



## Home Protection Plan and the Family Bank©

Family Asset Protection  
Inheritance Tax Planning  
After death advice  
Probate

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The figures given in this book vary by time and region. Last updated May 2019

# LEGACY PROTECTION – an introduction

**HOME OWNERS \* BUSINESS PEOPLE \* PROFESSIONALS**

**Please note: this booklet covers the situation in England and Wales.**

Scotland and Northern Ireland differ.

Please do not act on this information without *personal* advice from us.

## Wouldn't it be great if....

**you** had a resource which could leave a legacy which could:

- Lend or give to family members to get started on the housing ladder.
- Ensure that **legally unrelated beneficiaries** would be protected.
- Subsidise or pay school, University or training fees for generations.
- Pay or lend money for weddings or funerals.
- Help family members out of tough financial situations.
- Family businesses could avoid reliance on banks.
- Support members on benefits without cancelling their benefits.
- Protect family finances from being further diluted by divorces.
- Protect homes and finances from creditors.
- Reduce Inheritance Tax – for future inheritors or with special trusts, for you, given time.
- Look after family members or even pets in the long term.
- Make charitable contributions in your name.
- Allow family members to contribute or open branch offices.

Until recently this sort of facility was only available to the rich, who took full advantage to increase their wealth through the generations. The rest of us had to pretty much start from scratch every generation, with perhaps a little help. Now this facility is available, especially tailored to your unique family circumstances, for fees which the majority of families can afford.

You can start your Home Protection Plan at any time, but there are circumstances where they are just not appropriate and our other plans (or no plan at all) would be more appropriate.

Bearing in mind the massive potential benefit to your family, would it not make sense to find out whether you could start your own Home Protection Plan<sup>®</sup>?

**And there are a few other advantages too.....**

**Who should be reading this?**

All HOMEOWNERS.

Anyone who runs a business or has ever provided paid advice.

Anyone who wants their hard work to create lasting security for their family.

Anyone from 40 to 100 or with parents or friends in that age bracket!

(If you have investment property, please advise us.)

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**This booklet is for people who are determined do their best to ensure their family, friends or favourite charity benefit from their assets**, not ex-partners, soon to be ex-partners of children or grandchildren, probate firms, the Taxman, the Local Council, awkward or estranged relatives creditors or other hangers on.

**If you fall into this category, read on.** We'll tell you how you can do all this at (relatively) low cost. Once you have read it, we have more detailed information depending on whether your prime concern is Inheritance Tax if there actually is a problem or just ensuring you help children/grandchildren.

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**Proper Legal Planning can save homeowners' (or savers) families an absolute fortune:** partly for themselves and partly for their children or other beneficiaries. With specialist solicitors' fees *starting* at around £300+ VAT an hour, this sort of planning used to be for the well heeled only – but our specialised knowledge, training and systems have enabled us to provide this sort of expertise at prices even ordinary people can easily afford. **Unlike most, we are specialist Legal Planners.**

This booklet is designed to help you understand the options and how to act simply and cost effectively to solve these issues.

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Page 8: **Protective Property Trust Wills – the traditional and useful but less effective solution.** (We recommend folk over 55 upgrade to a full **Home Protection Plan** if they have this type of Will. The **Home Protection Plan** is much more cost effective in the long run.) **Many readers will have Property Trust Wills.**

Page 9: **Enquiry Form** (or give us a ring on 01323 741200)

## Your Attitude to Risk

	OK to risk	Not OK to risk
The Rules of Intestacy*	✓	
House	✓	
Other property	✓	
Car	✓	
Investments	✓	
Valuables & collections	✓	
Life Insurance	✓	
Bank Account & savings	✓	

\*Just because you have a Will doesn't mean it will be FOUND when you die.

The Home Protection Plan helps close this loophole. Many are simply destroyed by folk who dislike them.

We have pre-ticked the box where your assets are probably **currently**. Most people, when the question is raised, want their hard-earned assets to benefit themselves, then their family, friends or favourite charity. With your home, with the Residents Nil Rate Band, it is now more tax efficient to benefit only your "direct descendants" which includes stepchildren.

