

# Guide to Making a Will

We understand that making a Will is a very personal matter, but it can be considerably less daunting than many people think. It is also a fairly straightforward thing to do, especially if you use a qualified solicitor to draft your Will or make any changes to an existing Will.

**A professionally-written Will gives you peace of mind, ensuring that your loved ones and friends are looked after. It can also be an opportunity to include a gift to any organisations or causes that you may have supported throughout your life. Making your Will can provide peace of mind because, whatever your circumstances, you can get on with living your life knowing that your wishes will be carried out for you.**

Make-A-Wish Foundation® UK has one very simple objective – to grant magical wishes to children and young people fighting life-threatening illnesses. The charity was founded in 1986 and since then we have granted over 5,800 wishes. We receive no government funding or lottery grants. All our income is generated via fundraising and donations from the public; gifts left as legacies form a large part of this. In 2009 the number of legacies we received enabled us to grant wishes to 39 children, bringing hope, happiness and smiles, magic, laughter and memories. You don't have to be wealthy to share in the chance of transforming a child's life. Large or small, every gift will help us to grant even more wishes in the future.

*"Having the trip to look forward to was the light at the end of the tunnel for us. It gave us something positive to think about and when it came around it really breathed some fresh air into our lives."*



*"My daughter's been on a high ever since her wish. It has helped her to forget her illness and focus on something positive and special."*

## HOW MUCH DOES IT COST TO MAKE A WILL?

There is no set cost for a Will; each one is different and so charges can vary depending on individual circumstances and how complicated your affairs are. As a charity, Make-A-Wish cannot recommend any specific solicitors but details of the Law Society are listed below, and they will be able to provide you with a list of local solicitors.

Law Society (England and Wales)  
Tel.: 020 7242 1222  
([www.lawsociety.org.uk](http://www.lawsociety.org.uk))

Law Society of Scotland  
Tel.: 0131 226 7411  
([www.lawscot.org.uk](http://www.lawscot.org.uk))



You can also make your Will online – visit [www.thewillsite.co.uk](http://www.thewillsite.co.uk) to have your Will drafted by a professional solicitor at a reduced cost.

## CAN I MAKE A WILL WITHOUT CONSULTING A SOLICITOR?

Whilst there are 'homemade' Will products available, we would always recommend the use of a solicitor to draft your Will. The concern with homemade Wills is that they can often lead to problems that might be expensive and distressing to resolve. Details might be missed out that could invalidate your Will, or lead to individuals missing out. Whatever the problems, they may require professional intervention to correct, and they can of course cause distress to all those who are involved.

More information is available from:

01276 40 50 53

*"So many good things have come from Make-A-Wish Foundation that it's hard to remember what life was like before it all happened."*



## PRACTICAL TIPS FOR MAKING A WILL

To save you time and costs, it is worth considering the following matters before you visit your solicitor. It will also help you to think about your affairs and those people and causes you might like to include.

### Step 1 – Consider your assets

#### Type of Asset

- Home
- Money in bank/building society accounts
- Shares and other investments
- Insurance/pension
- National Savings/Premium Bonds
- Home contents
- Other savings and assets
- **Total**

### Step 2 – Consider your debts and other liabilities

#### Type of Debt

- Outstanding mortgage
- Any credit agreements
- Loans or overdrafts
- Credit card debts
- Any other debts
- **Total liabilities**

### Step 3 – Who do you want to name as Executor of your Will?

Up to four individuals can be selected to act as your Executor, although it is normal to choose just two.



The job of your Executor(s) is to carry out your wishes after your death and to ensure that your estate is fully and properly dealt with. It can be a time-consuming responsibility, so you should consult with them first. An Executor can be a friend, a family member or your solicitor.

### Step 4 – Are there any specific items you wish to leave to people?

Known as 'specific legacies', these tend to be specific personal possessions.

### Step 5 – Are there any sums of money you wish to leave to people?

These are called 'pecuniary legacies', and are simply fixed amounts of money that you want to leave to people or organisations. Depending on the size of your estate, you may find that you will need to revisit these gifts from time to time because they are subject to the effects of inflation.

### Step 6 – To whom do you wish to leave the residue (or remainder) of your estate?

Once all the costs and liabilities, and your specific and pecuniary gifts have been taken into account, what is left in your estate is known as the 'residue'.

The residue of your estate can be divided however you like. This is perhaps the most effective type of legacy giving because as your circumstances change, your estate is still divided proportionally amongst your chosen beneficiaries.

Please do consider leaving a bequest to Make-A-Wish in your Will – only with your support can we grant wishes that give children hope. This is a great way to help which doesn't cost you anything in your lifetime.

### Step 7 – Other matters to discuss with your solicitor

'Backstop clauses'

It is always important to think about what might happen if one of your chosen beneficiaries, sadly, passes away before you. Organisations you have named might also cease to exist by the date of your death.

