

News from Louis Letourneau.

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With wedding bells ringing, [Louis Letourneau](#) asks what the financial implications are for you and your significant other.

December 5th 2005 – it's a day many of us have been waiting for all our adult lives, some longer than others. I know couples in their 80s who never thought they'd be able to make a legal commitment. But soon the nation's register offices, stately homes, hotels and beauty spots will be full of gay and lesbian couples tying the knot. It's been a quiet revolution. Apart from the opposition of Christian Institute zealots and an attempt by some superannuated House of Lords peers to wreck the process, there's been no public outcry against the [Civil Partnership legislation](#) that comes into force this month.

So, let's get down to brass tacks. What difference will [Civil Partnership legislation](#) make to us? Broadly, that civil partners will have the same rights as those currently enjoyed by legal spouses, and cohabiting same-sex couples will be treated in the same way as cohabiting straight couples. For many, there'll be a difference in their employment rights – if an employer allows the husband or wife of an employee to have private medical cover, they'll have to extend this right to civil partners. The big public sector pension schemes will have to pay survivor's pensions to civil partners of employees on the basis of the deceased's years of service since 1988. Many private sector schemes will also be affected. Pensions are extremely complex, however, and you should consult the trustees of your employer's scheme to find out how you'll be affected.

Under the new legislation, civil partners will be able to inherit under the laws of intestacy. However, this doesn't mean your partner automatically gets everything. If your total estate is less than £200,000 and you have no kids, your partner will get the lot, but if your estate exceeds this figure, your parents, brothers and sisters can get their snouts in the trough. If you want your partner to inherit everything, you still need to make a [Will](#). If you already have one, don't forget that Civil Partnership automatically revokes existing Wills, so talk to your solicitor about what you need to do.

There are other new rights, including inheriting Tenancy Agreements, being able to claim fatal accident compensation, protection from domestic violence, and rights concerning children, but the main change relates to tax. Civil partners will be able to leave each other their assets on death without having to pay any Inheritance Tax. It's something I've been campaigning for for years. Also, civil partners will be able to transfer assets between each other without having to worry about Capital Gains Tax. This reform is long overdue.

Of course, there are some disadvantages, too. After they register, couples who each have separate homes qualifying for the Capital Gains Tax principal private residence exemption will have to nominate which of the homes will continue to attract the tax exemption. Civil partners can have only one exempt home between them. And people receiving income-

related benefits or tax credits will be assessed jointly if they're living with a partner - *whether they register as civil partners or not*. This simply brings the position for same-sex couples into line with that for straight couples.

But before you rush off to the register office, think about what would happen if your relationship broke down in the future. I know we don't like to think about it, but the fact is that even Civil Partnerships made in heaven could end up in hell. It's easy enough to get into, but not so easy to get out of. The dissolution process will be similar to that for divorce, and it's possible you could end up paying maintenance to your partner, especially if kids are involved. Furthermore, if you were together for years before registering your partnership, you could find that, on dissolution, your partner ends up with half of any assets acquired since the beginning of your relationship. If there's a great disparity in your assets or income or if there's family money involved (an inheritance or trust fund), you should talk to a solicitor about making a Pre-registration Agreement – just in case.

But let's leave it on an upbeat note. This is going to be the brightest, gayest winter ever. My partner and I are getting hitched in the middle of dismal January, and when the weather's bad, what could be better than a celebration with friends, family and lots of Champagne and cake?

Louis Letourneau, MA is an experienced independent financial adviser (IFA), specialist in financial planning and wealth management. He founded Rainbow Finance in 1995 and has consistently challenged financial companies and Government on their attitudes to gays, lesbians and same sex couples and was instrumental in the Inland Revenue to changing its guidance notes to recognise unmarried couples in pension benefits. His work has also resulted in life insurance companies starting to relax the discriminatory underwriting criteria toward gay men and people living with HIV. He was a founder of the Rainbow Research Project which surveys and educates private pension schemes in how they recognise unmarried couples on death benefits. He was also a founder member of the Stonewall Immigration Group (which campaigned for Immigration rights for same-sex couples, achieving a significant victory in April 1997) and helped set up the gaypartners.org initiative with gay.com in early 2001, campaigning for same-sex partnership rights. He speaks regularly on national and local radio.

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