



Care Homes Fees

Protecting your Children's Inheritance

Risks:

Care home fees

Over one third of people reaching 65 years old will need some form of care either in a residential care home or in their own home. If someone goes into long term care the Local Authority can seize all but £22,500 of your assets as a contribution to the cost of that care which costs on average £500 per week.

This includes your own home if you are living on your own and need long term residential care. Government statistics show that 69,000 homes are seized every year to fund care home fees.

Spouse and children from a second marriage or relationship

Upon first death a surviving spouse/partner may remarry or cohabit and even have other children. Their new partner and children will have a claim on their estate.

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Solutions:

Protective Property Trust

These risks can easily be prevented by making arrangements within your Wills whilst both owners are still alive in order to ensure that half your property is protected.

If you own your home with your spouse/partner as joint tenants then when one of you dies the whole of the property will pass to the survivor. This type of ownership can be changed at the Land Registry to tenants in common. You would both then own a half share in the house.

Each separate half share in the house can be given away in your Wills, not to each other but to your children whilst specifying that the surviving spouse/partner has a life interest in the house to ensure that they can still live there.

If need be the surviving spouse/partner can sell the house and downsize to a new home. This will release some capital to be invested for the surviving spouse/partner so they receive the investment income and still own just half of their new home.

This ensures that your children will receive the first half of the property on the death of the surviving parent. In this way at least half the house will be saved as an inheritance for your children whilst still providing a home for your spouse/partner.

This guide contains information on current legal issues applicable at the time of printing. Note there may have been changes subsequently which have not been incorporated in to the material. This guide is intended for information purposes only and its content should not be applied to any particular set of facts or relied upon without legal or other professional advice. For further information on how we can help you please contact:

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