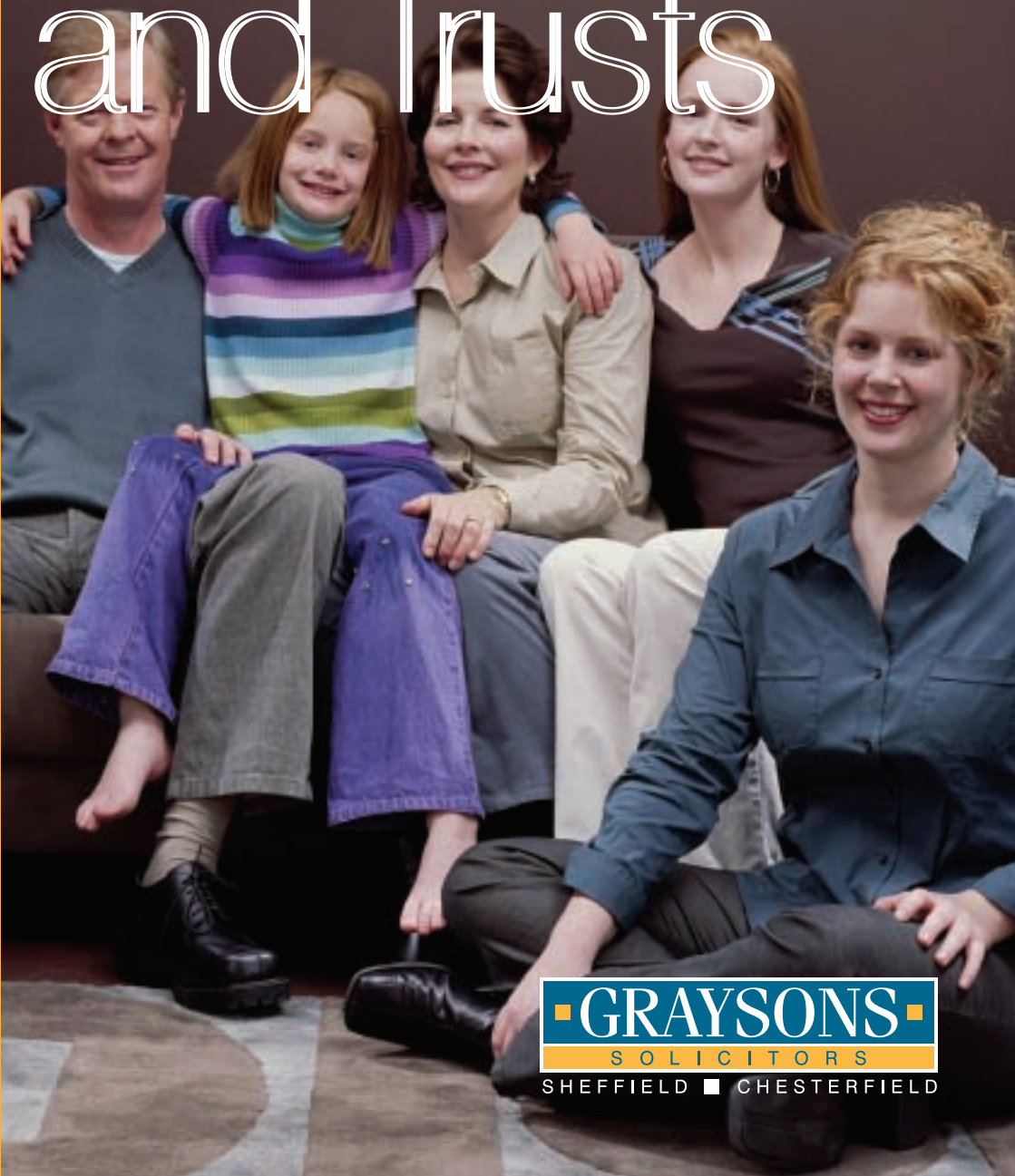


# Wills, Estates and Trusts



**GRAYSONS**  
SOLICITORS  
SHEFFIELD ■ CHESTERFIELD

## Contents

About Graysons	<b>3</b>
Wills	<b>4</b>
Inheritance Tax Planning	<b>4</b>
Administration of Estates	<b>5</b>
What is a Will?	<b>6</b>
Why do I need a Will?	<b>6</b>
What happens if I die and haven't made a Will?	<b>7</b>
What are executors and what do they do?	<b>8</b>
When should I update my Will?	<b>9</b>
What is a Trust?	<b>10</b>
Can I reduce my Inheritance Tax liability?	<b>11</b>
What is Probate?	<b>12</b>
Do I always need to apply for Probate?	<b>13</b>
What is involved in administering a deceased person's estate?	<b>14</b>
Contact us	<b>15</b>

# About Graysons

Graysons has remained loyal to its roots as family solicitors - often acting for several generations of the same family.