We can help you move some assets from the "willing to risk" box to the "not at risk" box, provided that you act well in advance of problems arising (later action can help, but it won't secure your assets against as many problems).

### When will a problem arise for you or your family?

We don't know, but they tend to arise unexpectedly, and these are some of the events which can make it harder, or impossible, to protect your family's assets (but that doesn't remove the other benefits of the **Home Protection Plan**):

- Unsuitable marriage
- Unmarried Couples or unrelated dependents who may get nothing if your Will (assuming you have one) is "lost" or destroyed.
- Uninsured fault accident
- Mental health problems (1 in 7)
- Lack of bank support for opportunities or existing loans
- Car accident
- Alzheimers etc.
- Stroke or heart attack
- Diagnosis of degenerative disease
- Financial problems
- And many others.....

**Most think those things only happen to others, so they don't seize the opportunities at the right time, even if they do hear about them.**

Why not at least investigate the options for your family while you can?

## **The Problem**

Creditors, Community Care Tax, bankruptcy, remarriage after the first death (potentially disinheriting children from the first relationship), special children, beneficiaries on benefits, unstable beneficiaries/ relationships (they don't even need to be married these days!) or finances, well off older people inheriting then needing care or dying and wasting 40% of it.

## **Wouldn't it be good to help your family:**

- 1) Avoid/ Reduce **Probate delays** – typically 5 to 9 months.
- 2) Avoid/ Reduce **Probate Costs** – typically now 3 to 5% of the value of your estate. As we understand the law currently, many **clients may save more in probate fees than the cost of setting up the Trust.**
- 3) Avoid ultra-expensive (and delaying) legal action by **disappointed beneficiaries.**
- 4) Protect your home etc from **future creditors**- business failure, Court cases, uninsured accidents, holiday hospital bills and more.
- 5) **Skip generations** where appropriate – too often well-off retired people inherit more and just pay another 40% Inheritance Tax before anyone who actually needs help benefits. Worse, they could lose the lot to care fees. The Legacy Protection Trusts give the best of both worlds.
- 6) Make sure your assets go to **people who will actually benefit** from them and don't create needless tax bills for them or for yourself.
- 7) **Provide security – on your terms** for extravagant, off the rails or [special children](#) (do speak to us if this is an issue – our Legacy Protection Trusts have tremendous extra benefits). You can control things from beyond the grave if necessary.
- 8) Prevent **family money being lost** in divorces (often “Bloodline Trusts”).
- 9) **Retain control** of and benefit from your assets as long as you live.
- 10) The **Home Protection Plan** can work for up to 125 years! Future generations can borrow and repay, then the Plan can go through the process again with a new generation benefitting from your foresight.
- 11) In the [case of incapacity](#), Trust assets can be managed immediately without Court permission by your Trustees, potentially saving thousands.
- 12) **Upgrade your Nursing Home** should it be needed.

**The earlier protection is put in place the more robust it is. In some cases a week's delay can be too long.**

In an ideal world we would put these plans in place on peoples 50<sup>th</sup> birthdays at the latest. But we can help 100 year olds too!

**Q: Would it not be cheaper to give our house to our children?**

**NOT REALLY** – there are many stings in the tail if you do:

For example:

1. Unless you pay a full market rent to your children, who will have to pay tax on the rental, your home will remain your asset for Inheritance Tax purposes if you continue to use it (as it does in most Asset Protection strategies). This can completely distort your Will as any Inheritance Tax must then be paid by the residuary beneficiaries who may actually inherit **just** a Tax bill.
2. Such a move is going to be looked at by the local authority as artificial, so they will choose to treat your home as part of your capital anyway which would wipe the remainder of your assets out in no time and leave you in debt.
3. Once you have given your home away, any growth in value will be subject to **capital gains tax** when it is sold or transferred, even if you wish to move to another home of the same or lower value. This would not apply to The Home Protection Plan<sup>®</sup>. Many families have missed this problem and will find out too late.
4. Should any of your children die, divorce or get into financial trouble, **your house will be part of *their* assets** and might be sold from under you to pay ***their*** debts or divorce settlements.

