



FLEXIBLE FAMILY TRUST

Circumstances in which family assets can be lost unnecessarily

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 inherited from you directly may end up in their ex-spouse's family. In fact many unhappy marriages can be brought to an end by one partner receiving a direct inheritance.

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 PROTECT YOUR FAMILY ASSETS FROM THESE PROBLEMS

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.

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.