

**REMEMBER A CHARITY  
IN YOUR WILL**  
Help the work live on...



Your guide  
to making a Will

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**“The environment is so fragile yet so crucial. It’s the one thing we all rely on, and it’s up to us all to look after it. I want to leave something that will make a difference for generations to come.”**

**Robert Mayfield**

# Introduction

## What is this guide about?

Making a Will is vital to ensure that what you leave behind is distributed according to your wishes, and this guide helps you get started by explaining some of the choices open to you. You'll find sections covering the reasons why it is worth making a Will, and an outline of the issues you need to consider.

This guide has been produced by Remember A Charity, a consortium of over 140 charities formed in 2000, who joined forces to raise awareness of the importance of legacies to charities. Legacies (or gifts in Wills) form the foundation of charities in the UK. Many charities depend on legacies and without them they would not exist.

Remember A Charity is working to encourage more people to consider leaving a gift to charities in their Will, after they've looked after their family and loved ones. Thankfully 74%\* of the UK population support charities and when asked, 35%\* of people say they'd happily leave a gift in their Will once family and friends are provided for. The problem is only 7% actually do. In fact, if we can raise this figure to just 11% we would create an additional £1 billion for charities in the UK every year, which would ensure that their vital work lives on.

The consortium has the backing of key bodies in the Will making sector such as the Society of Trust and Estate Practitioners (STEP) and the Institute of Professional Willwriters (IPW).

This guide contains some valuable information to help make it as straightforward as possible to write, or update your Will. If you have any questions about anything contained in this guide, please speak to your professional adviser.

\*TNS Social 2008

# Making a Will

## Why should I make a Will?

Making a Will is the only way you can be sure that your wishes will be followed after you die. If you don't make one, part or all of your estate may go to people who you never intended to benefit. Not only that, Inheritance Tax legislation means that, if you don't prepare properly, a substantial part of what you leave behind may go to the state.

## How should I go about making a Will?

Thankfully it is easy and inexpensive to have a Will drafted by a properly qualified professional. You should check that the professional you choose:

- Has been trained and is qualified in making Wills
- Has undertaken ongoing training in making Wills
- Has professional indemnity insurance of at least £2 million
- Is a member of an organisation that has an independent complaints procedure.

Solicitors who are members of the Society of Trust and Estate Practitioners and willwriters who are members of the Institute of Professional Willwriters meet these requirements.

## What about home-made or online Wills?

While it is possible to draw up your own Will, Wills can be complex and some mistakes can render the Will invalid. If this happens, long and expensive court cases to resolve matters may result. In addition you may omit important details such as what should happen if the main beneficiary does not survive.

Increasingly it is possible to get your Will written online, but you should remember that a Will is an individual, personal document, that is tailored to suit your particular needs and it may be difficult for an online system to cater for this. In addition, questions need to be clearly understood before being answered, for example if you were asked 'how many children do you have?' would you include natural children, step children, illegitimate children, foster children or adopted children?

## What should I consider when writing a Will?

Wills aren't solely about passing on your assets. You can also include specific funeral arrangements: for instance, burial, cremation or the use of your body for medical research. You may also want to appoint legal guardians to care for your children if you and your partner should die before they are 18.

In your Will you can make provision for the age at which young beneficiaries receive their gift or share of the estate. You can also effectively provide for any beneficiaries with particular needs and for beneficiaries with means tested health provision or care provision.

One other important consideration is the appointment of your executors - the people who will deal with your estate in the event of your death. Ideally, these should be business-minded family or friends or could be professional advisers. If you want to appoint a professional adviser as an executor, make sure you find out their charges before doing so.

## What else can I include in my Will?

You may choose to use your Will to pass on business interests: for instance, you could leave shares in the family company to a son or daughter who has come into the business. This is a very tax-efficient way to leave your assets to your intended beneficiaries. Personal items, like jewellery, paintings and heirlooms, can also be left in a Will, as can any gifts you wish to make to charity.