So we think a straightforward gift of your home to your children is no more than a gamble, and far from a cost effective one. The Home Protection Plan is better in every respect.

[Or see our video](#) (but note the old office address is shown).

## Preserve your Assets with Home Protection Plan©



Costs will normally be recovered from saved probate fees and delays, even if **no** other benefits above are needed in the end. Tails you don't lose, heads your family win, perhaps a great deal.

Any of your Assets outside the Trust will **not** be protected and some benefits may not be effective in all circumstances – which is why we need to chat things through with you (without obligation).

### How Does It Work?

Under the terms of the trust you, as the person creating the trust, are also a beneficiary, so that once the trust is created you can continue to live in your home and use your assets or take an income for the rest of your life or until you decide that residence is no longer required or not appropriate. You can of course still move or change your investments or income and you can take anything out of the protection of The Home Protection Plan© at any time – despite the Plan, you can still benefit from your assets during your lifetime.

### The Simplicity of The Home Protection Plan©

**Your property and (perhaps) other assets are transferred to The Home Protection Plan©**



**Sole or Joint Ownership**

**Owned by your Family  
Protection Plan©  
- **controlled by YOU****

The Home Protection Plan© works for single people and couples more comprehensively than the cheaper option below. Costs vary but the Probate Tax savings may outweigh the cost on their own. Inheritance Tax Planning may involve additional trusts and advice. You would **normally recover more than that in *Probate Savings and speed.***



## Protective Property Trust Wills (PPT) – the cheapest option

Many readers will have these: we charge £497 for a couple **but** there will be probate fees on the first and second death. We prefer to use these for just young couples who can convert later to a full Home Protection Plan, a far better package as it can protect the assets of both partners. If you have PPTs already, we do strongly recommend upgrading with us with Home Protection Plans. The Wills can stay if you wish, but we would review them.

PPTs alone may help to keep part of the home away from creditors, future partners etc. The surviving partner continues to benefit from the use of the half within the trust. On the second death, the share of the home owned by the trust together with whatever is left of the assets of the second partner can be given to the children or grandchildren.

**The assets of the survivor are not protected at all** (but they would be in The Home Protection Plan!) Assuming the husband dies first:

Normally: home traditionally owned as “joint tenants” – both owners own the whole property in effect.



Her half  
His half



Wife owns part outright but retains right to live in the whole house or to move. **Her** half is still at risk.

Action: Tenancy severed: home now owned in shares, so part can be left in each new Will Trusts.



(Say)  
Husband  
dies first



Husband's half goes into Protective Trust for benefit of wife during her lifetime then on to his children etc on her death.

## Setting up Protective Property Trust Wills involves:

- Changing how your home is owned, typically so you own half each.
- Each writing a Last Will and Testament which guarantees the right of each party to live in the home (or move) for (normally) life.
- On the first death, half of the home goes into a lifetime Trust for the benefit of the survivor and is protected from creditors.
- Should the second partner then go into care, or have financial troubles, at least the first half of the home should be protected. However, if both partners have financial issues, or go into care, there is every chance the home will be **lost**.

ENQUIRY FORM (or ring 01323 741200) or [Trusts@APWW.co.uk](mailto:Trusts@APWW.co.uk)

Name: \_\_\_\_\_

Telephone day: \_\_\_\_\_ Evening/ weekend \_\_\_\_\_

Email: \_\_\_\_\_

Address: \_\_\_\_\_

Interested now

Interested in future: \_\_\_\_\_ months but please keep me informed.

Interested for third party: \_\_\_\_\_

For main home  Savings and investments  Business  Buy to lets

Inheritance Tax is not a major issue

Inheritance Tax is an issue, I would like to consider a paid review.

1) Your age: \_\_\_\_\_ Your health: \_\_\_\_\_

2) Your age: \_\_\_\_\_ Your health: \_\_\_\_\_

Rough value of your home £

Other assets you may wish to put in trust:

Specific issues you wish to address:

I confirm that the above is true and that I am genuinely seeking advice and that I will not pass on any information to third parties without your prior written agreement. I am under no obligation to proceed.

Signed: \_\_\_\_\_

Email:

Or

**Freepost  
PEACE OF MIND**

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