Our Wills and Probate department continues to be a cornerstone of the firm and we believe that our breadth and depth of knowledge in this area is unique.

Our clients can be assured that they will receive expert advice from friendly and approachable staff and that we are always ready to help, in good times and bad.





## Wills

There is only one way to make sure that the people whom you wish to benefit on your death actually do so, and that is by making a Will.

A straightforward Will can be surprisingly affordable and will provide you with the peace of mind of knowing that those you care for will receive what you have worked so hard to acquire.

## Inheritance Tax Planning

With recent increases in house prices many people have become potential Inheritance Tax payers, but there are strategies available to minimise your tax liability.

We can provide advice on Inheritance Tax Planning to minimise your estate's liability and ensure that your family receive what they are entitled to.

# Administration of Estates

When someone we love dies, we face one of the most difficult times of our lives. The responsibility of acting as their executor or administrator during that time can be a lot to cope with.

The administration of an estate can be a time consuming and often complex process, and, depending on the record keeping of the deceased and the complexity of their estate, may involve a considerable amount of work.

We offer sympathetic yet practical and professional support to help during this time. We can help you obtain a Grant of Probate or Letters of Administration if required, to satisfy the Inland Revenue and generally administer the estate as smoothly and efficiently as possible, thereby protecting you from what may otherwise be a very stressful process.

If you are involved in the administration of an estate, whether as a beneficiary or as a personal representative, why not take up our offer of a free initial interview?

If you don't need us we will say so, and we will be happy to spend half an hour pointing you in the right direction. If you do need help, we will explain exactly what is required and estimate as accurately as possible the likely costs of instructing us to act on your behalf.

**This guide covers the questions we are most frequently asked by people relating to Wills, Estates and Trusts.**

# What is a Will?

A Will is a document which comes into effect when you die. In it you identify what you want to be done with your property after your death and you appoint persons to administer your estate to make sure that your wishes are carried out.

The Will can include express provisions about the disposal of your body, state who you appoint as guardians of your minor children and also help to minimise the effect of taxation.

# Why do I need a Will?

To ensure your assets go to the people you wish - if you don't have a Will the law decides who gets what (unmarried partners do not automatically inherit each other's assets unless specified in a Will)

- ❑ To specify who would be appointed guardians of your children if you died
- ❑ To specify your funeral wishes
- ❑ To set up trusts for family members
- ❑ To avoid disagreement over your estate by clearly specifying your wishes
- ❑ To avoid your assets going to the Crown if you have no family
- ❑ To minimise Inheritance Tax liability

# What happens if I die and haven't made a Will?

You are said to have died intestate. Without a Will a set of statutory rules are imposed which leave your estate to your next of kin in a fixed order. For example, a spouse and children would share an estate exclusively if they survived you but the spouse would only be entitled to a fixed statutory legacy and the remainder would be left in two trust funds partly for the benefit of the spouse and partly for the benefit of the children.

These fixed statutory rules do not provide for an unmarried partner, friends or charities you may have supported. In fact if you have no next of kin and do not leave a Will, then the whole of your estate will go to the Crown.





## What are executors and what do they do?

When you prepare a Will you appoint a person or people (up to 4) to deal with your estate in accordance with the terms of your Will, who are called Executors. They have to ascertain the value of your assets as well as any debts you may leave, and distribute your money as stated in the Will after settling your debts and paying any taxes which may be due. It can be a family member, a firm of solicitors or anyone you feel would be suitable to carry out your wishes. Being an executor is an important job and your solicitor can give you advice if you wish on who may be suitable. An executor can also be a beneficiary of your Will.

# When should I update my Will?

We recommend that you update your Will whenever your circumstances change. This can include changes in your personal or financial circumstances.

Listed below are a few examples of changes which could significantly affect your existing Will:

- Marriage
- Separation
- Divorce
- Disposal of assets mentioned in your Will
- Inheritance of new assets
- Financial changes which could affect your Inheritance Tax liability, such as increases in the value of property or shares



# What is a Trust?

A trust is a legal arrangement whereby the legal owners of property (the trustees) hold that property for the benefit of specified individuals (the beneficiaries).

Trusts can be used by you to give away your property, money and shares in a controlled way to your beneficiaries. They can be set up during your lifetime or in a Will which comes into effect on your death. The assets are controlled by the trustees who have an obligation to manage the assets for the benefit of the beneficiaries.

