Wills information and Frequently Asked Questions

What is a Will?

A Will is a legal document in which you state what you would like to happen to your estate. Your estate consists of your house, less any outstanding mortgage or other loans secured on it, cash and savings, your car, household and personal effects, proceeds from any life assurance policies and pensions, where there isn't a named beneficiary or the plans are not written in trust, less any outstanding loans, credit card balances, household bills, funeral expenses, etc.

However much or little you think you are worth, it is important that you make a Will. Without a Will, your relatives and friends could face severe difficulties. Although you may not like it, if you don't make a Will the law will decide what happens to your belongings, which may not be what you would have wished.

You must sign and date your Will in the presence of two witnesses (England, Wales and Northern Ireland) or one witness (Scotland).

You must appoint an executor in your Will to ensure the terms of your Will are carried out. Sometimes one executor is sufficient but where there are potential beneficiaries who are not yet 18, then two executors are advisable. The executor's role is explained further in this fact sheet.

Your Will is an invaluable opportunity for you to clearly let your intentions be known relating to:

- who you wish to act as executor of your Will
- who you wish to act as guardian of your children and how you wish to provide for your children's upkeep
- how you would like your funeral conducted
- whether you wish to donate your organs or donate your body for medical research
- provisions to reduce death duties (Inheritance Tax)
- how to provide for your pets or favourite charity
- who you wish to receive what of your personal items, investments and or property, whether the gift has real value like your house or only has sentimental value like a watch or wedding ring

FAQs

What can I do in my Will?

Most people choose to keep their Will as simple as possible and so give all their estate as one lump, called the 'residue of my estate' or 'residuary estate', rather than try to break it down into individual amounts or items. However, you may, if you wish, give:

- property - either as an outright gift or to give someone just the use of it for a period, say, until they remarry, with the instructions that once they have remarried the house is to be sold and the proceeds shared among other members of your family nominated by you
- all your house contents (chattels) or individual items
- specific sums of cash, with or without an inflation adjustment
- specific investments, eg. shares, peps
- businesses, either an outright gift or the first option to buy it from your estate
- residue, for example, what's left after all other gifts have been made and all your outstanding liabilities have been settled (including your testamentary expenses, which are funeral costs, probate fees and Inheritance Tax)

You can say exactly what you want to happen to your property. You can make 'thank you' gifts of money. You can make gifts of personal belongings that are special to you and the person to whom they are given. You can make gifts to spouses / civil partners, and to charities, that are free of Inheritance Tax (death duties). You can appoint Guardians to look after your young children. You can choose who you want to be your Executors and Trustees. Fundamentally, your Will is a record of your instructions on how you want your estate to be distributed and can, if you wish, include your directions regarding your funeral.

Can a letter be as legal as a Will?

A letter could be a legal Will. However, it would need to be signed, dated and witnessed in accordance with certain legal rules and would be invalid if otherwise. In addition, it could be contested if the wording of the Will is ambiguous. It is always better to have your Will professionally written. Solicitors and Barristers make a lot of money each year from disgruntled family members defending or attacking DIY Wills that were badly drawn up.

What happens if I don't make a Will?

Your next of kin must apply to the Probate Registry for the power to deal with your estate, known as 'letters of administration'. (If you have a Will then your executors apply for a 'grant of probate'.)

When there is no Will the 'rules of intestacy' (ie. the government) states who should get what amount depending on the total net value of your estate.

See Appendix B - Rules of Intestacy

What is included in my estate?

Your estate is everything you own in your sole name at the time of your death after all your outstanding liabilities have been settled including probate costs, inheritance tax (if applicable) and funeral expenses.

Your estate doesn't include money in a joint account or property or shares owned jointly. Not included are life insurance policies in joint names and those where you have already nominated who the beneficiary should be on your death.

From your employment, your death in service benefit and pension are also not normally included as these are held in trust for whomever you may have already nominated. It is, however, sometimes recommended by trustees that you mention in your will who you would like to benefit - although trustees are not legally bound by your expressed wishes in your Will.

Can I make provision for my children (and future children)?

Yes. 'Children', however, by legal definition, are your natural children, including illegitimate, plus any that you have legally adopted. Stepchildren are not included in this definition so, if you wish them to be provided for, they will need to be mentioned by name.

If you have children at the moment and wish to include others not yet born then the Will may include the words... 'and any other children of mine not yet born'

If you don't have any children at present but wish to include the possibility, then again this can be done, however, it is wise to draft such wording carefully in case at the time of your death you don't have any children.

