

# Two thirds of UK parents unintentionally putting their disabled child's financial future at risk

*At least two-thirds of UK disabled children at risk of losing future state benefits due to a common error in their parent's will*

LONDON, UNITED KINGDOM, October 26, 2020 /EINPresswire.com/ -- Two thirds of UK parents are potentially unaware that their disabled child's financial future may be at risk due to a common error in their will, according to a new study.

The research, which looked into the wills of 1000 UK parents of disabled children discovered that 66% have no Trust or Trustee in place, leaving their child's future inheritance unprotected, vulnerable to loss, and at risk of negatively affecting their child's future disability benefits.

A Trust is a financial arrangement within a will that ensures that the beneficiary's share of inheritance is protected and managed appropriately by appointed trusted individuals (trustees) for their benefit. This protects the inheritance from the influence of others and 'ring fences' it so, in the case of a disabled child, it's not taken into account during benefits means testing.

According to the study commissioned by [Gardner Leader](#) solicitors, nearly half (47%) of parents with no Trust are instead leaving their disabled child's inheritance to a family member or friend, in the hope that person will care for their child and protect their share of the inheritance following the parent's death.

A fifth have appointed a family member, 15% another non-disabled child and 13% a friend to look after and manage their disabled child's share of inheritance.

But with no official provision in the will, like a Trust, protecting their disabled child's share of the money, this can be a risky decision, as [Penny Wright](#), partner at Gardner Leader explains:

"Providing for your child in your will is particularly difficult when it involves a disabled child. It's totally understandable for parents in this position to leave their estate to a trusted friend or family member to look after for their disabled child, but problems arise when this isn't done properly.

"It's important to ensure your will is drafted carefully so your disabled child is fully protected as failing to do this correctly can mean the child has no claim to the inheritance and can lead to

unintentional financial loss. For example, if the entrusted person were to divorce and the child's assets became part of the financial divorce settlement, or if the entrusted person were to die or become incapacitated."

Gardner Leader's study did find that at least a third of disabled children will inherit direct rather than the money managed by a family or friend. "While this may seem again like a simple solution," continued Penny "like any beneficiary, this still leaves the inheritance vulnerable to the influence of a fraudster, which is sadly common. And the value of the assets inherited may affect entitlement to means-tested state benefits."

From the 1000 parents with disabled children polled, nearly a third (29%) of children receive up to £6,000 a year in means tested state disability benefits, and over a quarter (27%) claim between £6,000 and £15,000 a year. Surprisingly, 40% of parents with disabled children have yet to apply for or don't believe their child is entitled to disability benefits.

Penny explains further: "Means tested benefits are affected by the amount of money and investments a person has, including inheritance. Under the Inheritance (Provision for Family and Dependents) Act 1975, it's possible for the local authority to bring a claim on behalf of the child, which may result in an award being made which affects the child's entitlement to means-tested benefits.

"But when a Trust is set up correctly within a will, the inheritance is not a fund to which the disabled person is directly entitled, instead it is 'ring fenced' and managed by trustees. So, when the disabled person is assessed for means tested benefits, it's not taken into account and does not affect their entitlements.

"By safeguarding a disabled person's inheritance within the correct type of Trust, you protect their state benefits while ensuring they can benefit from the money you intended them to inherit."

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