



## WHY ARE FAMILY PROTECTION TRUSTS SO POPULAR?

**A Family Protection Trust** is like having your own **personal safety deposit box**. Used in conjunction with your Will, a Family Protection Trust can literally **change the lives of your beneficiaries**.

### **A Family Protection Trust helps you:**

**Avoid the Probate process on death and the associated expense, delay and hassle.** The introduction of the Ministry of Justice new 'banded' probate fees could see estates worth between £300,000 and £2million being charged fees ranging between £1,000 and £8,000, which could be avoided with the use of a Trust.

**Make sure your loved ones inherit at the right time for them.** There is nothing worse than your assets being lost to a 3<sup>rd</sup> party just because your beneficiary is going through divorce or bankruptcy when you happen to die. Leaving your assets in a trust allows the trustees discretion as to exactly when to pay your beneficiaries.

**Avoid passing an inheritance tax liability to your children or avoid creating one for them.** Surprisingly, often when the parent's estate is added to the child's estate the child is faced with an inheritance tax liability. But having the assets in a Family Protection Trust allows for this situation to be avoided.

**Avoid the possibility of families being disinherited due to second marriages.** Known as sideways disinheritance, this occurs after one of a couple dies and the survivor remarries, often resulting in your estate passing to another family. Having your assets in a Family Protection Trust protects them from being lost in this way.

**Avoid some of the effects of incapacity.** As we get older we increasingly lose our ability to deal with our affairs as effectively as before. If your assets are protected within a Trust your trustees can look after them carefully in accordance with your previous wishes.

**Avoid certain legal claims on your estate by family you want to disinherit.** Under the Inheritance (Provision for Family & Dependents) Act 1975 your Will can be challenged by your children and some other relatives if you have not made “reasonable provision” for them. However, this Act **does not apply** to assets within a Family Protection Trust.

**For married couples, if established correctly, the Family Protection Trust can avoid your share of your estate being used to pay for your spouse's residential care costs.** At present 1 in 3 women over 65 and 1 in 4 men are likely to need care. And unless a person has an incredibly large income, if they go into care the Local Authority can take all of their assets until they are just left with £14,250.

**For free information on how a cost-effective Family Protection Trust can help you ensure your family's future inheritance is preserved for their benefit, telephone 01299 251442.**