Should I appoint Guardians?

If you have children under the age of 18 you should appoint a Guardian or Guardians. They could be appointed to act on your death, if only you have parental responsibility, or only once you and your partner have both passed away.

If you and your partner are unmarried and have joint children then if the father is not on the children's birth certificate, the mother of the children will no doubt wish to appoint the father as her first choice of guardian as, under current law, he does not have any automatic rights to the children if she passes away first.

If you have children over 18 while one or more are under 18 then you can appoint an older child as guardian of the younger.

Can I change my Will?

Yes, but only by writing a new Will or signing a document called a Codicil. A Codicil, like a Will, must also be prepared, signed and executed in a particular way.

You do not need to rewrite your Will or have a Codicil merely because you or any person named in your Will changes their address.

Can I cancel my Will?

You can cancel your Will by making a new Will, in which you revoke the old one, or simply by tearing it up and burning it.

Does marriage, divorce or a civil partnership affect my Will?

In England, Wales and Northern Ireland, your Will is cancelled automatically if you get married or enter into a civil partnership after you have signed it unless the Will contains a sentence stating otherwise.

If you are divorced or your civil partnership is annulled after you have made a will, any gifts in favour of your former wife, husband or partner will be effectively cancelled unless the Will states otherwise and therefore your Will would be read as if they had already died.

It is essential that you consider writing a new Will if there are major changes to your circumstances.

Can my Will be changed after my death?

Beneficiaries under a will may exercise a right to sign a Deed of Variation within two years of the Testator's death to alter the terms of a Will. There may also be instances where the court could make a judgement. See the next question for more details.

What happens if I leave someone out of my Will?

If you have not properly provided for any of your dependants who are unable to maintain themselves as a result, or if you have not been fair to your wife, husband or civil partner or an ex-wife or ex-husband who has not remarried, the Court can alter your Will. Your reasons for not having provided for someone should be given in your Will or in a separate letter, which can be referred to in your Will. The Court will consider these reasons but will not be bound by them.

What are Executors?

One very important part of your Will is the naming of who you would like to act as your executor. Your executor is the person who will administer your Will after your death. They can be anyone you choose, for example:

- your husband, wife or partner
- your son or daughter if over 18 at the time of your death
- your brother or sister
- a close friend
- a beneficiary in your Will
- partners of this firm

As a courtesy, it is always best to ask the person whom you wish to appoint whether they are willing to act. The duties of an executor are varied and can be very time consuming. As a result, people chosen to be executors, when called upon to act, often appoint a professional firm to help. The costs and expenses incurred by executors, including the professional firm's fees, can be recouped from the estate.

What are Trustees?

Trustees are the people appointed in your Will to look after your property until for example, a child is old enough to inherit or where there is a life interest (see 'What does it mean if I give someone a 'life interest' in my Estate?). Executors and Trustees are usually the same people.

What do Executors do?

- find out what assets, property and investments the deceased had
- have valuables and property professionally valued where necessary
- make sure the funeral takes place and arrange payment
- obtain details of outstanding debts and bills
- establish pension entitlements and other monies due
- determine Income and Inheritance Taxes due, and make any necessary tax returns
- complete and submit all Probate Registry forms
- call in assets
- pay off debts
- transfer gifts to beneficiaries
- draw up accounts to present to the main beneficiaries

If the Will creates any trusts, for example if there are minor beneficiaries, it is usual to appoint two trustees.

How many Executors can I appoint?

You can appoint up to 4 Executors, but you should appoint at least 2. You can appoint alternative Executors in case when you die your first choice decides not to take the position or dies before you.

Do Executors get paid?

Where individuals (family or friends) are appointed they are not normally paid although you may give them modest cash gifts in your Will as a 'thank you', if you wish. They are usually allowed to reclaim any expenses incurred by them in the administration of an estate, including Probate fees.

When professional executors are appointed individual people or organisations, clauses are usually included in a Will to provide that they be paid their normal fees. They would not act otherwise. A solicitor tends to charge based upon time spent plus a small percentage, limited to 1½%, usually no more than 1% of the value of the estate, while banks routinely charge 3% to 6%.

The total charge for executor work carried out by solicitors or banks will often not be known until all the work is completed. They will invoice their charges based on the total time taken and therefore often cannot give a fixed quote in advance. Reliable estimates can be provided, however, and once given will be adhered to.

What are trusts and how do they work?

If you have young children under 18 who you wish to provide for in the event that you, and your partner, if you have one pass away, then it is usual to provide for them by way of a trust in the will. This means the situation in which adults, as trustees, look after the children's assets until the children can take control of them themselves.