**“I've always loved animals, they bring so much joy to the world. I suppose this is my chance to give something back to them... my little way of showing us humans care.”**

**Lucy Thornton**



## Can I leave money to my favourite charity or cause in my Will?

Yes. In fact, many people who give to charity choose to leave something in their Will to their favourite cause or causes, after they have made provision for their family and loved ones. Legacies from supporters make up a very important income stream for many charities. If you do want to leave something to a charity, the donation can be as small or large as you like.

## What about Inheritance Tax?

Inheritance Tax (IHT) is the tax that is paid on your estate when you die, as well as on some assets that you may have given away during your lifetime. Under current legislation, if the estate you leave behind is less than the 'nil-rate' band there will be no IHT to pay, assuming that you have made no gifts in the seven years before your death. However, if your estate is worth more than the nil-rate band, IHT will be payable on anything above this. The nil-rate band for the 2011-2012 Tax Year is £325,000 and the rate of tax is 40%. There are many exemptions from IHT, including gifts to a spouse or charity. Further details are available on the Inland Revenue website: [www.hmrc.gov.uk/inheritancetax/](http://www.hmrc.gov.uk/inheritancetax/)

Since October 2007, any unused nil-rate band from a late spouse or civil partner can be transferred to their surviving spouse or civil partner when they die. In effect, this increases the nil-rate band for the surviving partner.

Inheritance Tax is a complex subject, and if you have a potentially large estate you should seek professional advice.

**“My parents were such an important part of my life – I want to make sure all older people get the comfort, respect and dignity they deserve.”**

**Steve Hammond**





**“We forget how lucky we are in this country. There’s so much poverty and suffering around the world and it’s so easy to ignore. I want to let those less fortunate know that the world cares...they are not alone.”**

**Jackie Finch**

## **What happens if my circumstances change?**

You can easily change your Will at any time, and it’s important to review your Will regularly - at least once every five years. After all, life never stands still. Your family circumstances may change, as may the relevant taxation laws.

## **Charity as an executor**

If a charity is the main beneficiary of your Will, many are also happy to be your executor and will ensure that your estate is divided as you wished. How you do this depends on the charity that you have chosen. If the charity you have chosen has Trust Corporation status then you can name the charity itself as the executor. You will need to make sure you use the full charity name and include the charity registration number and address.

However, if the charity you have chosen does not have Trust Corporation status, it may still be able to act for you. The best thing to do is to contact the charity directly for more information on how to do this as each charity will have their preferred way of approaching this situation.

In all cases of appointing a charity as your executor we would strongly recommend that you talk to the appropriate charity. They will be able to confirm whether they have Trust Corporation status and help you with suggested wording if appropriate, as well as confirming their legal name and charity registration number which you will also need.

**“I know from personal experience the benefits that medical research can bring and also the desperate need for funding. That’s why I’ve chosen to leave a gift in my Will to a charity close to my heart.”**

**Valerie May**



## **Lasting Power of Attorney**

Once you have made a Will you'll be able to enjoy the reassurance of knowing that your affairs will be taken care of after your death. But you can also set up an arrangement to appoint people to look after either your financial and personal affairs or both, if you become incapable of doing so yourself during your lifetime. This is known as a Lasting Power of Attorney (LPA) and it ensures that your affairs will always be taken care of by one or more of the attorneys chosen by you to safeguard your interests.

### **How does a Lasting Power of Attorney work?**

An LPA is a legal document and there are two different types that you can set-up:

- Property and Affairs LPA, in which you choose one or more people to deal with your financial affairs
- Personal Welfare LPA, in which you choose one or more people to deal with your personal affairs, such as decisions about your healthcare and welfare.

The two LPAs are separate and you can appoint different people for each area. Neither document can be used until it has been registered with the Office of the Public Guardian, and a Personal Welfare LPA can only be used if you do not have the capacity to make decisions about your own healthcare and welfare.

# Trusts

Most Wills are straightforward but sometimes there is the need for additional documentation, which may involve setting up a Trust. There are many reasons for setting up a Trust, including:

- Tax planning to ensure that no more tax is paid than is necessary
- Making arrangements for beneficiaries who are under 18 years of age
- Making proper provision for children of a former marriage
- Minimizing the impact of the cost of care provision.

