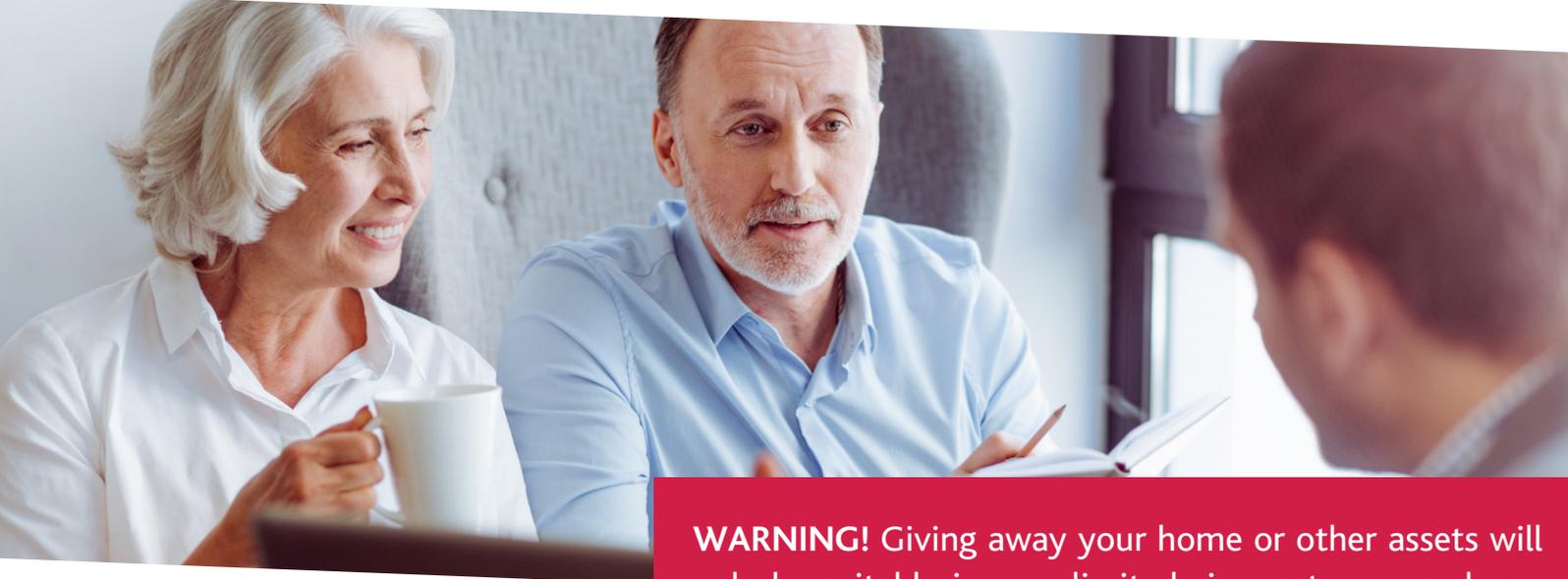


## GIVING AWAY YOUR HOME AND OTHER ASSETS

Many people are tempted as they approach or enter retirement to transfer their home into the names of their children, or to give away large amounts of money. There could be a variety of reasons for this, but commonly it is with a view to avoiding **inheritance tax** or residential care fees.



**WARNING!** Giving away your home or other assets will only be suitable in very limited circumstances and you must seek professional advice before doing so.

### Amongst the factors to consider are:-

If you give away your home but continue living there without paying a market rent, it will still form part of your estate and there will be no inheritance tax saving. In addition, the law allows HM Revenue & Customs to include in your estate any gifts made by you in the 7 years before you die and to tax your estate on them as well (subject to exemptions).

The law also allows the Local Authority to include the value of any gifts you have made when assessing your capital for **residential care fees** purposes. There is no 7 year time limit for this. That could mean that your children have to pay the full amount of your care costs.

## Similar rules also apply for means-tested state benefits.

In trying to save your family from paying as much inheritance tax on your death, you might actually create a **capital gains tax** problem for them.

You may never need to go into care, in which case you would have given away your home for nothing, **depriving yourself of security** as you grow older. You may need to **release the equity** from your property at a later date and you could not do this if you have given it away.



If you give away assets so that you can no longer afford to pay for residential care, that could mean that you receive only the most basic level of care and have **no choice** over where you are placed.

If you give away your home or other assets, you cannot take them back later on, even if your circumstances change. Although you may be very close now, sadly families do fall out and you should think about this carefully.

If you give your home to, for example, your son and he is made bankrupt, gets divorced or dies before you, you could well end up losing the right to continue living in your home, or with someone unexpected owning a share of it.

Our specialist advisers may be able to suggest other ways of achieving the result you desire, through trusts or other mechanisms. We would be happy to discuss with you your particular circumstances and requirements. We can then find the best way to ensure that your wishes are effectively carried out with the least amount of risk and with no unforeseen consequences.

Please telephone or call into one of our offices to arrange an appointment with one of the Solicitors in our Private Client Department. If you are thinking of giving away your home, it would be helpful if you could bring your title deeds to the meeting.



Please note: this note contains basic generalised information only and should not be relied upon as a statement of the law.

If you want to find out more information, or get a quote, just get in touch with our team of conveyancing solicitors at [info@bannerjones.co.uk](mailto:info@bannerjones.co.uk)

Phone: 0330 017 6309    Web: [www.bannerjones.co.uk](http://www.bannerjones.co.uk)

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