



Flexible Family Trust - FAQs

What happens on first death?

The Executors will need to obtain a Grant of Probate in the normal way.

Upon the first death of a Spouse/Partner the Trust will be implemented which means half of the property along with the assets of the deceased will be owned by the Trust. If appropriate the property will be put into the names of the Trustees at the Land Registry.

Will the survivor have use of the property and money?

Yes. Many clients choose to have the cash assets loaned back to them so they can use them. By doing this the cash you use will still be owned by the Trust, but out of your own estate. This is done by a loan agreement being drawn up.

However, you can sell the property and move with the consent of your fellow Trustees. Ensure you let Will Power know if you intend on doing this so we can advise further.

What if I don't want to use the cash?

You can simply leave it in the Trust and access it (with the consent of all Trustees) when required. However, it is still recommended to accept the 'loan' of the cash from the Trust. You can then invest the money and let it grow.

What happens on second death?

If the second Will remains as written (i.e. not updated) then the Trust in the second Will would take the rest of the property and other assets of the second to die and will continue until the Trustees decided to disband it.

Will I incur any future charges in the Trust?

Only after the death of the second to die and only if there is more than £325,000 in the Trust (current Inheritance Tax threshold), then there is a 6% charge every 10 years on anything over the threshold. Contact us for advice after 9 years to review the situation.

If the trust is worth less than £325,000 there is nothing to pay.

Do the Trustees need to do anything more or make decisions on the properties/cash?

Once the process is complete the Trustees need meet only once a year to consider the nature of the assets going forward and the needs of the beneficiaries unless there is a need for a special meeting.

What happens if the Trustees no longer wish to continue the Trust?

You and the Trustees can disband the Trust if you wish. The estate will then be distributed to the beneficiaries according to the Will.

Saracen House Swan Street Isleworth TW7 6RJ www.willpowergroup.com 020 8568 9602

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