

Special Issue

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CHARITIES AND INHERITANCE – A NEW OPPORTUNITY

Charity clients should be aware, that the Budget has offered charities an opportunity to reposition themselves with donors who might be prepared to remember them in their Will by way of testamentary gift.

The inheritance tax rate, which is reduced when leaving 10% of a net estate to charity, is a significant bonus for the charity sector, but we suspect that those concerned will need to be encouraged to consider this relief and the charities may wish to take an active role with their donating public.

It is certainly now more attractive to leave a legacy in a Will in an estate where inheritance tax is going to be an issue. Please note, however, that if the estate of the deceased is not subject to inheritance tax, then there is no additional benefit through this new relief in making a gift to charity.

We still await precise details as to how this is actually going to work which are expected in April 2012. The estate has a reduction of 4% in the charge to inheritance tax from 40% to 36%.

How the precise calculations will work out, of course, will not be absolutely clear until April 2012 onwards. The measures are plainly designed to encourage charitable donations perhaps even from those who might not have been minded to make charitable donations before this new relief has been introduced. We consider that some proactive marketing by our charity clients is potentially going to yield positive results.

As most people only revisit the question of the construction of their Will on rare occasions, perhaps charities should be thinking about including information as it becomes clearer in their newsletters and other donor contact information so as to make it clear to people what the advantages of the new scheme are so that the charities themselves might in turn receive the maximum benefits available.

If you require further information in respect of this new relief, or indeed if you would like information concerning the construction and writing of Wills, please do not hesitate to contact:



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