

# Funding your needs efficiently: the Estate Transfer Trust

If you have things to pay for but want to ensure you pass on as much as you can to your family, the Estate Transfer Trust could help.

Perhaps you're looking to help put your grandchildren through school or university. Or maybe you need a little more help around the home than you used to, and require a regular means of paying for your care.

Whatever it is you need, the Octopus Lifestyles Estate Transfer Trust lets you gift some of your wealth to whomever you choose, while still retaining the right to regular payments for as long as you're likely to need them.

It's our take on an established financial planning tool, called a 'Discounted Gift Trust'.

## How does it work?

- Your adviser will use your estimated life expectancy report to estimate how much you will need to be paid and for how long.
- With instruction from your adviser, we'll then design a trust specially for you. This will be based on how much you need and for how long.
- Because a large portion of the money will potentially one day be paid out of the trust, most of the amount is immediately discounted from inheritance tax (IHT), regardless of when you pass away.
- The whole sum will be IHT free after 7 years.

## How do I access it?

The Estate Transfer Trust is available through two routes:

- Alongside our Later-life Mortgage, which is a lifetime mortgage, as part of the Octopus Lifestyles Family Wealth Plan, or other Octopus Lifestyles lifetime mortgage products.
- As a stand-alone product, when the money that's placed into the trust is invested in an eligible Octopus Investments product.

## Benefits at a glance

### ✓ Regular payments to give you peace of mind

Receive regular payments for the things you need, for as long as you think you'll need them.

### ✓ Immediate inheritance tax benefit

Much of the trust will be inheritance tax-exempt from day one, depending on how much can be discounted.

### ✓ Tailor-made to fit your needs

We'll create a bespoke structure that's specially designed for your situation by your adviser.

### ✓ Your choice of underlying investments

You and your adviser get to choose the funds in which your money is invested.

# Understanding the key risks

It's important that you understand and are comfortable with the key risks involved with the Estate Transfer Trust, and discuss them with your financial adviser before choosing to begin.

## You and your beneficiaries can't alter the payment schedule once it's established

Once the trust is set up, you won't be able to change how much or how often it pays out.

## It could affect your benefits eligibility

The cash flow you receive from the trust could disqualify you from some means tested benefits. You should check the potential impact on claiming benefits, and how you may be affected, before taking this option.

## There are risks with investing

Your trustees may wish to invest the money that's placed into the trust with the aim of maintaining value or generating a return.

You should be aware that the trust will only be able to make the payments that you have requested if the underlying investments perform as they should; for this reason, your trustees should choose the underlying investments wisely.

## Tax rules can change

The illustration provided to you will be an estimate based on current tax legislation. The tax rules could change in the future, and the value of tax reliefs will depend on your personal circumstances, not all of which may be reflected in the illustration.

## It is important to keep your will up to date

This is particularly relevant after you've made significant changes to your financial affairs. We recommend that you seek legal advice to ensure that your will is drafted in a way that reflects your intentions.

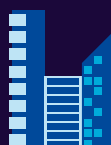
## Important Information

You must seek professional financial advice to use this product. We do not offer investment or tax advice. Please ensure you are familiar with the key risks set out above. Tax treatment depends on your personal circumstances and may change in the future.

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