



# Family Protection Trust

- ✧ The assets held in the trust are specifically held for your benefit during your lifetime. This means that you are free to move house or release capital at any time. You are able to sell up and move into sheltered accommodation in the future if this becomes necessary, perhaps, and the proceeds of sale can then provide an income or be spent enjoying your retirement
- ✧ By protecting your estate with the Family Protection Trust, your family may be able to avoid probate on your death. This can save many thousands of pounds in legal fees and all the delays associated with the administration process that can sometimes take years to complete. The assets can be paid out to your beneficiaries in a matter of days, if desired
- ✧ Assets held in trust are normally disregarded for care purposes provided that the trust has been set up correctly and the assets 'ring-fenced' at the right time. This is a highly specialised area on which you should take advice from an expert
- ✧ Not all family circumstances are straightforward. If you have someone that you wish to exclude from your estate that could make a claim, the Family Protection Trust can prevent the costs and delays associated with a court case. This may include an estranged child, parent or other relative who may otherwise have a claim. The claimant is unable to bring a claim against the trust
- ✧ Many families find that they do not benefit from a Will because the assets are 'diverted' by remarriage. If one spouse dies and the survivor remarries, then children could lose out. If your children inherit and subsequently divorce, your son- or daughter-in-law could walk away with a large portion of your estate disinheriting your grandchildren. The Family Protection Trust avoids these problems by ring-fencing your assets for your chosen beneficiaries; no-one but those you name can benefit and your children and grandchildren are protected in the event of a divorce
- ✧ If you are in business, and wish to safeguard your personal assets from future unforeseen business debts, the Family Protection Trust can keep them safe. Though this does not prevent you from being declared bankrupt it can avoid the assets held within the trust being taken to satisfy them. This is particularly useful for those who can suffer financial loss at the hands of a third party through no fault of their own. This can also apply to subsequent generations, preventing loss in the event that your children or grandchildren suffer financial difficulties
- ✧ Many people are reluctant to enter into a new relationship, or to progress a relationship fearing the financial consequences if the relationship fails. This is particularly true for those who have experienced a costly divorce or are widowed and want to protect their estate for their children. By ring-fencing your assets with the Family Protection Trust prior to cohabitation you can ensure that your assets are safe should the relationship breakdown in the future

- ✧ If you have a disabled child, or a beneficiary that is unable to work for any other reason and is benefit-dependent then the Family Protection Trust could be the answer. Assets protected by the trust can be applied for the assistance of the individual without loss of benefits. Those who inherit while benefit-dependent often lose all state support and have to live off the inheritance until it has run out. Effectively, the State is the beneficiary, in these circumstances
- ✧ Assets held within the Family Protection Trust do not form part of your partner's (if you are unmarried and cohabiting) or your children's estates after your death. This can offer significant inheritance tax benefits to your family. While your partner and children are able to benefit from the assets protected by the trust, they are treated as separate for inheritance tax purposes, potentially saving tens of thousand of pounds
- ✧ The Family Protection Trust is fully reversible, so if you change your mind at any time in the future, you are able to return everything to just the way it is now

*This is intended as a general guide only and is not a statement of law*

To find out more, contact Advantage Legal and we can advise you.

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