The Trustees appointed by you can then provide your nominated children's Guardian(s) with sufficient funds to care for your children until they reach 18 when they will inherit, or such later age as you specify.

While you may choose a later age at which they should inherit, if your child is not disabled there may be additional taxes to pay on the trust fund, subject to the amount held in the trust fund.

Discretionary Trusts

Although not exclusively, a Discretionary Trust is often used by families who have a relative with a learning disability, or where for any number of reasons, keeping an element of control is desirable.

Discretionary trusts can be a way of putting in place financial arrangements to help support vulnerable relatives, and are particularly suitable for disabled people.

A Discretionary Trust can also provide a way of owning property. Sometimes families decide that in the long-term they would like to be able to set up arrangements that allow their relative to continue to live at home with the necessary support.

Discretionary Trusts are used:

- as a way of paying for the things the statutory services may not be able to give, for example a holiday, a new coat or even additional care
- as a means of owning, managing and maintaining a property
- as a way of arranging an inheritance
- so there is a way of managing money or other assets
- to avoid benefits and care funding being stopped

Income Support and other means tested benefits such as Housing Benefit stop being paid if a person has more than a certain amount of money. Benefits are withdrawn or reduced until savings fall below the relevant level for the benefit. If Social Services fund a residential care place or care package they may also begin to charge for the care service or stop funding it. A Discretionary Trust can avoid this.

Once assets are put into the Trust they belong to the Trust, not the person intended to benefit. He or she may get gifts or even payments from the Trust but they cannot be said to have any assets themselves. Trusts hold and invest assets. This can include the family home. It may provide a means of managing and maintaining a property. This is particularly useful when the person lacks legal capacity, ie. sufficient understanding to enter into a contract. Trusts are normally set up as part of drawing up a Will.

Trustees operate trusts. These can be other family members, friends or professionals. The key points about a Discretionary Trust are:

- Trustees have discretion as to how the assets are used. The trustees are free to make all the decisions
- The person to benefit from the Trust must not have a right to the income or capital
- The intended beneficiary must not be the only person named in the Trust, ie. must not be the 'sole' beneficiary

Without these features the Discretionary Trust is not properly constituted and the person may be treated as though they own the house or have the money.

Care home fees

It is usually inadvisable to transfer your own property to relatives or trusts, if your prime motive is to avoid paying long-term care costs. There are various risks associated with such gifts and the fees may still be payable despite the gift having been made.

However, it is entirely sensible for you and your partner to each make a provision in a Will, that upon the first death, the deceased's half-share of the family assets and/or home, is placed in trust for their children or other beneficiaries, instead of passing direct to the surviving partner - for more information on this, see 'how can I avoid the council selling my home if I'm taken into care?' on page 6.

What happens to property in joint names?

People who are 'co-owners' of property hold it either as 'joint-tenants' or as 'tenants-in-common'. Husbands and wives are usually, but not always, joint-tenants. This means that when one of them dies the other one automatically becomes the owner of the whole of the property, rather as if one parent dies, the other carries on in charge of the children.

A joint-tenant cannot make a gift in a Will of his or her share of the property, since there is no such share - the whole of the property is owned by all of its owners.

Partners who have been married before often prefer to own property as tenants-in-common. This means that owned property is notionally divided into shares, and when one of them dies his or her interest in the property forms part of his or her Estate. This then means that they can separately make a gift in their Will of their share of the property, perhaps to their own children from a previous marriage.

A joint-tenancy can easily be converted into a tenancy-in-common when appropriate, by signing a suitable notice. Such a notice should be placed with the deeds of the property.

These principles also apply to other jointly owned assets such as bank and building society accounts and other investments.

What about Inheritance Tax?

If, after payment of your debts and any gifts to your spouse or to charity, the value of your estate is more than £325,000, then Inheritance Tax will be payable at 40% on the excess over this amount.

However, if when you die you are a widow/widower or bereaved civil partner whose late spouse or partner did not fully use his or her IHT allowance, however much it was at the time they died, then you also receive that partner's unused tax allowance, which can operate to increase yours to as much as £650,000. For more information on Inheritance Tax and how to avoid the taxman - see Appendix C.

What is a gift made 'free of tax'?

A gift is free of tax when any Inheritance Tax, if it is payable, is to be paid out of your Residuary Estate and not deducted from the gift itself. All gifts to charities are by law totally exempt of Inheritance Tax.