Your solicitor will be able to advise you on how to word your Will so that it includes a clause that considers what to do with these funds. This ensures that no matter what happens, your estate is distributed in the way you intend.

### Funeral wishes

You can detail these in your Will, ensuring that they are known to your family and friends.

*"The holiday allowed us all to spend time together as a family. It has lifted us all – but most of all Bradley. It made such a difference not to have to worry about his illness or the constant hospital and doctor's appointments."*



## FREQUENTLY ASKED QUESTIONS

### What information about Make-A-Wish do I need to include in my Will?

The only necessary details to include are our name, address and registered charity numbers, which are as follows:

Make-A-Wish Foundation UK  
329-331 London Road  
Camberley  
Surrey  
GU15 3HQ

Registered charity numbers:  
295672/SCO37479

### How much money do I have to have to make a Will?

It is a common misconception that only wealthy people need to make a Will. By writing a Will you make the administration of your affairs far simpler for those loved ones you leave behind.

## What is Inheritance Tax?

Inheritance Tax (IHT) is normally paid on the estate of someone who has passed away. However, in the vast majority of estates no inheritance tax is incurred.

Like income tax, every estate has an inheritance tax allowance (known as the Nil Rate Band or NRB) and for 2009/2010 tax year this is set at £325,000. This means that if your net estate is worth less than £325,000 then it will not be liable for IHT.

## How is Inheritance Tax calculated?

Should your estate be valued at more than the NRB threshold then your estate will be chargeable for IHT at 40% on everything above the tax-free threshold.

### Example 1

Net value of estate	£350,000
Deduct NRB allowance	£325,000
Chargeable for IHT	£25,000

Inheritance Tax calculated at 40% of £25,000 is £10,000

Remaining value of estate after IHT  
£340,000

### Example 2

Net value of estate	£400,000
Deduct NRB allowance	£325,000
Chargeable for IHT	£75,000

Inheritance Tax calculated at 40% of £75,000 is £30,000

Remaining value of estate after IHT  
£370,000

### Example 3

Net value of estate	£500,000
Deduct NRB allowance	£325,000
Chargeable for IHT	£175,000

Inheritance Tax calculated at 40% of £175,000 is £70,000

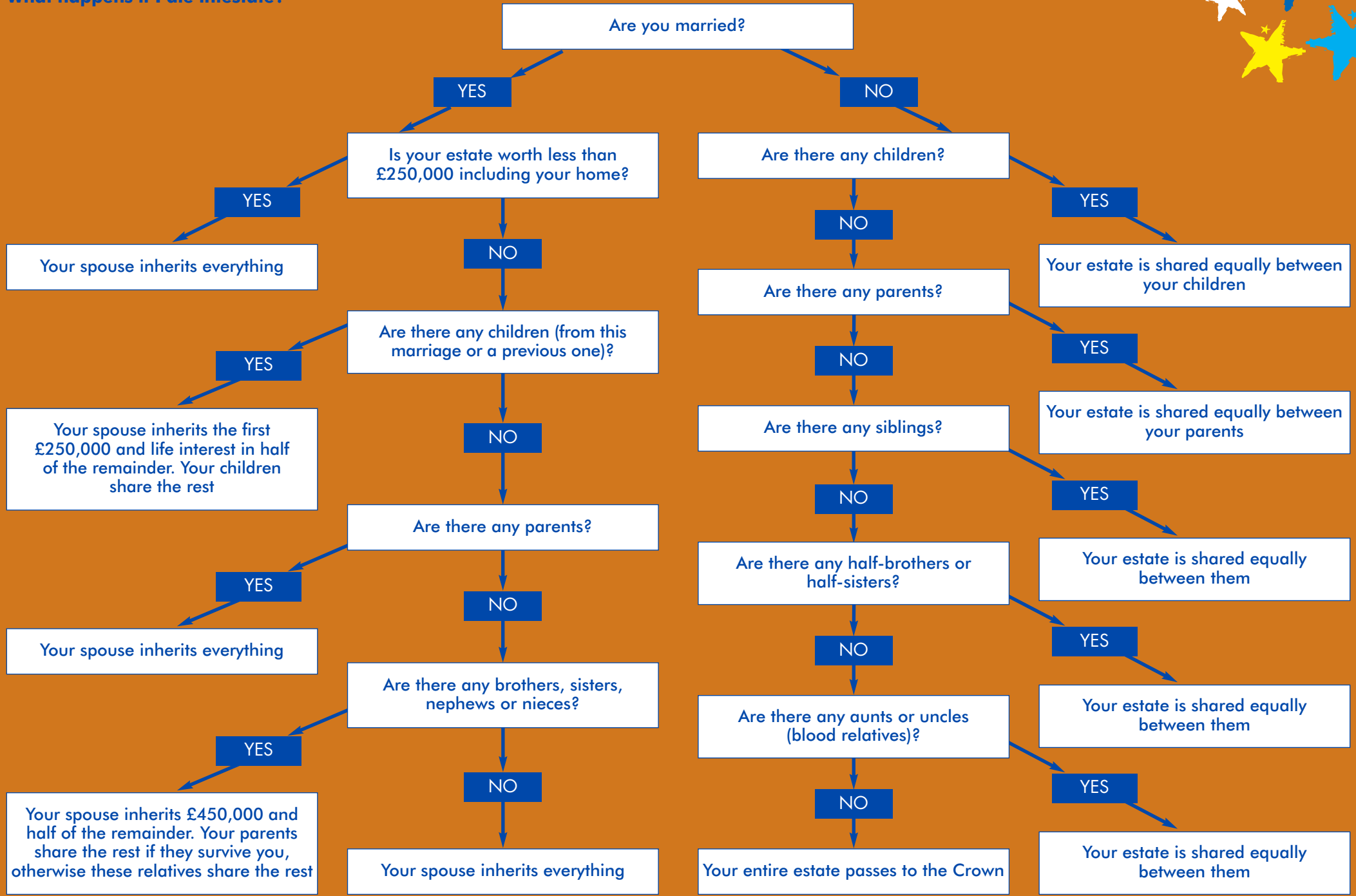
Remaining value of estate after IHT  
£430,000

