

Cohabitation Agreements

What is a Cohabitation Agreement?

If you are living with another person (and you are not married or registered civil partners) you may not realise that your relationship will have limited legal status on bereavement or break-up. Cohabitees do not have the same rights in law as married couples or registered civil partners. Although the Law Commission has recently published a consultation paper setting out the shape that reform could take, a draft Bill is not likely to be put forward until the autumn of 2008 at the very earliest.

If you separate from your partner in the meantime, you could encounter problems in enforcing your legal rights, especially if you have bought a property together (and perhaps made unequal contributions to that purchase).

To protect your rights, we strongly advise you to make a Will, a Deed of Trust spelling out your interest in your home and a cohabitation agreement (sometimes called a living together agreement).

A cohabitation agreement can regulate your legal and financial commitments with your partner, covering not only your property rights, but also any debts, necessary arrangements for your children and how you intend to resolve any later disagreements. The agreement would be binding upon you and your partner as a contract. At present, there is no formal legal framework for resolving disputes resulting from the breakdown of a relationship of an unmarried couple. However, changes are expected and we therefore recommend that cohabiting couples draw up cohabitation agreements to provide protection in the event of a later dispute.

You will both need your own solicitors as there will be a potential conflict of interests between yourself and your partner; this firm will only be able to act for one party in respect of the agreement so you need to decide who will be our client for this purpose. It is important that you both have independent legal advice.

What should a Cohabitation Agreement cover?




As this is an informal document, it can include whatever terms you want, but we would recommend the following:-

- Your reasons for drawing up the agreement and whether or not you wish it to be binding upon you in the event of your later separation
- Your full names and address, your ages and details of your financial circumstances
- Housing and other property interests. How you intend to deal with the property you owned before the relationship and any property you purchase together or separately during your time together. Details of the ownership, payment of the mortgage and any capital improvements to the property. What you intend to happen if one partner can no longer contribute to the costs and whether one party should be able to purchase the other's interest in the event of a separation. How the property should be valued in those circumstances and the time-frame for the transaction.

- Income and expenses. How each party should contribute towards the joint bank account, the use of those funds and the split of the balance in the event of a separation. The ownership of any items bought jointly and the split of any savings or other assets. Responsibility for any debts.
- The length of time the agreement will cover. A procedure for periodic reviews of the agreement and whether any particular events should nullify the agreement. A procedure, such as a mediation, to assist with the resolution of any disagreements.

To draw up a cohabitation agreement, involving the instruction of solicitors and thinking and talking about all the issues that need to be included, can be hard work. But it should make a later separation much less painful.

**For more information or advice
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