 'Work, Jobs and Pensions' sections
    - Perhaps a claim might be possible for tax free Attendance Allowance, State Pension Credit (guarantee element), Savings Credit (only if reached State Pension Age before 6 April 2016) or some other benefit. Council Tax reduction on death applies on death of a spouse / partner
    - As the State scraps, modifies or introduces new State Benefits what applies now might not in the future, so a periodic review is recommended

- Are you up to speed with the **Inheritance Tax allowances** including the Main Residence relief and gifts that can be made without impacting adversely for inheritance Tax? Visit https://www.gov.uk/inheritance-tax
    - If Inheritance Tax is not an issue it means you can give away a great deal more money, if you can afford to do so, while alive rather than waiting for those you love to inherit on death?
    - If Inheritance Tax is an issue for you or might be for your surviving spouse or partner then do you or your surviving spouse or partner need to seek Independent Financial Advice or are you / they able to do that planning unaided?
    - Are you aware how self-funding for care might mean, if the need arises, that Inheritance Tax never becomes a real issue as your potential Estate might fall below the level at which Inheritance Tax is triggered?

- **Beware of 'Deprivation of an Asset' provisions** that a Local Authority might invoke **if planning or seeking Local Authority funding for care for self or another person**

- **Vulnerability to financial scams** increases with age and acquaint yourself with the precautions you or your spouse or partner can take to guard against those crooks. Be ScamSmart and visit https://www.fca.org.uk/scamsmart

If you own property elsewhere, especially abroad, then much of that shown above needs to be repeated for that property. Remember that your English Will does not deal with property and assets overseas. Separate procedures will apply in relation to management of financial matters overseas.

If you are a landlord then many other considerations will also apply in relation to the ongoing management of property and the tenants.

If you are self-employed or operate a business then who knows where to find and access all the accounting and governing papers needed by the accountants to the business? Contractual obligations and commitments need to be recorded / scheduled and known so that someone else can step in and take appropriate action if there is not someone already briefed and accustomed to undertaking those duties. Do any clients, suppliers or associates need to be advised immediately?

Although a lot of ground has been covered in this document there might be other aspects that need to be considered. If that is the case then do remember the various professional advisers and the independent guidance or information that can be obtained through: -

Age Concern https://www.ageuk.org.uk/

Citizens Advice Bureau https://www.citizensadvice.org.uk/

Debt counselling charities https://www.stepchange.org/how-we-help/debt-counselling.aspx

Financial Conduct Authority to check that an Independent Financial Adviser is authorised and regulated to offer financial advice https://register.fca.org.uk/s/

Government website www.gov.uk with information across a very wide spectrum

Members of the Society of Estate Practitioners https://www.step.org/about-step

Pension Wise https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise/?source=pw#

Take some time to visit these websites. Be aware of their content and so know where to turn if you need more information or guidance.

Concluding comments

Younger people might have other concerns, especially concerning the care for their children and particularly the appointment of guardians on death.

Different family relationships also bring with them different issues as well. Multigenerational families and children from different relationships can complicate matters. Different forms of home ownership (Joint Tenancy, Tenancy in Common or Sole Tenancy) can have implications while living or on death.

This document cannot hope to cover every aspect. Some of these ideas and suggestions might be more relevant for older relations and friends than for you right now. So, do please share these insights with them.

Clearly, the information in this document is correct to the best of our ability now. So, do take the trouble to check with the government website and the other websites to ensure before you make any decision and act that it is based on the facts at that point in time.

In no way does this document purport to offer 'advice'. That you need to take from an appropriately qualified and authorised person. However, you will have a better understanding and will not be starting from a cold start!

Good luck!