



Cornerstone Wills
Newsletter March 2015

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A client guide following a diagnosis of Dementia

Many people are concerned if a friend or relative receives a diagnosis of dementia. Often they are told to get their affairs in order, but what does this actually mean?



Case study

Mr & Mrs Jones are married with two children and four grandchildren. They own their house jointly which is worth £180,000. They have ISAs, joint savings and a joint current account totalling £45,000. As Mrs Jones isn't a tax payer most of the savings are in her sole name to save income tax. Mr Jones has a pension from his employer which accounts for most of their income and Mrs Jones has a small state pension. They have been very careful to move money to get the best interest rates. They have worked hard, paid their taxes all their life and wish to pass on their wealth to their children and grandchildren. Mrs Jones has just been diagnosed with dementia – so what should the family do?

The Family Home

Problem 1: In most cases a property is owned jointly and this means if one partner dies the house is automatically passed to the survivor (regardless of the contents of the deceased's Will). If that person then needs care the whole house will be liable to being sold to pay for care fees.

Joint Accounts

Problem 2: if a bank becomes aware that a party to a joint account has lost capacity they can freeze the account until either they have seen and recorded a validated/registered Lasting Power of Attorney or a Deputyship Order is in place.

Problem 3: if the contributions into the joint account are unequal (e.g. one partner has a larger income) the financial assessor will consider any joint asset to be owned 50/50.

Problem 4: if you have a joint account and one partner dies the money in that account automatically passes to the survivor irrespective of what the Will says. This can mean that all savings would be at risk to long term care fees and not just those of the person needing care.

Lasting Power of Attorney (LPAs)

Problem 5: Without LPAs banks, building societies, utility companies etc. will refuse to speak to anyone other than the account holder.

Wills

Problem 6: The "Great British Will" that most people have leaves everything to each other and then the children, then grandchildren. If unfortunately the surviving partner suffers from dementia and consequently needs care, all the assets are now owned by them and subject to care fees.

Local Authority Financial Assessment Forms

Problem 7: the local authority from does not differentiate the types of investment some of which must be disregarded e.g. Life Assurance Bonds. It is therefore important to see independent financial advice as to the suitability of an investment. It is also imperative that if such investments are in place they should be recorded correctly on the form.

Speak to [Cornerstone Wills](#) as with our experience as 'Dementia Friends' we can help families resolve these problems as sympathetically and effectively as possible.

Testimonial

Once again, thank you Sue for guiding us through a hard but necessary process with your usual skill and charm.

Mr & Mrs Hathorn, Kent

Cornerstone Wills were very helpful in my Will making process. Their expertise and knowledge made it easy for me to make my Will. *Mrs S Malik*



Thank you

We would like to thank the following clients for referring new clients to us and in recognition have received a Marks & Spencer voucher.

Duncan, Sarah, Mike and Austin



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