

# THE PROPERTY PROTECTIVE TRUST

This type of Trust is normally used for married couples and those in a Civil Partnership only, and used within their 'Mirror Wills,' it is NOT available to single people. It is used where couples own their own their property and when or should they have to go into residential care through an accident, old age or illness then the state, via the 'Community Care Act 1990' would only be able to lodge a claim against their property of 50%, to help pay their care fees and expenses if they were to go into a residential home. A local authority can and would apply a first charge on the property and allow the 'debt' to roll up, taking the proceeds from sale upon death, leaving any family (sons or daughters) with possibly no inheritance whatsoever! Simple planning NOW will save this happening!!

- The Property Protective Trust would 'sever' the joint tenancy and put the ownership of the property into 'Tenants in Common'. This is where each person owns a specific share in the property, usually 50% each, so therefore reducing down the possibility of a local authority using all the proceeds of an eventual sale of the property to pay for care fees.
- The Property Protective Trust provides within each others Will a 'life interest in possession trust' for each spouse.
- The Protective Trust helps protect your client's property by ensuring that their heirs (sons & daughters) cannot be disinherited.
- The Property Protective Trust ensures that each person's share of the property is owned by the trust.
- A Deed of Severance is completed; this ensures that joint property is placed into tenants in common, therefore ensuring that each share is protected and they can leave their share to whom ever they wish.
- The Property Protective Trust will NOT affect a mortgage or any mortgage lending in any way, neither will severing the tenancy.
- The Protective Trust under current rules will PROTECT up to 50% of the value of your clients family home, this is the maximum a local authority could lay a claim too to help pay care fees, although they can also claim any liquid assets of any kind.
- We will issue all documentation required to arrange your clients Wills and the Property Protective Trust, sever joint tenancy and provides LPA'S and deal with the Land Registry for all Package plans completed.
- This Trust is designed to protect your clients' property against it being used to pay care fees; if the property is held jointly then a local authority could claim 100% of the value, leaving nothing for their children upon death!
- The Property Protective Trust is portable from property to property, so they can move from one home to another, your clients can upsize or downsize at anytime, a new property should be conveyed as Tenants in Common. If one partner should die and the other downsizes leaving surplus cash then 50% of this can be invested for income say!
- If you have clients where say only 'one of them' say owns the house, we can still complete the above planning. But we would need to also complete a Deed of Gift to change the way the property is owned – from sole tenancy to tenants in common.