



Planning for the future

Enhanced plan - Tax Return Service

We have one question...
If you don't want to leave some of your assets to Revenue, who do you want to leave it to?

We spend our lives planning and saving for the next big step, a home, children, college fees etc., but unfortunately many people don't plan for what to do with everything they've achieved when they've completed the 'big stuff'.

Passing on your assets to family members and loved ones is a big deal that deserves a proper plan - it's that simple.



Did you know?

33%

Ireland has one of the highest inheritance tax rates in the world at 33%

€533 million*

In 2019, Revenue collected €533 million in Capital Acquisitions Tax which is €60 million more than local property tax

Time!

The time from when the inheritance is received & when the beneficiary needs to pay the tax bill is short

€1,600 per week**

is the average weekly cost for a care home in Ireland



**No plan
in place?**

Your family might:

-  Lose some of your money
-  Have to sell part of their inheritance
-  Have to borrow money to pay the tax bill

Having a plan in place is not just about giving your assets to others, it's important you protect yourself too if you require long term care.

*Source: the Revenue 2019.

** HSE, 2019, public nursing home rates.

Do I need a plan?

If you plan on passing over cash, land, property or anything of value to anyone, then yes, you do. There are many things you can do throughout your life to plan efficiently and effectively reduce the Capital Acquisitions Tax (CAT) bill that your loved ones' will have.

Depending on your circumstances, you may need to assess whether you'll require long term care in the future and if so, how much will it cost?

Inheritance rules are complicated and it's important you understand how to do all of the above in a tax efficient way for yourself and your loved ones.

Cornmarket Tax Return Service Enhanced membership entitles you to:

- ✓ All Standard or Membership Plus benefits depending on your choice
- ✓ A detailed Capital Acquisitions Tax (CAT) plan
- ✓ Fair deal scheme assessment
- ✓ Complimentary Will service

Where do I start?

Call Cornmarket to speak to one of our Tax experts and let's go from there.



Call **(01) 420 6758**

Your consultant will complete a full review of your finances and talk through the options available to you depending on your wishes.

How long does the process take?

Gathering your documents for a CAT plan review can take some time. Once we receive all documentation, we aim to have the process completed within a month. Check out the back page to help you start getting organised.



Here's what you need to know...

What is Capital Acquisitions Tax (CAT)?

Inheritance can be received free from Capital Acquisitions Tax (CAT) up to a certain amount. The tax-free amount varies depending on the relationship between the inheritance provider and the beneficiary, which is known as the threshold. If you give above the threshold, your beneficiaries will have to pay a percentage of their inheritance in tax.

Tip: A CAT plan will help to reduce this as much as possible by giving you a plan of action.

A CAT bill depends on 3 main factors:

1 Relationship

The relationship between you and the beneficiary (this determines the maximum tax-free threshold that applies)

2 Value

The net/taxable value of the inheritance

3 The Past

Any previous gifts or inheritance received by the beneficiary.

Note: If you're married or in a civil partnership, you do not have to pay inheritance tax on anything you would inherit from your spouse or civil partner.

Tax-free thresholds

There are three different groups. Each group has a threshold that applies to the total inheritance received.

If the inheritance amount exceeds the threshold, CAT is charged at 33%.

Group	Beneficiary	Tax-free threshold*
A	Son or daughter	€335,000
B	A parent**, brother, sister, niece, nephew or grandchild	€32,500
C	All other relationships, other than those mentioned in A or B	€16,250

*Capital Acquisitions Tax thresholds from 9th October 2019

CAT applies on the amount of the inheritance which exceeds the threshold in the relevant group. All gifts and inheritances in same group since 5th December 2001 are aggregated. CAT exemptions are available, Agricultural Reliefs.

**In certain circumstances a parent taking an inheritance from a child can qualify for Group A threshold.

What is counted in CAT?

