

Inheritance Tax and how to minimise it

It isn't just rich people whose families have to pay Inheritance Tax.

If your assets exceed a limit set by the Inland Revenue your estate maybe liable.

In 2008-2009 this tax was charged at the rate of 40% after the first £312,000.

If for example your estate totals £350,000, then £312,000 could be available tax free, but £38,000 could be liable for tax.

At a rate of 40%, this means £15,200 may have to be paid to the Inland Revenue.

But you can avoid or reduce this tax. One method is to leave a legacy to a registered charity such as Hospice AID UK, which would be completely tax free.

So with assets of £350,000, if you left a legacy of £15,000 to Hospice AID UK, just £23,000 would be liable to Inheritance Tax so only £9,200 would have to be paid.

Thank you and we do hope you will choose to remember Hospice AID UK in your will.



Legacy Guide



Registered charity no: 1092575
Registered office: 1-7 Station Road Crawley West Sussex RH10 1HT

Why an up-to-date Will is important

Having an up-to-date Will ensures that your final wishes are carried out and that your property and possessions will go to the people you care about.

If you don't make a Will the law will determine who is entitled to benefit.

Many people assume their spouse and children will automatically inherit everything, but if you don't make a Will, the Law will decide and your assets will go into probate. Your family and friends may have to wait several years while this is resolved and your distant relations are traced.

If you have no next of kin, the Government is likely to receive everything. The taxman will inherit all you have, instead of your friends, the causes you love or the charities you have supported throughout your life.

Making your Will avoids these problems, saves your family from distress, puts you in charge and makes sure your wishes are known, however large or small the amount you have to leave.

Hospice AID UK have created this guide on how to make a Will.

****Please note that we recommend that you consult a solicitor when you are making a Will but we hope this guide will give you a good idea and start on how to have your Will in place.**

About Us

Hospice Aid UK is a unique young charity delivering much needed grants to hospices throughout the UK.

Hospices throughout the country face the daily task of caring for those who sadly have little time left with us in the most dignified and compassionate way possible, at the same time offering respect and comfort to both the patient, loved ones and families around them.

Hospices up and down the country offer a very special place of comfort and tranquility, and peacefulness and of course there are the very special and skilled caring staff that complete the one-to-one care offered.

Last year alone, over 41,000 patients occupied 3,500 beds, as the need for dedicated palliative care in the community increases to grow, for both the young and old, so does the need to fund the hospices which take on this responsibility. On average, the Government fund around only 30% of the monies needed to run a hospice and, therefore, other sources of income are needed.

To date, Hospice Aid UK has helped over 150 hospices from all over the UK by giving them grants to assist in their daily existence, by proving much needed resources from syringe drivers, pressure relieving mattresses, audio equipment, nurse call systems and general help towards the day-to-day running costs.

Here are testimonials from Hospices we have already delivered grants to:

"We are very grateful to Hospice Aid UK for the continued support of Thames Hospicecare's work with cancer patients, others with a life limiting illness and their families and carers."

Thames Hospicecare, Windsor

"We are very grateful for your generous donation, to help fund our bed replacement programme. Demand for our Hospice's services continues at a high rate, and with no charges made to patients we continue to rely heavily on grants and community support, which is why your help for our work of caring for those who are terminally ill is, once again, so very welcome and appreciated."

St. Mary's Hospice, Birmingham

How to make a Will.

You should make a Will as soon as possible and review it regularly to see if it needs updating.

List your assets

First create a list of everything of value that you own.

This will help you work out how much your estate is worth.

Those you care about

Then make a list of the people you would like to provide for and remember in your Will. Make a note of any item you would like to leave a particular person, such as a piece of jewellery or a painting. Once you are sure that your family and those you care about have been properly provided for, there might be organisations you would like to remember, such as Hospice AID UK.

Executors

It is important you appoint people to act as your "executors".

They will be responsible for ensuring that your wishes and instructions in your Will are properly carried out. You can choose close friends or members of your family, or ask your bank manager or solicitor, although they will usually charge a fee for this.

Consult a solicitor

To create a legally correct document and ensure your final wishes are carried out, it is important you consult an expert.

If you don't already have a solicitor follow your friends or family recommendations, look in the Yellow Pages or consult your local Citizens Advice Bureau. Most solicitors will charge about £100 for a simple Will but it might be worth shopping around.

Witnesses

Once your Will is completed and you are happy with the contents, you will need to sign it in the presence of two witnesses who can, if you wish, be provided by your solicitor. Your solicitor or bank manager could safely keep your Will for you, but do ensure that your executors know where your Will is kept.

How do I leave a legacy to Hospice AID UK?

A legacy to Hospice AID UK is a wonderful way to help ensure our work to deliver grants to Hospices all over the UK continues.

Residual Legacy

The "residue" of your estate is what remains when your bequests have been distributed and any expenses or debts paid. Many people find a residual legacy the most convenient way to leave a gift to charities like Hospice AID UK, as your gift would only come to us after your friends and family have been provided for.

If you would like to bequeath a percentage of your estate to Hospice AID UK, you could include this wording in your Will:

"I bequeath unto Hospice AID UK Registered Charity no: 1092575 of 2, Gayton Road, Harrow, Middlesex HA1 2XU _____%_ of my estate (out of which shall be paid my funeral expenses and my debts), free of tax, and I direct that the receipt of that the Chief Executive Officer or other authorized officer of Hospice AID UK shall be a full and sufficient discharge for such legacy"

Other bequests

"I wish to give:

1) "Free of tax the sum of £.....and I direct that the Chief Executive or other authorised officer at Hospice Aid UK shall be a full and sufficient discharge for such a legacy."

2) "Free of tax all my freehold/leasehold property at..... known as..... And I direct that the Chief Executive or other authorised officer at Hospice Aid UK shall be a full and sufficient discharge for such a legacy."

3) "I wish to give a specific legacy (E.G My Car) ofand I direct that the Chief Executive or other authorised officer at Hospice Aid UK shall be a full and sufficient discharge for such a legacy."