

What Will Your Legacy Be?

You may not have been aware of this, but did you know that you may be exposing your family to a serious debt legacy if you were to die?

Many people think that your debts "die with you." But this couldn't be further from the truth. In almost all cases the debt is borne by the deceased's estate, effectively passing on to the family of the individual.

Obviously, it's not something any of us like to think about. But have you considered the following:

Taxes

It is not widely known but any outstanding VAT, employer's PAYE/PRSI contributions for the last 12 months not only for the deceased, but also for any employees of theirs, are payable by the estate. Like any other creditor the Revenue will pursue the estate. When planning one's affairs, taxes need to be considered as debts and adequate protection put in place.

Secured debt

This is debt which is secured i.e. against property such as a family home, a holiday home, a vehicle or goods lease, or a business premises. Do you have cover in place to clear these type of debts should you die?

Loan Guarantees

If your name is on the loan or you 'guaranteed' the loan, then this debt becomes yours. Therefore you should ensure you have adequate cover in place to repay the debt should you pass away. Failure to do so could mean that your family will have to pay it out of your estate.

Unsecured Debt

This includes credit cards and personal loans and will need to be paid out of your estate should you die.

Challenging thoughts to ponder indeed. However, good planning and having adequate levels of Life cover in place can help remove unnecessary financial stress following a bereavement.

To find out more about how you can protect your family against these types of Debt legacy, contact me today. I'll be delighted to discuss all your options with you.

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