

Wills

A brief guide to
>Wills and taking control



It's time to take control

Everyone over the age of 18 should make a Will. It allows your estate to be administered more easily by your chosen executors and, more important, it ensures your wishes are carried out.

Making a Will is something people put off. That's not surprising as we would all prefer to be thinking about life rather than death. However, dying without making a Will (referred to as 'intestacy') will very likely put an enormous strain on your loved ones. So it really is a very positive and considerate step to take.

At KWW Solicitors we can draft simple Wills, nil-rate band discretionary trust Wills and complex Wills. We can assist you with advice on inheritance tax and tax-efficient Wills.

We also offer:

- Complimentary safekeeping service
- The option of having us act as an executor and/or trustee in your Will
- Referral service to specialist advice on estate planning and inheritance tax mitigation.

We suggest your Will is reviewed every five to seven years, or when there is a life-changing event such as divorce or the birth of children. Marriage will generally revoke any Will.

The cost of a Will depends on its complexity. A simple will drafted by one of our will specialists will cost from £295 or from £395 for a pair of mirror Wills. (Prices correct as at Jan 1st 2018).



You can decide who to leave your money to and who will manage your affairs after your death provided you make a Will now.

8 reasons for making a Will

1. Clear and unambiguous instructions

The most important reason to create a Will is that it provides your loved ones with clear and definitive instructions on how you would like your last wishes to be undertaken. This is important as it avoids any unnecessary disagreements occurring at an already difficult time.

2. Appointing the people you trust to administer your estate

A Will enables you to appoint only those people you consider the most capable and trusted to administer your estate as your executor and/or trustee. This does not have to be a relative; it can be your closest friend or a professional, whichever you feel is more capable and/or appropriate.

3. Legacies

A Will is an appropriate way of remembering a person or organisation close to you through leaving a legacy. If you do not make a Will, it is unlikely this person or organisation will be remembered as your estate will be distributed according to the rules which apply when someone dies without leaving a Will.

4. Tax efficiency

Inheritance tax (IHT) is a great concern for many people. Creating a Will is an effective method to ease these concerns and gain vital advice on how to reduce your liability regarding IHT.

5. Protection for unmarried cohabitants

If you do not already have a Will and you are not married, your partner will not inherit from your estate and therefore could end up in financial trouble. Making a Will is an effective way to ensure they are adequately provided for.

6. Life interests

Life interests can be included in your Will to ensure family members such as young children or elderly parents are provided for and remain in a home, instead of it being sold.

7. Marriage, divorce and re-marriage

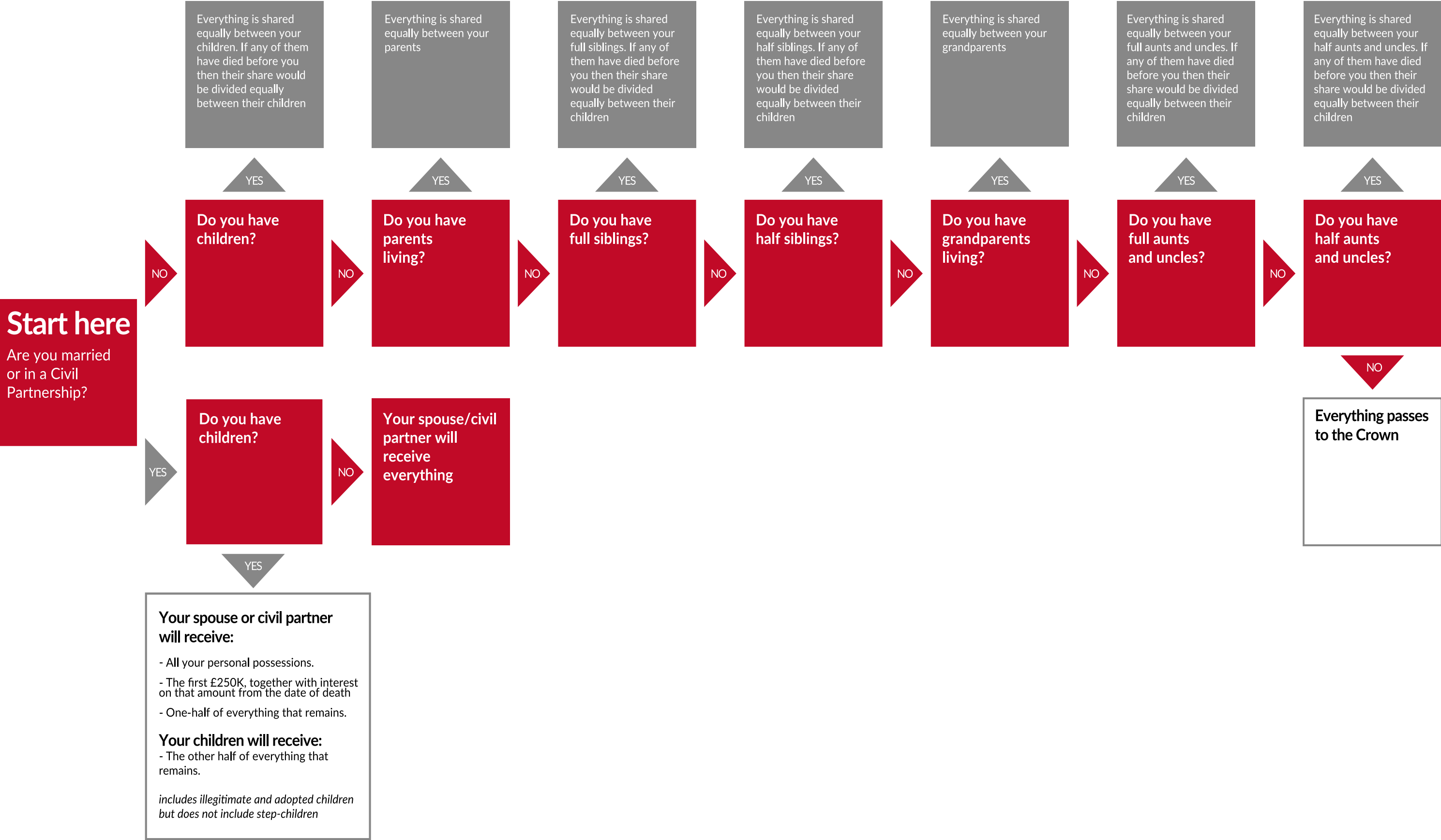
Wills are automatically revoked if you marry or re-marry and are altered if you divorce, unless specifically addressed in your Will. It is essential to create or update your Will so your loved ones are provided for.