Trusts have a number of uses including:

- ❑ Leaving assets to young children until they reach a specified age.
- ❑ Second marriages - where someone has remarried but has children from a first marriage. When the first partner dies (the testator) the surviving spouse receives a 'life interest' in the marital home, meaning that he or she can live in it rent free until they die or re-marry. On the surviving spouse's death the house passes to the testator's children by their first marriage and so protects their inheritance.
- ❑ Minimising Inheritance Tax liability.

# Can I reduce my Inheritance Tax liability?

The threshold for Inheritance Tax is called the 'nil rate band'. If the value of your estate is over this amount it will be liable for Inheritance Tax.

Recent increases in house prices have brought many more people into the trap of potential Inheritance Tax payers, but there are strategies available which can help to minimise your tax liability.

Married couples have an exemption from Inheritance Tax for transfers of assets between themselves. Each partner however, qualifies for their own nil rate band and the key to reducing Inheritance Tax liability is the use of both of these thresholds - meaning that it is in many cases possible to avoid paying Inheritance Tax completely.

In practice this may require a special type of Will to be drawn up. This is however a relatively inexpensive process and is very cost effective in the long term.

Graysons offers a Will writing service for married couples which can reduce the amount of Inheritance Tax payable by amounts which may exceed £110,000. Simply by taking expert advice and having the right sort of Will drawn up you could save your beneficiaries a fortune in taxes.

# What is Probate?

Probate is the term applied to the process of winding up the estate of somebody who has died. A person or people (up to four) are responsible for ensuring that the deceased's assets and liabilities are dealt with in accordance with the Will, or if there isn't a Will in accordance with the rules of intestacy. If there is a Will they are known as executors and if there is no Will they are called administrators; collectively they are known as personal representatives.

The personal representatives will need to obtain a 'Grant of Representation' from the Probate Registry. A Grant of Representation is a legal document which is proof that the person named in it is entitled to handle the deceased's estate. For example, the personal representative will be able to use the form to withdraw funds from bank accounts.

**There are three main types of Grant of Representation.**

- **Probate** - Issued to one or more executors named in the deceased's Will
- **Letters of Administration (with Will)** - Issued when there is a Will but there is no executor named or when the executors are unable or unwilling to apply for the grant.
- **Letters of Administration** - Issued when the deceased has not made a Will, or any Will made is not valid.

Graysons can help with obtaining a Grant of Representation as well as dealing with the estate of the deceased.

# Do I always need to apply for Probate?

In some cases a Grant of Representation is not needed, this is usually when the person who died left very little. You do not normally need to obtain a Grant when:

- Everything they owned was held in joint names with someone to whom the deceased's share passes automatically (normally a husband or wife)
- Any bank or building society accounts that the person had contain less than £5000 (though banks and building societies do have the right to insist on a Grant)

You will normally need to apply for a Grant if:

- Any bank or building society accounts contain more than £5000
- Any stocks or shares were owned
- Any property was owned (unless it was owned as a joint tenancy and so passes automatically to the other owner)

# What is involved in administering a deceased person's estate?

The administration of an estate can be a time consuming and often complex process, and depending on the record keeping of the deceased and the complexity of their estate, may involve a considerable amount of work.

**A brief summary of what is involved includes:**

- **Ascertain the value of the deceased's estate**  
This involves finding the value of the person's assets at the time of death. Some assets may pass automatically to others on death - for example a house which is owned as beneficial joint tenants.

The deceased's liabilities also have to be settled out of the estate. These can include loans and mortgages as well as Income and Inheritance Tax.

- **Obtain authority from the Probate Registry to administer the estate**

- **Establish entitlement of beneficiaries** These will be set out in the Will or if no Will was left the government has a statutory list of entitlement under its intestacy laws.

- **Distribute the balance of the estate**

Graysons can help by carrying out the administration of an estate for you with the legal costs paid out of the estate of the deceased.

## Pick up our other informative brochures

- Personal Injury Claims
- Industrial Disease Compensation
- Wills, Estates and Trusts
- Elderly Client Services
- Conveyancing
- Medical Negligence Claims
- Child Care
- Separation and Divorce

**Contacting us is easy** If you would like more information on any of the areas we cover we have a range of brochures available to help you.

**Phone** us or return one of our pre-paid cards to receive more information.

**Or** go online to download our full range of brochures and information sheets.

**Or** phone or email us to request an appointment.

Telephone **0114 272 9184**

or **[www.graysons.co.uk](http://www.graysons.co.uk)**

## Sheffield

4-12 Paradise Square,  
Sheffield S1 1TB  
telephone 0114 272 9184  
facsimile 0114 276 3814

## Chesterfield

100 Saltergate,  
Chesterfield S40 1LG  
telephone 01246 229 393  
facsimile 01246 229 494

[www.graysons.co.uk](http://www.graysons.co.uk)