Can I leave with my Will a hand-written list of gifts of my personal belongings?

You can do this if you arranged for this in your Will. You can state in your Will that your executor is to distribute your personal belongings according to a separate list that you will keep with your Will although you mustn't attach the list to your Will. You can then make changes to your 'gift list' at any time thereafter without the need to change your Will.

What does it mean if I give someone a 'life interest' in my Estate?

If your responsibilities are 'divided', for example you wish to ensure that your partner is adequately provided for but feel you have a duty towards, say, children from an earlier marriage, then you may wish to consider giving your partner a 'life interest' in your Estate. This restricts the partner's inheritance to the income (interest earned) on your capital or a specified sum. If you own your home outright or own a share as tenants-in-common then you may also wish to give your partner the right to live in your home perhaps rent-free, until they die, remarry or, for example, only a specified period.

Once they die or after the specified event has taken place then your home and/or the capital sum will pass to whoever you have specified in your Will, such as your children.

You should, however, bear in mind that unless your Estate is fairly large, the income from it may be insufficient to support your partner.

A gift of a life interest also causes the duties of the Executors and Trustees to be more onerous.

When considering a gift of a life interest, it is very important to remember that the recipient does not own the property or capital sum and therefore cannot dispose of it in his or her own Will. It is also important to remember that the prime duty of your appointed Trustees is to keep a fair balance between income for the person getting a life interest and capital growth for those who will be ultimately entitled to your Residuary Estate.

What's the best way to provide for my disabled child?

Although not exclusively, a Discretionary Trust is often used by families who have a relative with a learning disability. Discretionary trusts are a way of putting in place financial arrangements to help support that relative. These trusts are particularly suitable for disabled people.

A Discretionary Trust can also provide a way of owning property. Sometimes families decide that in the long-term they would like to be able to set up arrangements that allow their relative to continue to live at home with the necessary support - see 'what are trusts and how do they work?' on page 4.

How can I avoid the council selling my home if I'm taken into care?

If a person is taken into care then with a few exceptions, the local council have the right by law to seize their home, put it up for sale and use the proceeds to support their long-term care costs. Obviously, if this happens then it might mean that when they eventually die there could be very little of their estate left for their surviving family.

Deliberately transferring your own property to relatives or to trusts is likely to fail, if your prime motive is to avoid paying long-term care costs. Local authorities may be entitled to treat you as still owning an asset with an equivalent value to the house given away, and so decline to fund your care.

However, it is entirely acceptable for you and your partner to each make a provision in a Will that upon the first death, the deceased's half-share of the family assets and/or home is placed in trust for their children or other beneficiaries, instead of passing direct to the surviving partner, and indeed you may feel that there is no reason not to hand your property over to children before you die, so that they can have the hassle of insuring and maintaining it.

There are various risks associated with this; if the children die and leave your house to someone else or divorce or go bankrupt, then your home may be at risk, and the children will also face a potential capital gains tax bill when the house is sold, since it is not their home, and so they are not exempt from the tax on its sale.

Can I choose anyone to witness me signing my Will?

No. They must not be a beneficiary in your Will, nor married to a beneficiary.

They must be over 18 years of age, of sound mind and not blind. You will need two witnesses who must both be present when you sign and date your Will. They don't need to see the contents of your Will, only you signing it.

What should I do with my Will after I have signed it?

You should leave it in a safe place and ensure your executors and/or family know where it is being kept. Your Executors will need the original Will, not a copy.

Appendix A - Rules of Intestacy, England & Wales

Dying without leaving a Will means...

In the absence of a signed Will the government dictates who gets what of your estate, depending on your domestic circumstances.

Married with Children (separated people are treated under these rules as still being married)

- **Your spouse gets:**
  - a car and house contents
  - b first £250,000 of your estate
  - c half of any excess over £250,000 outright
- **Your children (stepchildren get nothing) get:**
  - a half of any excess over £250,000 outright

Married with No Children

- **Your spouse gets:**
  - a. car and house contents
  - b. first £450,000 of your estate
  - c. any excess over £450,000 outright

Single, Widowed or Divorced (but not separated)

Everything goes to your children (if any), otherwise to your parents (if alive), otherwise to your brothers and sisters, or their children, otherwise your grandparents (if alive), otherwise your uncles and aunts or their children, otherwise to the government!

Appendix B - Inheritance Tax and How to Avoid the Taxman

Current UK legislation (as of April 2009) allows for the first £325,000 of your estate to be free from Inheritance Tax. However, although this may sound considerable, when you add up the value of your house, savings and investments and your personal effects, you may be very surprised by how much you are actually worth. With house prices rising, the value of your estate may well be more than the £325,000 Inheritance Tax threshold.