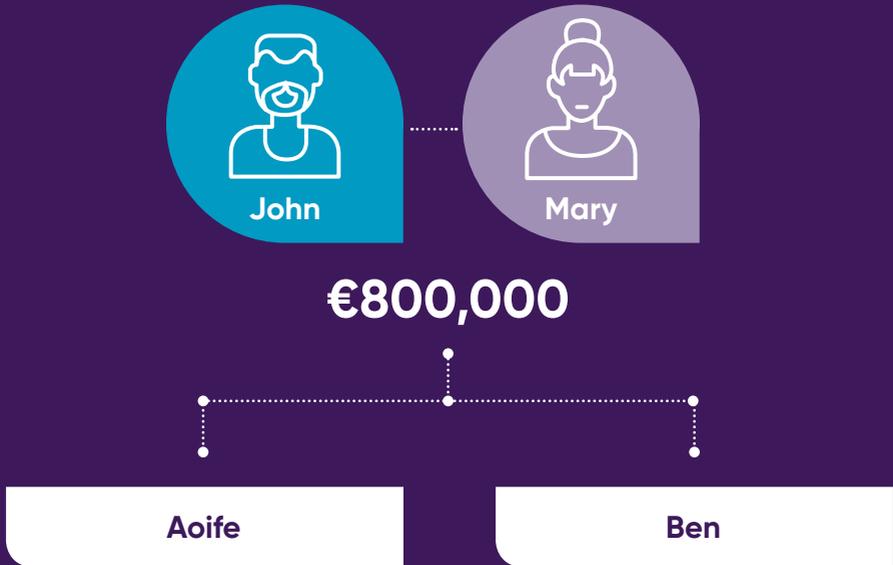
All assets inherited:

- ✓ House
- ✓ Investments
- ✓ Personal items
- ✓ Insurances
- ✓ Pension funds



Example of CAT

Mary & John have a value of assets that they'd like to pass on to their 2 children.



Based on the inheritance tax rules, here's what would happen:

	Aoife	Ben
Inheritance to each beneficiary	€400,000	€400,000
Tax-free amount threshold (Relationship: child i.e. Group A)	€335,000	€335,000
Taxable inheritance per child	€65,000	€65,000
Tax payable at 33% per child	€21,450	€21,450
Total inheritance tax due	€42,900	

This amount could be reduced with a CAT plan

Your options...

Depending on the outcome of your CAT plan, your consultant will be able to advise on a range of options to either start reducing the inheritance tax due and/or prepare for what will need to be paid.

Some solutions available...

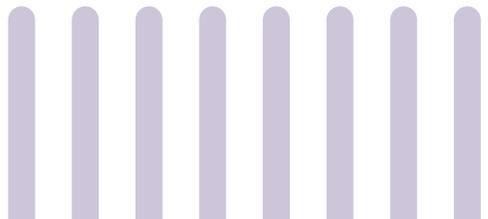
1. A 'Section 72 Life Assurance Policy'
2. Gifting a maximum of €3,000 per person annually (small gift exemption)
3. Dwelling House Exemption
4. Business exemption
5. Agricultural relief

With over 45 years' looking after the financial needs of Public Sector employees and their families, we're experts in helping our clients complete this next step on their financial journey.

To learn more about how you can protect your family against inheritance tax



Call
(01) 420 6758



Fair Deal Assessment



Fair Deal Scheme

Unfortunately, we can't tell what lies ahead so it's important to plan when we can.

The Fair Deal is a nursing home support scheme which provides financial support to those that need long term residential care. The person contributes towards the cost of their care and the HSE pays the balance. It allows you to transfer property value to pay for nursing home fees.

To avail of the fair deal scheme a financial assessment covering all income, cash assets and property is required. Your Cornmarket tax consultant will complete this for you as part of your Enhanced plan membership.

Remember, all information given to your consultant is confidential and not shared with any third party without your consent.

Will Service

We're delighted to be able to offer all Enhanced members access to a free online Will service which is valued at €75 and includes:

- ✓ Will naming spouse/ civil partner or alternative beneficiaries
- ✓ Estate to be divided in equal shares or varying percentages
- ✓ Appointing of guardians for children



The steps are simple:



Register with our
online Will provider

www.lawonline.ie

(all you need is
an email address)



Call us in
Cornmarket's Tax
Return Service to
receive your code



Pick the Will
you want
(married, single, mutual)



Enter your
code at the
payment screen

It's important to regularly review your Will and ensure it's up to date.



Getting organised

There is a lot to consider when completing a CAT plan and Fair Deal Assessment and we aim to make the process as stress free as possible. Make sure you take the time to go through your financial information and get together any documents that might be necessary.

Have you details on your:

Income	Pension, ARF, Rental incomes etc.
Cash Assets	Savings, Money loaned by you that is repayable, Stocks/shares/bonds etc.
Non-Cash Assets	Property value, Investment property value in Ireland and/abroad etc.

Check out our full checklist of information we need at
cornmarket.ie/inheritance-planning