

KEY FEATURES AND BENEFITS 12

Family Probate Preservation Plus Trust (PPPT)

Asset protection trusts are fairly commonplace where your home is transferred to trust in your lifetime but you are still benefitting from the trust by living in the home. Our asset protection trust for your home is called the Probate Preservation Plus Trust (PPPT).

THE PPPT INCLUDES THE TRUST (OR TRUSTS WHERE THERE ARE JOINT OWNERS), LEGAL WORK TO TRANSFER THE PROPERTY INTO TRUST AND CAN ALSO INCLUDE AN ENHANCED PACKAGE OF LEGAL SUPPORT (PPPT (INCLUDING)).

- ✓ The PPPT can be useful to avoid probate delays in certain circumstances.
- ✓ The PPPT can include an additional document to enable the Residence Nil Rate Band (RNRB) to be claimed if applicable.
- ✓ The PPPT can be useful to avoid Office of the Public Guardian (OPG) restrictions when acting under Power of Attorney as the trustees can administer the funds.
- ✓ Holding assets in a PPPT can ensure that they do not add to your beneficiaries' estates and impact on their own IHT.
- ✓ Holding assets in a PPPT can ensure that, if your children/chosen beneficiaries were subject to divorce proceedings, what you intended them to receive could be better protected.
- ✓ If your children/chosen beneficiaries are subject to creditor claims/bankruptcy then the PPPT could provide more protection from such claims.
- ✓ The PPPT can be useful to mitigate or reduce 3rd party threats in certain circumstances, albeit deliberate deprivation must always be considered and success cannot be guaranteed.
- ! The PPPT is not used for Inheritance Tax (IHT) advantages, as the transfer would be a gift with reservation of benefit because you continue to live in the house.

MOVING YOUR FAMILY HOME INTO A TRUST



UNIQUE FEATURES:

RESIDENCE NIL RATE BAND (RNRB) AND PPPT

To be able to qualify for the RNRB, the main residence, or a share of it, must pass to lineal descendants on death. This includes your children, grandchildren and also step-children.

On death a main residence in a 'normal' asset protection type trust would not pass via the estate of the deceased to lineal descendants but stays in the trust, so this would mean the loss of RNRB.

The PPPT allows the trust to be tailored to ensure that if required, the RNRB can be claimed which could save your estate up to 140k IHT.

To maintain the protection generationally, it is essential that the recommended death planning trusts are also in place alongside the trust and resolution. This not only enables the RNRB to be claimed but also gives the maximum possible asset protection on-going for your chosen beneficiaries.

BREACHING THE NIL RATE BAND AND PPPT

Discretionary trusts, including asset protection type trusts that have an excess of the Nil Rate Band (NRB) transferred to them are subject to tax immediately on entry and periodically (the 10 year tax, levied at circa 6% on the excess over the NRB).

The PPPT includes a protective clause that ensures that there will be no CLT entry charges and no periodic and exit charges during the lifetime of the settlor.

DELIBERATE DEPRIVATION

Deliberate deprivation is the term used when someone knowingly gives away assets such as property, income, investments and savings or sells them at less than their market value to move them from an assessable environment to a non-assessable environment. In practice, the ability to claim deliberate deprivation depends on many factors including how much time has elapsed between transfer of assets and the circumstances at the time of transfer.

See also KFB 1, 2 and 4 for the death planning and Wills with pilot trusts

See KFB 101, 102 and 104 for trusts within the Will

See KFB 25 and 125 for information about the RNRB

This sheet contains only general planning and is not to be construed as advice for any personal planning. Each strategy recommended is based on individual circumstances.

For more information please contact us on:

☎ 01277 600 966

📠 01277 202 233

✉ info@countrywide-se.com

🌐 www.countrywide-se.co.uk

📍 Sterling Court, 4 Gresham Road, Brentwood, Essex, CM14 4HN