



Wills in Surrey Protecting your Assets

INHERITANCE TAX PLANNING WILL

The government currently allows each individual to pass on a set amount of assets on their death to anyone else free of inheritance tax. This "nil rate band" limit is currently £325,000.00. There are some exceptions to this, mainly, to your spouse, your registered Civil Partner, charities and funnily enough political party funds where no Inheritance tax is payable.

The problem is that most individuals don't realise the following potential problem:

Take Mr & Mrs Green as an example.

They have been happily married for 43 years and own their own home as well as having other assets of around £200,000. They had wills written 13 years ago leaving everything to each other, then equally between their two children after the death of the second of them.

This is a standard will drawn up by many solicitors.

However in the past 10 years property prices have rocketed and their house has increased in value from £90,000 to £250,000.

At the present time according to his will, if Mr Green was to die Mrs Green would get everything, equalling about £450,000 in total assets. When she then dies, she can pass on her allowance and her deceased husbands allowance at her time of death free of I.H.T.

The problem is, that should they not use a discretionary trust on first death to safeguard some of Mr Green's assets, they may in due course grow to a level where the total assets owned by Mrs Green on her death are actually more than the I.H.T. allowances available. This in turn means there will be tax due by the children.

Not only that, the children must pay the tax bill currently at 40%, before they are allowed access to any assets! This may result in them having to get a bank loan until they can sell the house or raise the necessary capital.

Solution:

If Mr & Mrs Green had come to Legal Services UK to get their Wills done prior to Mr Green passing away, we could have arranged Inheritance Tax Trust Wills for them.

This would have meant that on Mr Greens death, rather than all the assets going directly to Mrs Green, she would have had the opportunity to put some of them into a trust, specially set up for her and the children.

By preparing Inheritance Tax saving Wills, for married and Civil Partnership Act couples, we can currently save families £000's of pounds.

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"Protecting Your Assets"

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