Due to everyone's tax affairs being different, we would always recommend that you speak to your solicitor or tax professional should you have any queries about IHT and your estate. There are numerous exemptions depending on who your beneficiaries are and, of course, gifts to charity are exempt from IHT.

For up-to-date inheritance tax information please go to [www.hmrc.gov.uk/inheritancetax](http://www.hmrc.gov.uk/inheritancetax)



# What happens if I die intestate?



## EXPLANATION OF LEGAL TERMS

### Estate

The legal term for the total value of all you own when you die.

### Bequest/Legacy

Any gift you make in your Will.

### Pecuniary Legacy

A gift of a stated sum of money

### Specific Legacy

A gift of a specific item.

### Residue

All that remains of your estate after all specific and pecuniary bequests have been made and all taxes, any outstanding debts and administration costs have been paid.

### Residuary Bequest

A gift of the whole or part of the residue of your estate.

### Executor

The person you appoint to see that your wishes are carried out.

### Codicil

The legal term for a document containing any changes or additions you make to your Will.

### Inheritance Tax

A tax that may or may not be payable according to the value of your estate after your death. Bequests to charities are free from any liability to tax.

### Intestacy

The situation caused by dying without leaving a valid Will. In such cases the question of who is to benefit from your estate is decided by the laws of intestacy and you will have had no say in the matter.

### Grant of Probate

A document issued by the Probate Registry after your death confirming that your Will is valid and enforceable. Without this your Executors cannot put your Will into effect.

*"It was totally magical to be whisked out of our normal routine of hospital visits, to do something that we wouldn't have had the energy or mental space to plan ourselves."*

## CHANGES IN INHERITANCE TAX LAWS

In October 2007 significant changes were made to the legislation dealing with Inheritance Tax (IHT) by the Chancellor at that time, Alistair Darling.

The amendments allow an increase in the tax-free threshold (Nil Rate Band – NRB) but only in relation to spouses or civil partners.

Previously each individual's NRB allowance was based on a 'use it or lose it' basis. The recent reforms now allow a surviving spouse/civil partner to benefit from any unused portion of their spouse's allowance.

This is only applicable where the second spouse/civil partner passes away after 9 October 2007.

For instance, if the first partner passes away and leaves all of their estate to their spouse/civil partner, this gift will be exempt from IHT. This means that they would not have used any of their NRB allowance.

Therefore on the death of the second partner, their estate will have that year's NRB allowance (currently £325,000 for 2009/10) plus an additional 100% from their spouse's unused NRB. This has the effect of increasing the tax-free threshold for the second partner to £650,000.

If you have any questions relating to IHT, we would always recommend that

you speak to an appropriate solicitor or tax professional.

*"Mummy says she has never seen me so happy and she cried when I was with the dolphins."*

## NEXT STEPS

We hope that the information in this Guide has been of use to you and that you are now ready to either make a Will or make amendments to an existing Will. We would be extremely grateful if you would consider leaving a legacy to Make-A-Wish in your Will; it would be very helpful if you could let us know if you do make a pledge as this will aid our future planning.

Please contact us on 01276 40 50 53 if you would like to discuss any aspect of this Guide.

Thank you

*"Georgia was absolutely over the moon! This has been the most fantastic wish we could have asked for. Everyone has bent over backwards for us."*

