

Leaving Gifts to Charity

By Amy Thomas, Private Client Solicitor

This week is 'Remember a Charity Week'. Private Client Solicitor, Amy Thomas, looks at the importance of considering a gift to charity when preparing a Will.

The last 18 months have been a struggle for everyone and, as a firm, we have seen an increase in the number of people who wish to prepare Wills. A Will is an extremely important document that allows you to dictate who will deal with your affairs and how your assets are to be divided, after your days.

Charities can be named in a Will as a pecuniary legatee (i.e. the recipient of a set sum of money) or as a residuary beneficiary of an estate, which could see them receive a share of, or, an entire estate. A charity is defined by the Charities Act 2011 as an institution which:-

- is established for charitable purposes only; and
- is subject to the control of the High Court's charity law jurisdiction

It is also possible to discuss with the charity, how exactly you wish for the funds received, from your estate, to be used. We would always recommend any specific instruction/directions are discussed directly with the charity(ies) to ensure that your wishes can be carried out.

There are significant tax benefits in naming a qualified charity in your Will. If an estate is liable to pay inheritance tax and a person has left at least 10% of their estate to charity, then the rate of inheritance tax due on the whole estate is reduced from 40% to 36%. Charities that are registered in the UK are referred to as "exempt beneficiaries" which also means that any gift left to them (whether residuary or a legacy), will be free of Inheritance Tax.

As we start to emerge from the pandemic, now more than ever, charities will need all the help they can get to recoup the monies lost as a result of the pandemic, with their usual fundraising events being cancelled due to restrictions imposed. Considering a charity close to your heart as a recipient of part or all of your estate can help make a real difference to both them and your estate.

In order to receive specific advice regarding your Will, based on your own individual circumstances, please contact us today on 01495 768935 or complete our online Will questionnaire by visiting our Wills and Probate page.



Amy Thomas is a Private Client Solicitor at Watkins and Gunn. She specialises in Wills, Lasting Powers of Attorneys and Probate matters.