Estate planning and the creation of Trusts takes place against the background of constantly changing legislation, so it is important that you take proper professional advice before deciding which type of Trust, if any, best suits your circumstances.

## Next steps

To find a qualified solicitor or willwriter in your area see the Society of Trust and Estate Practitioners at [www.step.org](http://www.step.org) or the Institute of Professional Willwriters at [www.ipw.org.uk](http://www.ipw.org.uk). You can also get your Will written through Will Aid – see [www.willaid.org.uk](http://www.willaid.org.uk) for more information.



**“The opportunity to help just one person regain their independence and live life to the full is an amazing privilege for me.”**

**Janice Page**

Before seeing a professional adviser, it is worth considering the points below:

### **1. What have I got to leave?**

The entirety of what you own is known as your estate. If you own your own home, how much is it worth? Have you any other savings, shares or other investments? What about valuables such as jewellery? Remember to take into account any debts and liabilities you may have.

### **2. How do I want my estate to be distributed?**

Your Will is your chance to take care of everything that's important to you, so you need to consider how you want your estate to be distributed. Your family and friends always come first. Make a list of their full names and addresses for your professional adviser.

### **3. Who has made a difference to my life?**

Has a charity helped you or somebody you love? Which causes are important to you? Which appeals have really moved you? If you know them, make a note of their official charity name, address and registered charity number to give to your professional adviser.

### **4. Executors and guardians**

Write down the full names and addresses of those you would like to be executors of your Will and guardians for your children (if appropriate).

### **5. Storage**

Once your Will is written, most professional advisers will offer to store it for you so that the Will is not lost, but it may also be worth considering storing your Will with the HMCS (Her Majesty's Court Service). See [www.hmcourts-service.gov.uk](http://www.hmcourts-service.gov.uk) for more information. You can also register the location of your Will with one of a number of commercial organisations that operate Will registration schemes.

**“As a father of two boys, children play a big part in my life. You get to see how vulnerable they are. This is my way to look after kids that are less fortunate than mine.”**

**Joseph James**



# Will jargon buster

When it comes to making a Will, you might come across some terms you haven't heard before. Here are the explanations for some of the most common terms used in Will making.

**Beneficiary** - This is a person, or an organisation, to whom you leave something in your Will.

**Bequest** - This is a term for a gift that you leave to a person or organisation in your Will. There are quite a lot of different types of bequest. Here are a few of the main ones:

**Residuary bequest** - A gift made out of the residue of your estate. More than one gift out of the estate can be made either in equal portions or unequally by percentage.

**Pecuniary bequest** - A gift made of a fixed sum of money. Unfortunately, the effect of inflation means that the value of a pecuniary gift will decrease over time, although with appropriate wording this can be avoided.

**Specific bequest** - A particular named item left as a gift in your Will. For example, a piece of jewellery, furniture or a painting.

**Codicil** - A codicil is a document used to change a Will that has already been made.

**Estate** - Your estate is the total sum of your personal possessions, property and money minus any liabilities.

**Executor(s)** - This is the person or people that you appoint to ensure your final wishes are carried out. These can be professionals, friends, family members or institutions such as banks and some charities.

**Guardian** - Someone who is responsible for children until they become 18.

**Inheritance Tax** - This tax is paid on the portion of your estate that is above the nil-rate band.

**Intestate** - This is the word used to describe someone who has died without making a Will.

**Legacy** - A legacy is just another word for a gift or bequest left in your Will.

**Probate** - When somebody dies leaving a Will, their executors will usually need to apply for a grant of probate. Once this is obtained, the executors can deal with the wishes expressed in the Will and distribute the gifts that have been left.

**Residue** - This is what is left of your estate after any outstanding debts, taxes, pecuniary and specific bequests have been distributed to beneficiaries.

**Testator** - This is the name given to a person who has made a Will.

**Trustee(s)** - One or more people who manage a Trust.

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