



DOUBLE TRUST WILLS

Double Trust Wills are designed to prevent assets being lost in the following circumstances:

BEING USED TO PAY CARE FEES

What if one of you die and the survivor must go into care?

In these circumstances, all the family assets including the family home can be used by the Council to pay the care fees.

BEING LOST ON THE SURVIVOR'S REMARRIAGE

What if one of you passes away and the survivor were to remarry?

This can cause problems for your children's inheritance as the estate may become diluted with that of the future spouse and their children, or even become the property of the children of the new spouse entirely.

BEING LOST ON YOUR CHILDREN'S DIVORCE

What if your children divorce?

In these circumstances assets that have been inherited from you directly may end up in their ex-spouse's family.

BEING USED TO PAY INHERITANCE TAX

What if your children inherit from you directly and they are already over the IHT threshold?

In these circumstances they may have to pay Inheritance Tax on your assets when they die even if these have already been taxed.

HOW TO ENSURE THAT YOUR CHILDREN CAN ALSO CLAIM ADDITIONAL IHT ALLOWANCES?

PROPERTY TRUST (First Trust)

The solution is to leave all or part of your property directly to your children (or other direct descendants) on second death. The Trust is known as a Property Trust. As before, the first of you to die puts their assets into a trust which keeps these assets safe from being used to pay Care Fees or being lost on the Survivor's Remarriage but the proceeds from the Property Trust are inherited directly on second death, thus qualifying for the Residence Nil Rate Band allowances.

HOW TO PROTECT YOUR FAMILY ASSETS FROM THESE PROBLEMS?

FLEXIBLE FAMILY TRUST (Second Trust)

If the first of you to die puts their assets into a trust, this will keep them safe from all these circumstances as they will never become part of the survivor's estate. The trust is known as the Flexible Family Trust. The children will be able to protect these assets from being lost in the event of divorce or bankruptcy and then leave the assets to your grandchildren and great grandchildren free of inheritance tax. The trust can continue for 125 years.

By leaving the survivor a life interest in the use of the deceased share of the main residence, they remain secure in the family home. Likewise, a life interest in the income from the other assets in the deceased trust gives the survivor security of income.