

CASE STUDY

LIFETIME INTEREST

Client Details



- Mr Charles Simpson, Aged 58
- Has an unmarried Partner - Samantha
- Home owned solely
- Home Value: £330,000
- Own 3 rental properties, as joint tenants with partner
- Rental properties combined: £600,000
- £2.900 rent PCM received

What were the key requirements?

- Charles and Samantha are unmarried, they need to get documents in place, as **they haven't got any automatic legal right to each other's estate.**
- Their main concerns are the rental properties
- They want to make sure that if something happened to one of them, the other can still receive the full rental income
- whilst the capital in the rental properties is protected

What were the key features included in their Will?

Option A

Mirror Wills x 4 lifetime interests, Severance of Tenancy x3 & Lasting Powers of Attorney x2

- The severance of tenancies will change the rental properties from joint tenants, to tenants in common
- The lifetime interests in the Wills help the rental income from the properties to be given to the survivor in full, whilst the deceased's share of the capital in all properties, is protected

Option A

means Charles and Samantha can be safe in the knowledge that by getting these documents, they can help make sure that whatever happens later in life and after death, their landlord duties and the needs of the survivor, can be met. The lifetime interests in this are crucial to making this option work.

Option B

Mirror Wills

- Joint assets such as Joint Tenant homes and joint bank accounts, are given to the co-owner automatically, regardless of what the Will says
- The entirety of the estate is at risk of third party interference and could be gifted to the surviving partner's new partner
- No lifetime protection

Option B

means should Charles die, Samantha will inherit everything, if she should meet another partner after Charles' death, she could easily change her Will to leave everything to her new partner. During life, if there is a loss of mental capacity, their tenants could sue them if repairs can't take place, because bank accounts are frozen.

Charles and Samantha picked Option A