

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 HMRC, your estate may have to pay tax.

Inheritance tax is charged at 40% on assets in excess of the nil rate band of £325,000. This means that, for an estate worth £500,000, the first £325,000 would be charged at 0% but the remaining £175,000 would be subject to tax at 40%, which would mean a tax bill of £70,000.

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. and so would reduce your tax bill overall. An additional tax saving can be made if you leave 10% or more of your estate to charity. If the gift to charity is more than 10%, the overall rate of inheritance tax charged will reduce from 40% to 36%.

So with assets of £500,000, if you left a legacy of £55,000 (representing more than 10% of the estate) to Hospice AID UK, not only would you be supporting your chosen good cause, you would also make a tax saving of £26,300 which would pass directly to your loved ones rather than the taxman.

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: 9 Appold Street, London EC2A2AP

Updated 17/08/2022

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 about how to put 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.



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 from it.

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.

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.

Gift of the residue of your estate

The “residue” of your estate is what remains when specific assets or cash, funeral costs and tax have been accounted for.

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 9 Appold Street London EC2A 2AP _____%_ of my residuary estate and I direct that a receipt from the treasurer or other apparently appropriate officer of Hospice AID UK shall be a full and sufficient discharge for such legacy”.

Specific Cash gift

If you would like to make a cash gift of a specific amount to Hospice AID UK, you could include this wording in your Will.

1) “I GIVE £.....to Hospice AID UK, Registered charity no: 1092575 of 9 Appold Street, London EC2A 2AP and I direct that a receipt from the treasurer, or other apparently appropriate officer, of Hospice AID UK shall be a full and sufficient discharge for such legacy”

Specific gift of property other than cash

If you would like to make a gift of a specific item of property, (such as shares, jewellery or your car), you could include this wording in your Will.

1) “I GIVE all my freehold/leasehold property known as (NAME OF PROPERTY, ADDRESS, HM LAND REGISTRY REGISTRATION NUMBER) to Hospice AID UK, Registered charity no: 1092575 of 9 Appold Street, London EC2A 2AP and I direct that a receipt from the treasurer, or other apparently appropriate officer, of Hospice AID UK shall be a full and sufficient discharge for such legacy”

1) “I GIVE (FULL DESCRIPTION OF SPECIFIC ITEM OF PROPERTY) to Hospice AID UK, Registered charity no: 1092575 of 9 Appold Street, London EC2A 2AP and I direct that a receipt from the treasurer, or other apparently appropriate officer, of Hospice AID UK shall be a full and sufficient discharge for such legacy”

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 or carry out a search of the Law Society database of solicitors in your area. You may want to choose a Wills specialist who is appropriately qualified by searching the database of practitioners with additional qualifications provided by the Society of Trust & Estate Practitioners (STEP)

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 could safely keep your Will for you, but do ensure that your executors know where your Will is kept.

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



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.

