

CASE STUDY

Discretionary Will Trusts

Client Details



- Mr Kenneth Matthews, Aged 45
- Separated and going through a divorce
- Home owned with divorcing spouse
- Mortgage
- Home Value: £330,000
- 3 Children
- Other assets worth £68,000

What were the key requirements?

- Kenneth is currently divorcing his wife, from whom he has been separated from for the past 2 years.
- He bought the home they own together with inheritance he received from his parents, but put the home into joint names.
- His wife is seeking a financial order for half of the home.
- Kenneth wants to make sure that if something like this happened to his children, after he died, then they wouldn't lose their inheritance.



What were the key features included in their Will?

Option A

Standard Will

- Give everything to the children through the Will
- Children may lose their inheritance if they divorce or get into financial difficulties

Option A

means Kenneth's children will inherit straight after their father's death, regardless of whether they are going through a divorce, financial difficulty or are receiving welfare benefits

Option B

Discretionary Will trust

- Transfer everything into a Trust on death
- Trust owns the assets, so third parties can't touch them
- Trustees appointed under the Will (who may well be the children) can decide when and how they inherit

Option B

means Kenneth's Trustees (who may well be the children) can choose when and how they inherit, meaning that their inheritance can be protected from third parties, including spurned ex-spouses, and can inherit absolutely, only when the time is right

Kennith picked Option B