



Key Benefits:

Guarantees who will benefit from your cash assets and investments as well as property if your surviving spouse/partner either remarries, enters into a new relationship or writes a new Will after your death.

Allows a nominated person to benefit from the income generated from your investments when you are gone, whilst protecting the capital value for future generations.

Reduce the potential impact of residential care fees on the value of your estate should your surviving partner go into care.

“Excellent service, everything explained clearly and simply, making it easy to understand.”

J Hinton

Flexible Life Interest Trusts

A Flexible Life Interest Trust (FLIT) in your Will offers greater peace of mind if you have significant assets or investments as well as property and wish to protect their value for future generations.

A Flexible Life Interest Trust (FLIT) is often described as the ideal modern Will Trust, as it allows for adequate provision for the surviving spouse/partner, whilst incorporating flexibility into the Will whereby other family members/beneficiaries may benefit should the survivor not require the provision after the first death. The FLIT is flexible because it allows the Trustees to advance capital as well as income to the survivor, if required.

This Trust is created on the death of the first spouse/partner and the capital assets of the deceased are held in a trust which pays any income generated to the survivor for their lifetime. This is treated for Inheritance Tax purposes as an outright gift to the survivor. So, for married couples or those in a Civil Partnership, it does not create a tax charge and does not use any of the Inheritance Tax allowance of the deceased spouse – preserving it for later use on the death of the surviving spouse. On the death of the survivor, the trust capital is passed to nominated beneficiaries, such as children. As the capital in the trust is not owned by the surviving spouse/partner, it cannot be given away by them to, say, a new spouse or partner, and it cannot be assessed if the survivor needs to end their days in a care home.



Additional Notes:

1. It is possible to incorporate a less flexible version of this trust into a Will which removes the flexibility to advance capital to the survivor – limiting the surviving spouse/partner to only the income from the trust.

2. Is drafted in such a way to enable the Residential Nil Rate Band to be applied.

The Trust:

- Includes powers for the trustees to lend trust capital to the survivor. The advantage of this is if they need capital, the trustees can lend it to them, with the capital being repaid either when the survivor dies or if they go into care.
- Includes powers for the trustees to give capital to the survivor. It is unlikely that this power would be used because the capital would then be owned by the survivor and could be given by them to a new spouse or partner and would be assessed if they went into care. However, as a flexible trust it covers eventualities both foreseeable and unforeseeable and this power, for example, enables the trust to be wound up and the whole estate given outright to the surviving spouse/partner.
- Includes powers to pay capital to the nominated beneficiaries (children, for example), so that if children need capital and the surviving spouse/partner does not (for example, if the survivor is in a care home and the children are in need of capital to reduce their mortgages), capital in the trust could be paid to them.
- Includes powers for the trustees to convert some or all of the trust into another type of trust. So if, for example, Inheritance Tax laws change and make it preferable for the trust capital to sit in, say, a Nil Rate Band Discretionary Trust, the trustees could do this.

Please contact us if you would like to discuss further.



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