

GREGSONS

Private Client

Newsletter

WELCOME to the Gregsons Private Client Department newsletter 2006

We hope you find this newsletter helpful but if we can further assist you please contact our Private Client Department on 020 8879 4442 or e-mail privateclient@gregsons.co.uk

Gregsons has been in existence since 1788 and our Private Client Department has a specialist team of experienced solicitors and support staff who can offer professional and up to date advice in this area.

WILLS & INHERITANCE TAX PLANNING

Did you know that you can save up to £110,000 in Inheritance Tax simply by making a tax efficient Will provided you are married or have entered into a civil partnership or if you have been recently widowed varying the terms of your spouse's/civil partner's Will? If married couples/civil partners leave everything to each other in their Wills, they can end up paying the tax man up to £110,000 more Inheritance Tax than would have been the case had they made their Wills tax-efficiently.

Two out of three people do not make a Will at all and this can lead to arguments and disputes on death. Making a Will guarantees that your

estate will pass to your chosen beneficiaries and can save tax. You can also stipulate who will deal with the estate (your Executors) and who will look after any minor children (your Guardians).

Even if you have a Will, it should be reviewed if your circumstances change, e.g if you have children/grandchildren, buy a major asset or get divorced. If you marry or remarry any previous Will is automatically revoked. In any event, it is always prudent to review your Will every 5 years or so.

We offer competitive fixed fees for drawing up wills. Please contact us for further details.

PROBATE AND ESTATE ADMINISTRATION

New rules brought in by the Inland Revenue state that an Inheritance Tax account must be completed regardless of the value of the estate if a Grant of Probate is required. Therefore, dealing with someone's estate yourself is not as simple as once it might have been.

We can assist in relieving the burden of administering an estate, even if there is no Will or another solicitor has prepared it. Personal Representatives ('PRs') are personally liable to ensure that tax is paid and furthermore, they are required to attend a personal interview at the Probate Registry unless they have a solicitor acting for them.

This can be daunting and time consuming. If we deal with the administration we can bypass this formality and wind up the estate efficiently and ensure that all Inheritance Tax, Income Tax and Capital Gains Tax issues are dealt with.

We can also advise on post-death Inheritance Tax planning and Deeds of Variation (which allow the PRs to vary the terms of a Will or intestacy rules within 2 years of the date of death).

We have a flexible fee structure to suit your individual needs. Please contact us for further information.

ENDURING POWER OF ATTORNEY ('EPA')

An EPA enables **YOU** to choose someone you trust to look after your financial affairs in the future. No EPA and the opportunity to plan ahead is lost. We strongly recommend that all clients consider making an EPA.

If, through accident or illness, you lost mental capacity, relatives would find managing your financial affairs difficult without an EPA because they would not be authorised to access your accounts on your behalf. With an EPA your appointed attorneys would simply register it and would then proceed to manage your financial affairs without delay or difficulty.

Making an EPA is straightforward but legal advice is recommended to ensure

that it is correctly worded and covers the eventualities that you want it to. One visit to Gregsons is all that is usually needed.

If you have no EPA and become mentally incapable, a family member (or friend) would need to make an application to the Court of Protection to manage your financial affairs. This is a complex, protracted and expensive procedure called 'Receivership'.

Gregsons can assist with EPAs, their registration and with Receiverships.

We offer all new and existing clients a fixed fee service for preparing a new EPA for just £100 plus VAT

LIFETIME TRUSTS

Trusts are one of the most efficient ways of reducing the tax payable by your estate on your death. In the same way as a absolute gift, you need only survive 7 years and then all of the monies gifted can be outside your estate for Inheritance Tax purposes.

Trusts are particularly tax efficient when set up for the benefit of children or grandchildren.

Trusts have the added benefit of enabling you to provide for your chosen beneficiaries without passing to them the outright control of the money or assets (as is the case with an outright gift). Instead they are placed in the hands of your chosen Trustees for management until the time you choose.

We offer a competitive rate for setting up lifetime trusts. Please contact us for further information.

DID YOU KNOW?

Did you know that the Royal Courts of Justice in the Strand, the last great gothic revival building of the Victorian age, was built entirely from unclaimed Chancery funds. Its facade of Portland stone, its 1,000 rooms and more than 3 miles of corridors housing 88 civil courts, cost £700,000, money retained by the Crown from intestate estates where no next of kin could be found. One more very good reason to make a Will.

AND FINALLY

"At my age I do what Mark Twain did. I get my daily paper, look at the obituaries page and if I'm not there I carry on as usual". *Patrick Moore*

For further advice on wills or related matters please contact privateclient@gregsons.co.uk or telephone our private client department on 020 8879 4442. This newsletter has been written for the general interest of readers and is intended for general guidance only. It is essential to take specific professional advice before taking any action.

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