**The Denton Family — Property Life Interest Trust (PLIT)**

(For educational use — Fern Wills & LPAs)
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Background

Mark and Molly Denton own their home in Leicestershire, worth around £475,000, together with modest savings. Their son Chris is in his thirties and has settled down.

When they first contacted us, they believed they only needed a Standard Will, but said they “wanted to be protected just in case.” During our first meeting, we compared three options: Standard Wills, Property Life Interest Trust (PLIT), and Flexible Life Interest Trust (FLIT). After that discussion, they chose the PLIT. Here are the sorts of questions they asked afterwards — and the clear, practical answers that helped them understand their decision.

1. Will Molly own the whole house if Mark dies first?
No. She retains full use and control of the home, although she does not have full ownership. Half remains hers outright; the other half is held in trust for her lifetime. She can live there for life, move home, or downsize with the trustees’ consent. When she dies, that trust half (and any growth) passes automatically to Chris.

2. What happens if Molly moves to Spain or buys another home?
The trust’s proportion follows the value, not a fixed cash figure. If the house is sold for £475,000 and Molly buys one for £375,000, the remaining £100,000 is divided £50,000 each between her and the trust. The trust’s £50,000 can be invested. Molly keeps all investment income during her life, paying ordinary income tax on it if drawn.

3. Can the trust help Chris sooner if Molly does not need all the income?
Possibly. Trustees can agree to release part of the capital early if everyone believes it is correct and consistent with Mark’s Will. This is uncommon but permitted. If regular capital access is essential, a Flexible Life Interest Trust (FLIT) would allow more freedom, though it carries slightly higher running costs and different tax treatment.

4. What if Mark dies and Molly later remarries?
The trust protects Mark’s half, so it cannot be diverted by a future spouse or by financial claims from outside the family. Chris’s inheritance stays safe while Molly still enjoys complete security for life.

5. Can they change their Wills later?
Yes — either can change their own Will at any time while alive and mentally capable. One spouse’s change does not affect the other’s Will. The new version is entirely confidential between the testator and the drafter. A Will MOT review is recommended every three years, or sooner after major life, asset, or budget changes.

6. What if Chris moves in after Mark’s death?
If Molly allows him to live there, that is fine. He has no automatic right to occupy until after her death. If she later moves to care or supported housing, his presence can strengthen the case that the trust’s half of the home should be valued at a discount for care-fee purposes — but that depends on local-authority policy at the time.

7. What if the house grows in value before it is sold?
The trust owns a percentage, not a cash sum. If the £475,000 home rises to £550,000, the trust’s share increases proportionally. When sold, the trustees and the survivor reinvest their shares in a new property or distribute proceeds in the same ratio.

8. Can the house be owned outright by Molly again later?
Only if all trustees and beneficiaries consent to release the trust capital back to her — an unusual step, usually discouraged unless clearly in line with Mark’s written wishes.

9. What if they owned a second home or property abroad?
Their English Wills govern UK assets. If they also own property in Spain, a local Spanish Will is advisable to handle succession and taxes there. The English Will can specify that the residue still passes to Chris, providing a safety net if Spanish law allows.

10. Will this affect inheritance tax?
On Mark’s death, the spouse exemption means no tax is due. On Molly’s later death, her estate includes both her own half and her beneficial interest in Mark’s half. This ensures both Nil Rate Bands and both Residence Nil Rate Bands can apply (subject to HMRC rules at the time). Guidance is available if values or regulations change.

11. What if they sell and downsize later in life?
If the new home costs less, the trust’s proportional share is extracted and invested. For example, if they sell for £500,000 and buy for £350,000, the £150,000 balance is split £75,000 each between Molly and the trust. The income from the trust’s £75,000 goes to Molly during her lifetime.

12. Is this the same as giving the house to Chris now?
No — that would be a lifetime gift with loss of control and possible tax and care complications. The PLIT provides them with protection and flexibility without requiring ownership transfer today.

13. Can the trust stop being used if circumstances change?
Yes. If both are alive and have capacity, they can make new Wills cancelling the old trust clauses. After one death, that person’s Will becomes fixed; the survivor’s Will can still be replaced for future planning.

14. Does this help against care fees?
The trust’s share is owned by trustees, not by the survivor. Under current guidance, only the survivor’s personal half is assessed for means testing, and even that may be subject to a discount if another person remains in occupation. However, the trust is recommended solely to protect the family’s inheritance while ensuring proper care for the survivor. Any care-fee protection is a consequence, not the purpose.

Closing note

For many couples like the Dentons, a Property Life Interest Trust provides the clearest balance between lifetime security and family protection. It keeps the survivor safe in their home, ensures fairness for children, and avoids the risk that good intentions today could unintentionally disinherit them tomorrow.