Giving Away Your Home

Many people are concerned that their property may have to be sold to pay for their care. In an attempt to avoid this people often ask if they can transfer their property into the names of their children.

This leaflet is designed to explain the reasons why we always advise against this course of action.

1. If the intention behind the transfer is to avoid care fees then it is a 'deprivation of capital' and the Local Authority can use the insolvency laws to have the transfer set aside. They can also refuse to fund care which could leave you in a very vulnerable position. The Local Authority can go back as far as they like to see whether you have given away any assets.
2. Your children may ask you to pay rent and they could even try and force you out of the property.
3. If any of your children become divorced then their share of the property will be taken into account when dividing up the matrimonial assets.
4. If any of your children become bankrupt then their share of the property could be claimed by the Trustee in bankruptcy.
5. Your children could take out a loan or mortgage secured on the property.
6. If any of your children die then their share of the property will pass under the terms of their own Will or the laws of intestacy. It may also affect their inheritance tax liability.
7. Your children may have to pay capital gains tax when the property is sold.

If your property is currently owned jointly, then it may be possible to protect a share in the property from the effects of long term care fees. It is also possible to protect your share in the property for your children from a previous relationship.

Please see our leaflet regarding Life Interest Trust Wills for further information.

For further information visit:
www.timms-law.com

Ashby 01530 564498

Burton Upon Trent 01283 561531

Derby 01332 364436

Swadlincote 01283 214231