

HAGUE AND DIXON LLP

WILL

MAKING YOUR WILL

Making a Will is one of those things that some of us leave to chance and never make the time to put into place. However, this is a potentially costly stance to take and distressing for your remaining family and can easily be prevented.

If you have not made a Will, in the event of your death, your beneficiaries are decided by law and you will have no control over this. Contrary to popular belief, a surviving spouse or civil partner may not necessarily receive all the assets of the person who has died without having made a Will.

It is a sobering thought that by not getting around to having a Will professionally prepared that your family members may not be properly provided for. This could then result in costly and stressful legal action.

A Will enables you to do the following:

- Choose who will inherit your property and when
- Define who will be responsible for dealing with your estate - these are known as "Executors"
- Appoint guardians for your children
- Leave donations to charity
- Save Inheritance Tax
- Set out your funeral wishes

WHO WILL DEAL WITH MY ESTATE AFTER MY DEATH?

You should appoint at least one executor or up to four executors to sort out your estate after your death. You can choose a friend, family member or a professional executor such as the partners of this practice.

If you have set up a trust in your Will you will need two executors.

You ought to discuss the matter with your proposed executors and be practical - is the person local and how old are they?

HOW IS MY ESTATE ADMINISTERED?

Most people like to make a specific legacies to a charity or to an individual. It is also possible to specify any personal possessions that you would like to leave to an individual or an organisation.

After these have been dealt with and any outstanding bills have been settled the rest of your estate is called the residue. This is then divided between your beneficiaries. You can name as many of these residuary beneficiaries as possible.

PROPERTY-WHAT WILL HAPPEN TO YOUR HOME?

Any property that you own will be treated as part of your estate. You can leave it to beneficiaries or it can form part of the residue as set out above.

What if I am the Sole Owner of a Property?

It will form part of your estate and you can leave this to who you choose. You could chose to allow a beneficiary to live there for life and then leave the property to someone else.

What if I am the Joint Owner of a Property?

The property may automatically pass to the remaining owner (joint tenants). We can advise you further about this if it needs to be changed.

You may hold the property as “tenants in common” meaning that the deeds to the property state that each person holds the property in specific shares. Your share can pass according to you Will. It is also possible to alter the deeds to reflect the manner in which you wish to hold the property.

WHAT ABOUT INHERITANCE TAX?

Inheritance Tax is payable at 40% once your estate exceeds the nil rate band. We can advise on the nil rate band amount and whether you may be able to claim an additional nil rate band (or part thereof) from a former husband or wife who has died.

You should look carefully at your assets as it is easy to undervalue your estate - for example although ISAS and PEPS are tax free this value is not tax free for Inheritance Tax purposes.