If at the time of your death you are a widow/widower or bereaved civil partner then this allowance may perhaps be increased to as much as 2 x £325,000 = £650,000

Consequently, under current legislation, the taxman will take 40% of everything you leave over the current £325,000 or £650,000 limit.

However, there is a new Inheritance Tax allowance coming into force from 6 April 2017. This will be known as the Residence Nil Rate Band and is to be phased in over the four tax years starting with 2017/18. It is not simply given as an additional amount of nil rate band, but is only given where a person leaves their residence to, broadly speaking, direct lineal descendants and/or those who have married or formed a civil partnership with such descendants. Subject to meeting the relevant criteria, the Residence Nil Rate Band is to be £100,000 in 2017/18, £125,000 in 2018/19, £150,000 in 2019/20 and £175,000 in 2020/21. Therefore, come 6 April 2020, it will be feasible for a person to have a combined Nil Rate Band and Residence Nil Rate Band of £500,000. As the Residence Nil Rate Band can also be subject to transfer between the estates of spouses and civil partners, this could mean an aggregate Nil Rate Band and Residence Nil Rate Band of £1,000,000 by 6 April 2020.

Please note that the laws governing the new Residence Nil Rate Band are involved, such that carefully drawn Wills and, where necessary, some estate planning may be needed to ensure the full benefit of this new Inheritance Tax allowance.

To a certain extent this tax can be reduced if not eliminated with some straightforward planning. We do not offer in-depth Inheritance Tax planning here as your best course of action would be to consult your legal and independent financial advisors who can do a full fact-find of your situation, take account of all your current and likely future circumstances and advise you as to your best course of action.

Allowances

Your Personal Allowance

Each person currently has, on death, an allowance of £325,000 called the nil rate band, which includes: properties, personal effects, cars, savings, investments and insurance, collectively known as your Estate. For widows/widowers and bereaved civil partners this may be increased to as much as 2 x £325,000 = £650,000.

Spouse Exemption

It is important to note that there is no Inheritance Tax on transfers (gifts), whatever the value, between married couples or civil partners. However, if your spouse or civil partner is non UK domiciled then the allowance is limited to the prevailing nil rate band (currently £325,000).

Annual Exemption

There is no limit to the size of gifts that may be made, but if having made a gift you die within seven years, the value of the gift falls into tax. The exemption from this is that everyone can give away up to £3,000 per tax year, say, to one child or shared between other children. For a couple this means that £6,000 may be given away each year without fear of the gift falling into tax post death.

Marriage Gifts Exemption

Parents can make wedding gifts of up to £5,000 to each of their children. Other relatives e.g. grandparents, can, however, also make gifts. They can give up to £2,500 to each marrying grandchild. Also, you can give up to £1,000 as a wedding gift to anyone else. The gifts must be made before the wedding day, not after.

Small Gifts Exemption

You can make any number of gifts to different people up to a value of £250 each in any tax year.

Other Gift Exemptions

You can make any number of gifts of any amount out of your surplus income. In other words, as long as the gift is not coming from your capital or savings and your income can be proven to have funded the gift then it is permissible. Other gifts that are permissible are gifts to charities and political parties. Also acceptable are gifts to Trusts for the vulnerable.

Business and Agricultural Relief

Interests held for more than 2 years in a business, farms or shares in qualifying unlisted companies and let farmland held for more than 7 years qualify for 100% relief. Assets used by a qualifying company or business, or a controlling holding in a listed company qualify for 50% relief.

Potentially Exempt Transfers (PET)

In most cases any gift larger than the exempt gift allowances, as previously mentioned, is a Potentially Exempt Transfer (PET). PETs can be given to the person concerned directly or as an investment for them.

This means that the donor, needs to live at least 7 years, from the date when the transfer is made, for this gift to fall outside of the estate and avoid tax.

For large gifts, or gifts which take the donor's cumulative total above the individual allowance, during the 7 year period the amount of Inheritance Tax payable reduces, the longer the time after the gift has been made. This is known as Taper Relief.

Taper Relief does not apply to any gifts which fall below the nil rate band, ie. £325,000 In other words, taper relief is only given on the part of a gift over £325,000.

