

TAKE FIVE

Five personal resolutions you can make for peace of mind in 2023



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As one year draws to a close and a new one begins, we all wish for health and happiness in the future. At this time of new beginnings, it can also be reassuring to think about measures we can take to provide peace of mind if things don't go to plan.

Here are some life matters that are worth considering as New Year's Resolutions for 2023.

1. Create a will

The idea that you don't need to worry about making a will until later in life is a common misconception. If you are an adult and of sound mind, you can and should create a will if you own any assets. Even if you are fit and healthy, nobody knows what the future holds, and creating a will ensures that your wishes are fulfilled and your family and loved ones are treated as you intended.

Having your wishes clearly expressed in a legal document will also help to keep administration costs low for your family or friends and minimise the likelihood of disputes.

Everyone's individual circumstances are different, and probate can be complex, so it is important to make sure you seek advice from a specialist. Don't be tempted by - DIY will kits, which can seem -like the easier and cheaper option now, but are often inadequate and may end up costing your family more in the long run. See more about Things [wills and probate services here](#).

2. Consider making gifts to children

If you have children, you may want to consider gifting them money or property while you are alive rather than leaving it as an inheritance. Gifting in this way can give your beneficiaries support when they need it most, and can often be more tax efficient.

Estates over £325,000, when left to anyone except a spouse, civil partner or charity- attract Inheritance Tax at 40% unless any other allowances or reliefs apply.

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By contrast, an outright gift can be completely tax free as long as you live for seven years after you make it. During those seven years, the gift is known as a ‘potentially exempt transfer’. If you die during that time period, the effect for tax purposes will depend upon the amount of the gift. If, when combined with any other gifts, it falls within your ‘nil rate band’ (currently £325,000 per person) it will use up some of that nil rate band, but no tax would be payable on the gift.

In addition, it is possible to gift £3,000 each tax year -without -the value of the gift being added to your estate for tax purposes but it is important to keep clear records of any gifts made.

3. Give someone you trust a Lasting Power of Attorney

A Lasting Power of Attorney (LPA) is a legal document which gives someone the ability to act on your behalf - for example, if you are in hospital, abroad or unable to make decisions for yourself.

There are two types. A Property and Financial Affairs LPA allows your appointed individual to deal with paying your bills, managing your bank accounts and investments as well as buying and selling your property. The authority given under this type of LPA can either be used at your direction or the attorney can make decisions for you in cases where you no longer have the capacity to deal with your finances yourself.

A Health and Welfare LPA covers decisions about your health and care and delegates the decision making responsibility to your attorneys if you are incapacitated. You can find out more about LPAs with our [free guide](#).

4. Consider making decisions about your future healthcare

None of us know what later life will bring, but you may have a clear idea of how you would like to be looked after if you lose independence. A living will - often called “advanced decisions” - can help you set these wishes out while you are capable of doing so, leaving clear guidance about how you would like to be cared for in the future.

A living will is only acted upon when you are unable to communicate or make your own decisions about healthcare but it needs to be considered carefully, particularly if you have a Health and Welfare LPA in place as well.

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This document can be wide-ranging, covering anything from your likes and dislikes, to where and how you would like to be cared for and your religious beliefs.

It also allows you to decide in advance that you will refuse treatment in specific scenarios, even if this might lead to your death. The decisions are legally binding, and healthcare professionals must carry out your wishes. You should seek appropriate advice about putting such a document in place.

5. Secure your digital legacy

A huge amount of information about our personal lives is now stored online - including our family photos and videos, social media accounts, certificates of ownership and passwords.

We don't always think about what happens to this data after we have gone, and what we would like those left behind to have access to.

Various platforms and technology businesses, including Apple and Facebook, have memorialisation and legacy contact options that allow a nominated person to access accounts after your death.

Information about accounts and passwords for anything from social media accounts to accounts with utility providers can also be stored with your will for safekeeping to ensure that the details are found after your death.



Would you like to know more?

The Thrings Private Client team looks after the legal needs of individuals at all stages of life, specialising in private wealth, family disputes, pre-nuptial agreements, divorce and wills, inheritance and probate, and tax planning.

Find out more [here](#).