The Family Asset Protection Trust



Safeguard your family and your family's future

Introducing Family Asset Protection Trusts.

The proven way to safeguard assets for you and your family's future.

- Take advantage of a service that makes sense for everybody
- Keep control of your most valuable assets
- Protect your property for the benefit of your loved ones
- Protect your assets from bankruptcy, creditors and strangers
- Save on Inheritance Tax for future generations*
- Use a product with a proven pedigree dating back centuries
- Preserve your wealth for your family
- Save on future Probate costs*

*Discuss the applicable savings with your consultant

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There may be trouble ahead…

Nobody likes to think about it, but when you pass away, what happens to your assets can be uncertain. Indeed, without adequate provision, their fate can pass out of your hands altogether.

As a professional Estate Planning company, there are three ways **1st Step Wills & Trusts** can help you plan for the future, to safeguard your assets and family:

•A Will, which helps to determine who gets what when you die

•Lasting Power of Attorney, where you appoint trusted individual(s) to manage your Financial and Health & Welfare affairs, if you can't do it yourself

•However, on their own, these measures can often not be enough. They provide only limited protection for your estate, both when you die and while you're still alive. Which is why we also recommend another key tool - a Family Asset Protection Trust (FAPT).



Why a Family Asset Protection Trust (FAPT)?

Even the most sophisticated Will can only give you limited control over how beneficiaries can utilise your assets to protect from issues like, sideways disinheritance, divorce and bankruptcy. Essentially, a Will only applies when you're dead, and offers no protection against these threats to your estate beforehand.

In contrast, when you transfer your assets into an FAPT while you're still alive, you protect them for the rest of your life and beyond. The benefits of an FAPT are simply too strong to ignore.

YOU KEEP CONTROL OF YOUR ASSETS

Placing your assets in a Trust doesn't mean you lose control. Far from it, because the Trust has Beneficiaries and Trustees, and you (the Settlor) will usually be both. As the Settlor you can appoint or remove Trustees while you are alive and have capacity, which gives you complete control during your lifetime.

Also, using a Trust is much more preferable to transferring property directly to your children, which can be a minefield. (Please speak to your adviser to understand the consequences of passing your residential property to your children while you are alive).



Talk to one of our professional Estate Planners

Your Control

Whatever you can do today, before your house is placed in the Trust, is exactly the same once the house is in the Trust:

•You can sell your home

•You can buy a new residential property

•You can access any money that is left over from the sale

You choose the Trustees

As the Settlor, you choose the Trustees of your FAPT, that is, those people who make the decisions. As we've said, normally you will be a Trustee yourself. And rest assured, even if you lose mental capacity, you can be certain that the important decisions will be taken by people you have chosen personally.

It's for everybody

An FAPT can be useful to any adult with assets and the mental capacity to enter into a contract. It makes little difference what your assets are actually worth, or whether you're single, a couple, co-habitees, same sex couples or widow/ers. In addition, 'assets' can mean many things – property, art, valuables, money, investments and more. Your **1st Step Wills & Trusts** Consultant will be happy to explain to you how you can best take advantage of the considerable benefits that the FAPT provides.

It's long-lasting

An FAPT can last for up to 125 years – and possibly longer, in certain circumstances. This is one of the reasons why it's such a vital planning tool for future generations of your family.

It's flexible

With an FAPT you can still move home if you want to, buying and selling through the Trustees. If you're downsizing, they can also distribute the surplus funds or hold them in the FAPT.

It's more flexible than Lasting Power of Attorney

Crucially, Attorneys MUST act in the donor's interests. In contrast, a Trustee is responsible to the wider group of beneficiaries. This can work to your family's advantage later on.

It potentially saves money on the cost of Probate

When you die, should your Executors need help dealing with Probate, a solicitor or bank will charge a percentage of your estate's value. By organising an FAPT today, you could be saving the cost of probate for your family. This will become more important as house prices, and the value of your estate, continues to rise.

It protects against sideways disinheritance

After your death, if your partner subsequently remarries, your assets could end up going to a complete stranger's family should your partner and their new spouse divorce, or your partner subsequently dies.

However, if your assets are already in an FAPT, as the new spouse isn't a Beneficiary of the Trust, they will not benefit from it. Remember, assets only ever pass to your nominated Beneficiaries as defined in the Trust document.

It gives added protection
Later in life, your Trustees could use the Trust's assets to help fund costs, either by renting or taking the decision to sell your property. You can also use an FAPT to protect the assets of a beneficiary with learning difficulties or disabilities, without prejudicing their entitlement to state benefits and/or support.
It protects from bankruptcy
As long as you're not in financial difficulties now, should you get into trouble later, an FAPT can shelter your assets, or those of beneficiaries, from creditors.
It cuts tax bills
The FAPT isn't designed to save you Inheritance Tax and Capital Gains Tax, however, it could still save future generations of your family very significant amounts of money in Inheritance Tax. **1st Step Wills & Trusts** can provide several examples of such scenarios. However, as we are neither accountants nor financial advisors, we always recommend you seek advice from suitably qualified people depending on your personal circumstances, and we can recommend appointments with our trusted accountant.
What about the alternatives?
In truth, there are no alternatives to an FAPT that offer anything like the same protection. We've mentioned transferring your property to your children directly. In practice, this can be very dangerous. What if they got divorced, became bankrupt or even pass away before you? What if your relationship with your children broke down? At the very least, not having an FAPT could mean them facing large Inheritance Tax bills, but more real is the possibility that their share of your home could easily pass into the hands of others.

Do you want **your children** to inherit, or **someone else's children**?
Altogether, Estate Planning is too serious to gamble with your family's future.

You CAN contest a Will, you CANNOT contest a Trust



Why 1st Step Wills & Trusts?

At **1st Step Wills & Trusts**, we use our extensive Estate Planning experience to make sure you get the very best advice for your future and that of your loved ones. Our knowledge of Wills, Trusts, Lasting Powers of Attorney and Probate combines proactive advice with a unique understanding of the pitfalls of organising your estate.

Our service helps you protect the value of your estate and makes sure that often unforeseen and unplanned events, such as divorce or bankruptcy, do not see its value become unnecessarily diminished. The personal service we offer is designed to help you plan for the future and ensure that your Will or Trust allows your beneficiaries to inherit according to your wishes.

Remember, you've worked your whole life to accumulate these assets.

We use accredited software to produce your Wills & Lasting Powers of Attorney, and we have a panel of solicitors who produce the Family Asset Protection Trust for you. This means our Estate Planning experts are just that - fully trained experts in their field.

While being specialists in the field of Estate Planning, **1st Step Wills & Trusts** are not tax advisors or financial advisers. In appropriate cases we recommend you seek the advice of appropriately qualified professionals.



Talk to one of our professional Estate Planners

1st Step WILLS & Trusts



Here to safeguard your family and your family's future

Talk to one of our professional Estate Planners to find out how we can help you.

1st Step Wills & Trusts , Discovery Park, Innovation House, Ramsgate Road, Sandwich, CT13 9FF

Tel: 0203 762 2252 Email: simon@1ststepwills.co.uk www.1ststepwills.co.uk