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Tax Planning

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## Legal Rights For Cohabiting Couples Put On Hold

**In our Newsletter of Autumn 2007 we advised you that the Law Reform Commission were looking into proposals to change the law to enable cohabiting partners to enjoy similar rights to those who are married. Whilst the Law Reform Commission came up with proposals the Government has decided not to implement any changes at this time. They are waiting for the outcome of research in Scotland prior to making any further decision. This could take years!**

In the meantime the 2 million cohabiting partners in this country do not have the protection of anything other than the outdated law of trusts. This means that when people separate many people suffer a real injustice and are sometimes left homeless without the ability to recover monies they may have invested.

51% of people in this country wrongly believe that cohabiting couples have rights as common law husbands or wives. This is simply not true. If you are buying a property with your partner, or you are moving into a home owned by your partner and are contributing financially it is vitally important that you take legal advice. We can help you draw up a Deed which adequately reflects and protects your investment in the property and can make provision for what happens if your relationship breaks down.

As it is likely to be many years before the legal system changes it is important that you act now. It is not too late if you are already living together; documentation can be put in place at this stage to protect you in the future if your relationship does fail.

Obviously we hope that relationships will not break down but unfortunately sometimes this happens and you should ensure from the beginning that you are protected if this happens to you.

If you require advice on this matter or any other family problems, please telephone our **family helpline** on **01978 315103** or e-mail [jm@hpblaw.co.uk](mailto:jm@hpblaw.co.uk).

## Race for Life

Jacqui Marsland raised a total of **£213.00** for Cancer Research when she completed this years charity 5k run on 22nd June 08 at Alyn Waters Country Park.

Jacqui would like to thank all our clients that generously donated to this good cause.



Jacqui Marsland  
no. **722** completes the  
5 k run for:



## Darling Gives House Buyers A Holiday

**The Chancellor of the Exchequer** recently announced that stamp duty will not apply to residential house purchases under **£175,000.00**. This relief will apply from **3rd September 2008 until September 3rd 2009** and is intended to help the property market.

With properties available in the local area for less than **£175,000.00** hopefully we will see the property market begin to move.



## Can You Avoid Care Home Fees?

**It is difficult to articulate the emotions involved when a loved one goes into permanent residential care.** More often than not, a loved one is going into care after a period of massive emotional turmoil. It may well be a close relative who has been incapable of looking after themselves for a long time, and it was only with the assistance of family that residential care was postponed. The decision to place a loved one in care may ultimately be taken out of an individual's hands. Whatever the reason, the consequences of moving to permanent residential care are heartbreaking, and the emotional cost immense.

It is against this backdrop that the stark reality of the care system becomes apparent; that is the financial cost. Broadly speaking a person is normally required to pay all or part of their fees if their capital exceeds a certain level: the present capital threshold in Wales is £22,000.00.

**If an individual does have more than £22,000.00 worth of properly assessable capital, then there will be no state assistance. The position would change if an individual's capital falls below the level of £22,000.00.** The regulations are detailed but this ultimately means that an individual going into permanent resident care could end up having to sell their home. It is important to stress that apart from some exceptions the position is very clear: a Local Authority has the power either immediately

or in the long-term to require you to utilise the capital built up in your home and other assets to pay the care home fees.

This situation is in our view not acceptable. It is however possible, in certain circumstances, to shelter some assets from the Local Authority. It is important to receive proper advice as there are popular myths attached to this particular area of law which are not correct. You may have heard that if you give away the property you live in to your children and survive seven years, then the Local Authority would disregard your gifted property. However, the reality is much different. There is no seven year period for capital disregard: the Local Authority can go back as far as it wants when assessing whether capital or property is to be disregarded. To add insult to injury, if you do give your property to the children and you are lucky enough to remain living in the house rent free, then your house would still be part of your estate for Inheritance Tax purposes. You would have effectively reserved a benefit in the property and the Inland Revenue would require a current valuation of the property as depending on the value of your estate, there could be a charge to Inheritance Tax. Worse still, the gift to your children could have Capital Gains Tax implications for your children. This means that if your property had been gifted five years ago to your children, any gain in value since that date could be taxed upon sale of the property. Again, this is subject to certain exceptions but the importance of obtaining proper advice is clear.

For further advice on this matter please contact

**Karl Beckett on 01978 315100 or email [kb@hpbllaw.co.uk](mailto:kb@hpbllaw.co.uk)**

## Wedding Bells

Our Trainee Solicitor Nicola Jones (nee Sanders) was married recently. Nicola is pictured with husband Gareth. Congratulations from us all.

Nicola will be having another celebration in Spring 2009 when she qualifies as a Solicitor having completed her two year training contract with us.



## HIPs Update

### Energy Performance Certificates (EPC) New Provisions October 2008

From **October 2008** an **Energy Performance Certificates (EPC)** will be required by law whenever a property is built, sold or rented out. **EPC's** are being introduced as an attempt to improve the energy efficiency of buildings. The certificate provides 'A' to 'G' ratings for the building, with 'A' being the most energy efficient and 'G' being the least, with the average up to now being 'D'.

We can provide these as part of you HIP. **Please do not hesitate to ask us for details.**

The content of this Newsletter is for general information only and whilst every effort has been made to ensure that the information is accurate at the time of printing no action should be taken without obtaining appropriate professional advice. © Hopley Pierce & Bird 2008