



## PROPERTY PROBATE PRESERVATION TRUST (PPPT) FOR JOINT OWNERS WHO HAVE TAKEN EQUITY RELEASE (WHERE ONE PARTY HAS A DISQUALIFYING MEDICAL DIAGNOSIS BUT STILL HAS MENTAL CAPACITY) WITH LASTING POWERS OF ATTORNEY, WILLS, ADVANCE DIRECTIVES / LIVING WILLS AND GIFT TRUST

If you have taken equity release (ER) on your property and are **sure** you do **not** need to release any more funds then you should be considering the following:

Under the terms of your ER agreement if one party dies and the survivor needs to go into care or, if both parties require admittance into residential care, the property must be sold and the ER provider paid back the debt that is owed to them at that stage. In most cases, the debt will be considerably less than the property value, which would then mean that once the property was sold and the debt fully repaid, the resulting equity would be paid directly to the account(s) of the person(s) in care. This payment would, as a result, then increase the amount that was subsequently able to be taken into consideration by the Local Authority for the payment of care fees.

It is therefore wise, to affect the strategy outlined below:

**We sever the Joint Tenancy** on the Land Registry to make you Tenants in Common. This enables the half owned by the non-diagnosed party to be fully protected by the Lifetime Property Trust, which is created and set up immediately, ensuring the half of the property owned by the non-diagnosed party will be completely protected should they die first, and the diagnosed party subsequently need to go into care.

**If the non-diagnosed party were to die first**, their share of the property would also be 100% protected should the survivor get married, remarried, enter into a civil partnership or go bankrupt meaning, only the share belonging to the survivor would then be able to be taken into consideration.

**The Lifetime Property Trust** of the non-diagnosed party has no ceiling on the value of the property allowed to be within it, allowing uncapped future growth in the value of your home without the risk of any potential future tax implications.

**So long as the non-diagnosed party has complied** with the rules concerning deliberate deprivation of assets, their half of the property will also be fully protected if the diagnosed party should die first and they, as the survivor, eventually go into care or have care brought into the home because their Lifetime Trust will have been legally and correctly put in place and will have changed their ownership from absolute to that of a Trustee meaning any Local Authority would be unable to take their share of the property into consideration when assessing their financial position, preventing the racking up of huge care fee bills that would otherwise have to be paid from the final estate or through the sale of the home.

**Both parties will have new Wills** written and within the Will of the diagnosed party will be a Protective Property Life Interest Trust so, if they should die first, their half of the property will go into Trust upon their death, giving a right to the surviving party to live within their half of the property for as long as is stated within their expression of Trust wishes document, which, in so doing, means that if the survivor should then marry, remarry, enter a civil partnership, go into care or go bankrupt, the whole property will be protected for the beneficiaries stated within both parties' Trusts.

**These Trusts protect the surviving party**, irrespective of who dies first, as each partner is named as a Life Tenant in the other's Trust, which means, after the death of the first party, the survivor could not be forced out of their home by any beneficiaries of the first to die, as they would have a legal right to reside in the first to die's half of the property for as long as had been stipulated within the first to die's Expression of Trust wishes.

**Neither parties' assets will add to their beneficiaries' estates** for inheritance tax calculations and, will not interfere with any benefits a beneficiary may be receiving due to the way the funds are appointed out of the Trusts and both estates which also protects against any beneficiaries losing half or all of their inheritance if they were to be married and subsequently divorce or die after inheriting because the Trusts within this strategy ensure that all assets within them have to pass down the bloodline only and not go to spouses (unless you specify otherwise).

**In addition**, when used in conjunction with the Powers of Attorney outlined below, your chosen attorneys for Property and Finance will also be able to rent out your property if the survivor or both parties go into care, and use the resulting rental income to "top up" any financial award either party may be eligible for, so they will be able to receive a far better level of care than would otherwise be able to get from that which the basic award would provide.<sup>†</sup>

**One registered Power of Attorney covering Health and Welfare** for each person which will, in the event that either party no longer has mental or physical capacity, give the power to the persons that are nominated (your attorneys) to make decisions on either or both parties' behalf about their health and Welfare.\*

**One registered Lasting Power of Attorney for Property and Finance** for each party, which will do the same as above but for decisions about financial affairs.\*

**An Advance Directive/Living Will for each of you**, which gives your attorneys, who have the power to speak on your behalf, your words, wishes and directions concerning specific medical scenarios in advance of them being needed, so there will be no doubt what your wishes are in the eventuality that either party cannot speak for themselves.