8. Funeral arrangements

A Will is the best way of informing your loved ones of your funeral wishes. This can include any personal preference, be it cremation, burial or even having your body used for medical education purposes.

Dying without a will

If you die without a valid will, the intestacy rules will apply



Inheritance Tax

Most people are reluctant to discuss the issue of inheritance tax with their families. But you don't have to be rich to pay the tax: anyone with a home worth more than £325,000 may be affected.

The simplest way to avoid inheritance tax (IHT) is to make gifts while you are still alive. Every tax year you can give away £3,000 of assets and they will not count toward your estate for IHT.

If you do not use up the full exemption in one year you can carry it forward, but for one year only. Gifts of up to £250 to an unlimited number of different individuals are also tax-exempt but you cannot use both exemptions to give to the same person.

You can also give £5,000 to your children as a wedding gift. Grandparents can give £2,500 and anyone else can give £1,000.

Gifts between husbands and wives are always IHT-free as are donations to charities and political parties.

If a gift is regular, made out of income and does not affect your standard of living, any amount of money can be given away and ignored for IHT. However, you should take advice from a tax expert before you make regular gifts to ensure they will be acceptable to HM Revenue & Customs.



The simplest way to avoid inheritance tax is to make gifts while you are alive

You can make other tax-free gifts, called Potentially Exempt Transfers, as long as you survive for another seven years. If you die within the seven years and total value of the gifts is more than the £325,000 threshold, you can apply taper relief to any tax owed.

The tax on the gift reduces on a sliding scale if it was made between three and seven years previously. If you cannot apply taper relief you add the gifts to your other assets and pay 40% tax on the sum above the IHT threshold.

Nil-Rate Band

Married couples and civil partners can transfer their unused portion of the tax-free allowance, also referred to as the nil-rate band, to their spouse/civil partner when they die.

The nil-rate band is £325,000 per person, so couples can protect up to £650,000 of their estate from IHT on the death of the second spouse.

If the first spouse to die leaves money or assets in their Will to members of the family or others, this will be deducted from their nil-rate band. If they use up the tax-free allowance completely, then there will be none of the nil-rate band to transfer to their spouse.

The Government has committed to maintaining the nil-rate band at £325,000 until 2019, which will see more and more families pulled into the IHT net as a result of rising house values.

Residence Nil-Rate Band (RNRB)

This additional allowance is being phased in from April 2017 to April 2020, starting at £100,000 and rising by £25,000 a year until 2020 when it will be set at £175,000.

The rules for this are very complicated and it is basically available only if you have owned a house and have children. The allowance is also transferrable between spouses.

We will ensure that any Will we draw up complies where possible with the new rules to maximise the IHT allowance available to you.



**To arrange a conversation with our Wills experts Gary Coleman or Belinda Packer
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