Period of Years before death	% reduction (ie. tapering relief)
0-3 years	NIL
3-4 years	20%
4-5 years	40%
5-6 years	60%
6-7 years	80%
More than 7 years	No tax

Will Trusts

Unmarried heterosexual couples and same sex partners who are not civil partners - in other words people with partners who are not 'spouses' or equivalent miss out on a tax advantage given to those who are married or in civil partnership.

Most couples leave their estate to each other when they die. Then, when the second one dies, the taxman takes his share of 40% on everything over £325,000 (tax year 2009/10).

However, with a Discretionary Will Trust written into both partners' Wills it could mean that they could collectively pass on to their respective families up to twice that amount (£650,000), thus saving a current maximum of £130,000 in Inheritance Tax.

The arrangement also permits the surviving partner to receive an income from the estate of the first to die.

How does the Trust work?

By including within each partner's Will the wording for an IOU Discretionary Will Trust the estate, up to the nil rate band, of the first person to die will pass to the trust with any balance over this amount commonly going to the surviving partner.

Use of the family home

For such an arrangement to be effective it may require the ownership of the home to be either in one of the couple's sole name or under a tenancy in common arrangement allowing them both to leave a fixed share of the home to whoever they wish in their Wills.

There are still problems to be overcome if the surviving partner wishes to continue living in the property after the first partner has died, failing which the whole Inheritance Tax effectiveness of the trust may be undermined. A popular solution to this is:

Within the Discretionary Will Trust, wording must be included giving special powers to the trustees to take a legal charge over the assets that pass to the survivor on first death or to accept an 'IOU' from the survivor, as an asset of the trust. With the use of an IOU, the estate, and their share of the home, of the first person to die can go wholly to their surviving partner with the trust simply consisting of the IOU provided by the survivor.

On the second death, the trustees would redeem their charge or IOU and this would be funded from the survivor's estate.

Caution should be exercised by couples where one partner has never contributed financially to the purchase of the family home. For couples in this situation, including the family home in an IOU Discretionary Will Trust may not work should the non-contributor die first. To avoid this pitfall, ensure that the debt created on the first death is in the form of a charge or mortgage against the property rather than take on any personal liability for it.

Flexible Trusts, Discounted Gift Schemes and Life Assurance

There are other methods of giving while you are alive which can reduce your Inheritance Tax liability on death. For further details on these options you should speak to your independent financial adviser.

Appendix C - Glossary of Legal Terms

Administrator
A person appointed when either no Will can be found or there is no executor to carry out the intentions of the Will

Administration, Letters of
Granted by a court to administrators (usually the next of kin) to give them the authority they need to act and to administer/distribute the estate where there is no Will

Assets
Generally everything that you own

Beneficiary
Someone who will inherit from the Will, a trust or under the intestacy laws

Bequest
A gift left in a Will

Chargeable gift
A gift on which Inheritance Tax may be payable

Codicil
A document executed by a testator subsequent to the Will which alters, cancels or adds to the provisions of the previously drafted Will

Devise
A gift by Will of freehold property

Executor
A person appointed in the Will to administer the estate

Guardian
Someone appointed to look after the interests of a child under the age of 18

Inheritance Tax
Tax payable on the transfer of assets either during an individual's lifetime or on his or her death

Intestate
A person who dies without making a valid Will

Legacy
A gift of a specific item left in a Will, apart from land

Life Interest
The right to enjoy for life or until a specified time period has elapsed or an event has occurred, like someone remarrying either money or property which will eventually revert to the original estate in some way on death. Instructions are included in the Will as to what should happen to the gift when the life interest ends

Moveable Property
Anything other than buildings or land

Pecuniary Legacy
A gift of money under a Will

Potentially Exempt Transfer (PET)
A gift made during ones lifetime that is exempt from Inheritance Tax if the donor lives for seven years after making the gift

Predeceased
Someone who dies before the person who has made the Will

Probate, Grant of
The document which confirms to executors that they have authority to act, and which validates the Will

Residue
What is left of the estate after the payment of all debts, taxes, administration expenses, legacies and bequests under the Will

Reversionary Interest
Interest in trust property, which becomes active after the death of the life tenant i.e. the owner of the life interest

Specific Legacy
A gift of a specific object under a Will

Testator/Testatrix
The person (male/female) who makes the Will

Trust
An arrangement by which property is handed over to trustees to be applied for the benefit of other people known as beneficiaries

Trustee
The person who holds property on behalf of another person and is responsible for administering the trust assets

Variation, Deed of
An arrangement whereby certain provisions under a Will may be varied by consent of the beneficiaries

Will
A form of instructions as to how someone wishes to dispose of their assets on death

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