

CASE STUDY

Protective Will Property Trust

Client Details



- Mr Charles & Mrs Patricia Clapton
- Ages 53 & 58
- Married
- Mortgaged Home valued: £700,000 jointly owned
- 2 Children
- Majority of wealth is in the property

What were the key requirements?

- Mr & Mrs Clapton are asset-rich but cash-poor.
- They are of the opinion that investing in property is a safer bet nowadays, than keeping things separate with investments.
- They have a small mortgage currently and are keen to pay this off.
- They have 2 key objectives. The first is ensuring the property is passed to their 2 children
- The second is to make sure that as least Inheritance Tax as possible, is paid out from their estates.
- They are also quite keen to protect the survivor out of the both of them, when something happens to one of them.



What were the key features included in their Will?

Option A

Standard Will

- Give everything to the children through the Will
- The home passes by survivorship automatically to the survivor
- Does not provide any protection for the deceased's share of the home, if third parties were to interfere

Option A

means Mr & Mrs Clapton's Wills would have no say in what happens to their home, when one of them passes away. This is because jointly owned assets, are automatically inherited by the co-owner of them. This also means that if the survivor wishes to change their Will, or meets someone else, after the death of the first spouse, the entire home will go through the survivor's Will only.

Option B

Protective Will Property Trust

- Includes 2 Wills, 2 Lifetime Interests and a Severance of Tenancy
- Changes the property from being owned as Joint Tenants, to Tenants in Common, so each spouse can place their respective share into Trust, upon their death.
- Helps to keep the deceased's share protected from third parties.
- As Charles and Patricia are spouses, they are able to combine their inheritance tax allowances, providing up to £1million of reliefs

Option B

means Mr & Mrs Clapton can rest assured that their respective shares of the property, will go to who they want, should either of them die before the other and they can also be aware that they are helping mitigate their Inheritance Tax liability, whilst still providing a good level of protection.

Mr & Mrs Clapton chose Option B