

# Do you already have a Will in place?

Here's how Estate Planning  
can protect your Assets for  
your loved ones...



# Does your Will really do what you want it to and is it up to date?

More to the point, do you have any trusts in your Will which protect your assets after you have gone? If you answered no to any of those questions, then you need to know more about estate planning and asset protection.

Let's look at some examples:



## Example 1: Long Term Care Home Fees

Fred and Hilda are a couple in their sixties with grown up children. Hilda dies after a short illness and leaves everything to Fred in her Will. Some years later Fred needs to go into a nursing home and because all of the assets are in his name, his family is forced to sell his house worth £300,000 to pay for his care. Fred lives for a further seven years, during which time the net care home fees have amounted to a breath-taking £250,000. On Fred's death the amount left for the children has been massively reduced. This problem is becoming more common with our ageing population and the increasing cost of care.

## Example 2: Divorce of the surviving spouse

Andrew and Jane are in their fifties, with two grown up children. Between them they have a fairly substantial estate of around £500,000, consisting of property and savings. So they made Wills leaving everything to each other and then to the children equally. Andrew dies without warning, but having a Will in place makes the whole process much easier.

However, around three years later Jane remarries. The marriage lasts for around four years but things go rapidly downhill and it is clear that divorce is the only option. Because Jane has all her assets in her name, they are all relevant as part of the divorce settlement and her soon to be ex-husband has employed an expensive solicitor...

*That's the bad news, but careful Estate Planning can provide the solutions.*

### What would we have done?

Both of the problems, and many more, could have been solved before they arose with careful planning beforehand. If you have Wills leaving everything to each other and then the children, it is far, far better than not having a Will at all. However, that alone does not really solve the problems we have encountered.

### Tenants in common

If you can relate to the people in our examples we would firstly have looked at the way you own your homes. Most people own their homes as Beneficial Joint Tenants, which means that if one person dies their 'share' automatically passes to the survivor. This is part of the problem, so firstly we would change the way you own your home to 'Tenants in Common' through a simple legal agreement. There are lots of myths around this phrase, but basically it means that you would now each own one half of the home, and could therefore dispose of it in your individual Wills rather than automatically leaving your share to your spouse or partner.

### Awards:

Winners of AI Magazine Legal Awards 2015 -  
**Best Estate Planning Firm (UK)**

### Member Associations:



**So, let's go back to the examples:**

**Example 1 (Fred and Hilda, Fred goes into Long term Care)**

If Hilda had made a Will which left her half of the home in trust for her children, rather than to Fred absolutely, the children's inheritance might have been much greater. This is because Fred could have lived in the house up until the time when he needed care. Then only his assets would have been means tested, and he could not be said to own Hilda's half of the house. So as far as the local authority is concerned Fred's half of the house counts as his assets (and the assessed value may be very low). But Hilda's are protected for the children.

**Example 2 (Jane gets divorced later on)**

Andrew could have made a new Will before his death which left his half of the house and assets in trust for his children and allowed Jane to use them. However, when she later divorced from her new husband, Andrew's assets might have been protected from the divorce settlement as they were not owned by Jane in her own name.

*In all of the above examples, we could have prevented the problems before they started by using Wills and Will Trusts to protect the estate.*

## Some other reasons why using trusts in a Will can make a big difference...

- You may think you have greatly helped your disabled friend or relative by leaving them a lump sum to make their life easier. The problem is that if they receive benefits there is every chance they will be stopped thanks to your generous bequest. You need to make use of what is known as a "Vulnerable Person's Trust" to ensure that the assets you leave them are ring fenced and cannot be used in any means testing. This arrangement carries the additional benefit of the recipient being able to live an improved life in a tax efficient way.
- So everything is in place and you know your children will receive their share when the time comes. What happens if further down the line they are involved in a bitter divorce and lose half of what you left them to their spouse? A Will Trust can once again come into play here to ensure your bequest is not used as any part of a divorce settlement.
- Inheritance Tax are two words which leave a nasty taste in everybody's mouth. Making a Will that includes "family discretionary trusts" will help your family save on paying vast amounts of Inheritance Tax through the ensuing generations.
- You may have made your Will and made provisions for family or friends who are vulnerable at the time you drew it up or which developed later. Drug, alcohol and gambling addictions are very real problems that won't be solved by the addict suddenly coming into a large sum of money. Rather than worrying about it you can use a Will Trust to manage the assets you are leaving them until they are in a position to do so themselves.
- A bad Will is only marginally better than no Will at all. It can be tempting to save on costs by doing it yourself but there are other options. Silver Lining's experienced Legal Advisors take the stress out of creating one of the most important documents you will ever sign. With easy to understand Wills at a fixed price it is little wonder so many are now choosing this option to ensure their last wishes are carried out to the letter. The services on offer include Estate Planning, Powers of Attorney, Discretionary Will Trusts, Vulnerable Person's Trusts, Tenancy in Common Agreements and Estate Planning for Business Owners. Give us a call today for a relaxed consultation with absolutely no obligation or hard sell. We want to help you provide for those you love the most after your death, and where there's a Will there's a way.

To find out more about protecting assets with trusts please call one of our team today on **0800 0934299**

If you don't already have a Will give us a call and ask for a copy of our free report **"10 reasons why not making a Will could leave your estate in a state."**

# Lifetime Trust Planning

An increasingly popular way of protecting your family home is by transferring it into trust during your lifetime. There is a lot of misinformation around this subject and specialist advice should be taken before committing to anything, but if you take action now rather than using trusts in your Will there can be some substantial benefits.

For example, when using Will trusts to protect your property, only your half of the property is protected, and only after your death if you are the first to die. Assets might be eroded long before your death and there may be little if anything for your family to inherit.

By transferring your home (and/ or other assets) into trust during your lifetime you can lock in the value. This also means that 100% of the home can

be protected rather than 50% through a Will trust. In certain situations your house may even be disregarded by your Local Authority if you have to go into long term care later on.

The Lifetime Asset Trust also offers the significant benefit that assets in the trust will not be subject to Probate on death. As well as saving a significant amount on legal fees it can save a lot of distress since Probate takes, on average, 6 months with a Will and 2 years without.

The subject of protecting your home is covered in more detail in our separate factsheet and our expert Legal Advisors will be happy to discuss this further with you.

## Testimonials

For some people the whole idea of Wills and trusts can be quite daunting. But over **5,000 people** have made the decision to use Silver Lining's award winning service since 2004. Isn't it also reassuring to know that 100% of our clients recently said they would recommend us to others?\*

We are recommended by over 50 Independent financial Advisers.

Here is what two of them had to say about us;

Granite Financial Management (Colchester) have been working with Silver Lining for the past 11 years and consider them to be very knowledgeable in their chosen field. So much so we try and get every client to have a meeting with one of their specialists. The clients that have taken this up have all provided very positive feedback and have been very grateful for the advice and help they received. I would recommend Steve and his team to anyone.

Ivan McCullough Cert PFS, Cert CII(MP)  
Director

Entrusting and recommending clients to another firm always requires serious consideration. We have been and remain confident in the services provided by Silver Lining and are happy to continue to refer clients for the Will writing services they provide.

Richard Arnold.  
Richard Arnold Financial Management Ltd

\*Survey carried out from July 2015 to current time – figures are based on responses up to January 2016. All clients were invited to complete a satisfaction survey at the end of the process.

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