

GREENWELL CONSULTANCY

'PROFESSIONAL WILL WRITING & ESTATE PLANNING YOU CAN TRUST'

NEWSLETTER NUMBER 2 – JUNE 2014

Our Summer newsletter includes a couple of main articles we thought may be of interest, even if you are already a client of ours and no doubt have already completed a Will and/or a Lasting Power of Attorney. We make no apology that this newsletter is longer than normal as we felt there was quite a bit to go through.

We are most grateful once again for all the referrals you have made to us and we have been able to help many more individuals and families with their Estate Planning. In particular we did complete a number of Will Reviews where, without your help, estates and beneficiaries would have been affected, in one case alone we managed to save £120,000 in Inheritance Tax which they were most pleased about as you can imagine!

Why bother making a Will...is it important and necessary?

There are lots of reasons why people don't have a Will but the majority know that they should. This article explores what a Will actually is, how it works and why it is so important...

What is a Will?

Essentially, a Will is a legal document to ensure your money and estate is inherited by the people you want to benefit and, of equal importance, doesn't go to people who you don't want to benefit.

The actual process of writing a Will is relatively straightforward and yet despite this, more than two thirds of people in the UK die without a Will? Unbelievable as it may sound there are over 7 million Homeowners who still do not have a Will!

Why is a Will important?

A Will:

- makes sure your spouse or partner gets everything of yours (without it they might not)
- ensures your children get the Guardian(s) you want so you know who will be responsible for your children's upbringing if both parents should die - it will also give the Guardian(s) the legal right to look after the children's inheritance in trust until they are of age
- ensures that what you have goes where and to who you want it to
- states what happens if the people you want to benefit die before you
- establishes who will manage your affairs after death (your Executor), who will inherit your family heirlooms/legacies, how money will be distributed to your charity of choice, your funeral wishes, and trusts.

Simple or basic Wills often offered online or by banks and unions are sometimes not enough.

They do not:-

- Protect your estate if your spouse or partner remarries or marries
- Protect your children's inheritance from a divorce
- Protect your grandchildren's inheritance from your children's death
- Protect a child with addictive issues, who inherits
- Protect a child with financial problems and creditors, who inherits

The benefits of estate planning

Having a Will in place, in conjunction with careful estate planning, may also help to minimise the impact of **Inheritance Tax**. In the tax year to April 2013 over £3.1 billion was paid in Inheritance Tax, how much of that could have been saved with correct Estate Planning?

You need more than a simple Will to achieve this. DIY Wills or simple wills on the internet or from the Post Office might seem cheap but they don't offer total protection.

By taking a little time to talk with professionals like ourselves before you make a Will, you'll know you've considered the every scenario. You'll probably be surprised how inexpensive it is to protect your loved ones.

By preparing and taking responsibility for the inevitable, you can help avoid any disagreement and confusion amongst those left behind, which can often result in unnecessary stress and costly legal bills.

If you pass away without a Will in place, you are said to have passed away "intestate". According to UK intestacy rules, those who you would have liked to provide for can receive little or nothing.

Having made your Will make sure it can be found because if it's lost or defaced then you will still be considered to have died "intestate" when the time comes.

Finally, having made your Will be sure to review it regularly i.e. every three years, to ensure its up to date and relevant, if it is up to date that's great, if not make sure you change it accordingly.

Will Storage

Many of you store their Wills with us for safekeeping, we are pleased to announce that to enhance the facility we are looking at including free registration on the National Will Register for all clients who store with us. Kings Court Trust, where the Wills are kept, are presently negotiating a deal and we anticipate an announcement in July which will benefit everyone.

Do you own a house? Shares or investments? Do you have a pension plan or a bank account?

If you have anything at all in your name, estate planning should be an important consideration so you know for certain the right people will inherit your assets when the time comes. In other words, you should have a Will.

11% of those who don't have a Will believe their estate will automatically pass to the right people when they pass away but this is not necessarily the case. Assets of those dying without a Will are to be distributed under the laws of intestacy, which could leave stepchildren or unmarried partners out of the equation.

If no next of kin can be found, it may even mean that your money is given to the crown; last year the state received £33.5 million from the estates of people who died intestate. This could be a result of people's presumption that the assets they own are of insignificant value, deciding that writing a Will is not essential. Other cases may involve Wills that haven't been updated to reflect the real value of a deceased person's estate, or lack of knowledge as to where the Will has been stored.

In reality, writing a Will and keeping it up to date is just good sense. Estate planning enables you to consider the impact of inheritance tax on your estate and it is principally the only way to ensure that your wishes are recorded and carried out.

If you are or know anyone that is part of the 58% that don't have a Will, it is advisable to think about what impact this may have on your family when you are gone and ensure your loved ones are provided for. Similarly, if you already have a Will, it is important to keep it updated if your circumstances change; for example, if you get married, buy a property, have children or get divorced, this change should be reflected in your Will or you may run the risk of it being invalid.

64% of people aged 35 to 54 have not prepared a Will yet, while almost a third of those over 55 have no Will. Many just haven't got round to it, some are delaying the decision for the time they "get older." Others are even of the superstitious belief that writing a Will is equal to "tempting fate."

Unfortunately though, you can't predict when you are going to need a Will. So if you own assets, now is certainly the time to think about writing a Will to ensure both your estate and your family are protected.

Finally, please talk to us on any of these subjects or others that you have concerns about.

Best Regards

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