**Both new Wills will include a Nil Rate Band Trust** (and if you are currently married or are ultimately leaving your property to children), a Residential Nil Rate Band Trust, to receive your estate after your deaths up to the Nil Rate Band (currently £325,000 per person) or Residential Nil Rate Band (currently £500,000 per person). Putting the residuary estate up to the Nil Rate Band and/or Residential Nil Rate Band into these Trusts is a far better gifting vehicle than purely giving the funds absolutely to the beneficiaries (the first of which will usually be the survivor) which could then be lost through the marriage or remarriage of the surviving partner after the death of the first party, or if any of the following were to affect the children or other beneficiaries - divorce, bankruptcy, death passing the funds out of the bloodline, care fees or ultimate inheritance tax on the gift itself in due course by the beneficiary's own descendants/beneficiaries of their Will. This method of gifting from the estate ensures that all beneficiaries are fully protected against all the above scenarios.

**We will also provide an Interest in Possession Trust** for each you within your Wills which is exactly the same as the Nil Rate and Residential Nil Rate Band trusts outlined above but for funds received from the residuary estates in excess of the Nil Rate Band or Residential Nil Rate Band allowance.

**We will provide an extra original copy of each Will** to ensure that whatever happens to your own copy there is another signed and witnessed original legal copy that will be able to be used when the time comes.

**All standard legal, Land Registry and conveyancing fees** including the provision and completion of all standard associated official government registration documentation, together with all relevant solicitors' fees, are provided for you FREE OF CHARGE when taking out this package.

*The Priority Client Cover listed below/on reverse must be taken in conjunction with this package at £9.99 per month.*



# £3295

\*This fee includes the immediate registration of both Powers of Attorney with the Office of the Public Guardian

+

£9.99 per month for Annual Trust Minutes Cover (full details on reverse/below)

<sup>†</sup>Remember if you have reason to believe that you may go into care soon or if your sole reason for implementing this package is simply to avoid paying foreseeable care fees and you are not implementing it for any other reasons such as protecting your family against divorce, bankruptcy, marriage after death or generational inheritance tax then you could be accused of deliberate deprivation of assets.

Price valid until 31/12/24

## Call now FREE on 0800 668 11 64 to arrange your free telephone consultation

www.thywill.co.uk





# Annual Trust Minutes

with Priority Client Cover - £9.99 per month

- **The annual production and provision** of a bound compulsory Annual Trust Minutes document detailing if there have been any changes to the property or the settlor(s) health (the person(s) setting up the Trust(s)) or any relevant changes in circumstances of any of the Trustees
- **The automatic** inclusion within your documents of any future relevant legislation changes that are made, as and when they happen, by way of a free update to your documents (we will contact you first to confirm that you wish us to do this for you) meaning that your Trust(s) will never be able to be considered "old" or "not up to date" by any local Authority or Court
- **The submission on your behalf** of any documentation that may be required from time to time going forwards ensuring your full compliance with all HMRC regulations is guaranteed at all times
- **Free unlimited updates** to all of your documents if you move or whenever your circumstances or wishes change
- **Free storage** for up to 10 of your documents (including birth/marriage certificates etc)
- **50% off** the list price of any further products and services of our own that you wish to purchase
- **Priority EXPRESS production** of your documents within 48 hours (Mon to Fri)
- **Probate** on your estate conducted at **33% less** than our standard fee if your executors wish to use us for this work
- **94%** of all nominated executors within a Will do not actually conduct the work themselves but pass it to a solicitor to undertake for them
- On an average estate of £350k then, with this cover in place, your beneficiaries will be able to **save over £2000** in solicitor's probate fees when the time comes and the savings will be considerably more if the value of the estate is higher

[www.thywill.co.uk](http://www.thywill.co.uk)

*Where there's a Will there's a Way*

