

# LEAVING A GIFT IN YOUR WILL



## TAX SAVING INFORMATION

Inheritance Tax is a tax on an estate (property, money and possessions) of someone who has died.

There is normally no Inheritance Tax to pay if either:-

- ◆ the value of the estate is below the £325,000 threshold ( under current HMRC rules)
- ◆ you leave everything to your spouse or civil partner, a charity or a community amateur sports club

If you give away your home to your children (including adopted, foster or stepchildren) or grandchildren, your threshold will increase to £425,000 ( under current HMRC rules)

If you are married or in a civil partnership and your estate is worth less than the relevant threshold (above), any unused portion of that threshold can be added to your partner's threshold. This means that his or her threshold can increase to as much as £850,000 under current HMRC rules) .

## INHERITANCE TAX RATES

The standard Inheritance Tax rate is 40%. It is only charged on the part of your estate that is above the relevant threshold.

If you were to leave a gift to ArtsEd ( which is a charity) it may have tax benefits for your estate since if the gift were to be of the order of 10% or more of your estate, the balance of your estate would be subject to a reduced rate of inheritance ( currently 36% under current HMRC rules)

ArtsEd pays no tax on gifts of money or property bequeathed to it by a legacy.

## THE MOST COMMON TYPES OF LEGACY

### RESIDUARY LEGACY

A gift of what is left of your estate – or a percentage of it – after all other gifts have been made and debts cleared.

### PECUNIARY LEGACY

A gift of a sum of money.

### SPECIFIC LEGACY

A particular named item left as a gift in your will. For example, a piece of furniture, a painting etc.

### REVERSIONARY LEGACY

A gift in your will that reverts to another beneficiary (e.g. a charity) when the original beneficiary dies.

## LEAVING A GIFT TO ARTSED IN YOUR WILL

If you already have a will, you can add a gift to ArtEd (Arts Educational Schools London) by a Codicil - which is a properly executed document which varies your Will. The example wording below can be used by you or your solicitor to amend your existing will.

Were you kind enough to consider this, we strongly advise you to take legal advice before so doing. ArtsEd is unable to offer direct legal or financial advice on the issues in this document and cannot vouch for its accuracy (since HMRC rules change) but we would, however, be more than happy to discuss the intentions of your gift to ensure that your such donation is applied exactly as you wish.

Example codicil wording:

*“In addition to any legacies given in my will I give to The Arts Educational Schools London , registered charity number 311087 the sum of £\_\_\_\_\_ (or % share of my residuary estate/specific item) to be used for its general charitable purposes and I declare that the receipt of their Treasurer or other proper officer shall be a full and sufficient discharge”*

## GLOSSARY OF TERMS

**BENEFICIARY** - A person or an organisation who benefits from a gift in your will

**BEQUEST/LEGACY** - Any gift you leave in your will to a person or organisation

**CODICIL** – An ‘addition’ making a change to your will

**ESTATE** - The total sum of your possessions, property and money left at your death after debts have been paid

**EXECUTOR** - Someone appointed by you to ensure the wishes in your will are carried out

**INHERITANCE TAX** - The 40% tax paid on the proportion of your estate that is over a certain amount. This amount varies every year. All gifts in your will to charity are free of inheritance tax.

**INTESTATE** – Dying without having made a will

**PROBATE** - Official proof that a will is valid. After your death, probate must be applied for by your executors if your estate is over £5,000.

**TESTATOR** - A person who has made a will.

For more information about leaving ArtsEd a gift in your will, please get in touch with Sue Sandle, Director of Development on 020 8987 6644 or at [ssandle@artsed.co.uk](mailto:ssandle@artsed.co.uk)