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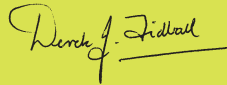
Where there's a **Will**
there's a way...

Alltogether we are the Evangelical Alliance

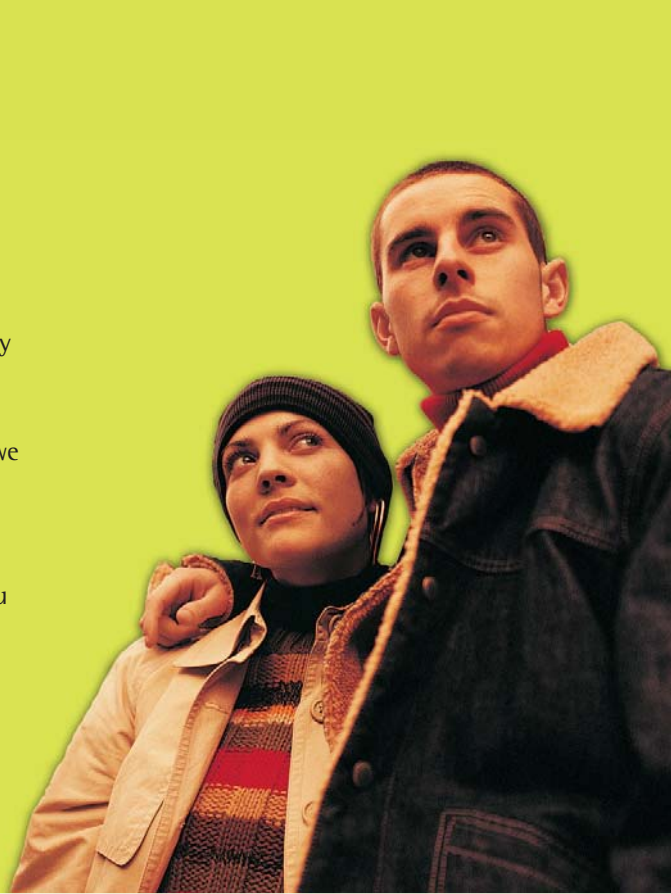
Introduction

I am delighted to commend to you this new pack, prepared by the Evangelical Alliance, to help you to prepare a new Will, revise your existing Will or prepare a codicil. A Will is an important but sensitive document. However, it is a task that we too readily think we can leave to a later day.

May I encourage you to take action today: to read it prayerfully and thoughtfully and to use it as a resource as you make plans for your own estate. In doing so you will be making wise and responsible provision for the people and charities that are close to your heart.



Derek Tidball
Chair of Council, Evangelical Alliance



Contents

What is a Will?	1	What is Inheritance Tax and when is it payable?	6
Why is it important for Christians to make a Will?	1	When should a Will be revised?	6
When to make a Will	2	How to update or change a Will	7
Who should make a Will?	2	What now?	7
How to allocate the contents of your Will	2	Glossary of Terms	8
How to go about making a Will	4	Related reading	9

What is a Will?

A Will is a written, legal record of how you wish your property and finances to be handled after your death. The absence of such a document, which means you die intestate (without leaving a Will) could mean your wishes after death are in danger of being unfulfilled: the beneficiaries may not be the people that you would have chosen.

Why is it important for Christians to make a Will?

For Christians, there are other important reasons for making a Will.

The Bible makes it clear that God's people should pass their inheritance on to their children or next of kin. The apostle Paul said: *"If anyone does not provide for his relatives, and especially for his immediate family, he has denied the faith and is worse than an unbeliever."* (1 Timothy 5:8)

Making a Will legally protects your property after your death and ensures that your dependants, such as your spouse and children, will be provided for. A Will can also be viewed as a final act of thanksgiving to God and a way of making a difference through a significant gesture of generosity: *"But just as you excel in everything - in faith, in speech, in knowledge, in complete earnestness and in your love for us - see that you also excel in this grace of giving."* (2 Corinthians 8:7) By giving to your church or to your favourite ministry or charity, you know you are providing a gift of hope that can have positive repercussions long after your death.

So, making a Will fulfils the calling on Christians to be responsible stewards. As well as being a powerful declaration of the beliefs and values we hold dear as Christians, it is a way of acknowledging that all we have been given comes from God (1 Chronicles 29:14) and as such should be used as a testimony to his goodness.

‘Making a Will legally protects your property after your death and ensures that your dependants, such as your spouse and children, will be provided for.’



the importance of a Will





When to make a Will

Now is the time to do it. A Will brings peace of mind and reassures you and your family that they will be spared both anxiety and financial worry at a traumatic time.

If you have no family, it is still important to make a Will now, as it means the government will not be the sole beneficiary of your estate. It will also ensure that friends and good causes are remembered.

Who should make a Will?

Anyone who is 18 or over can make a Will provided they are of sound mind.

How to allocate the contents of a Will

There are several ways of leaving money or gifts in your Will.

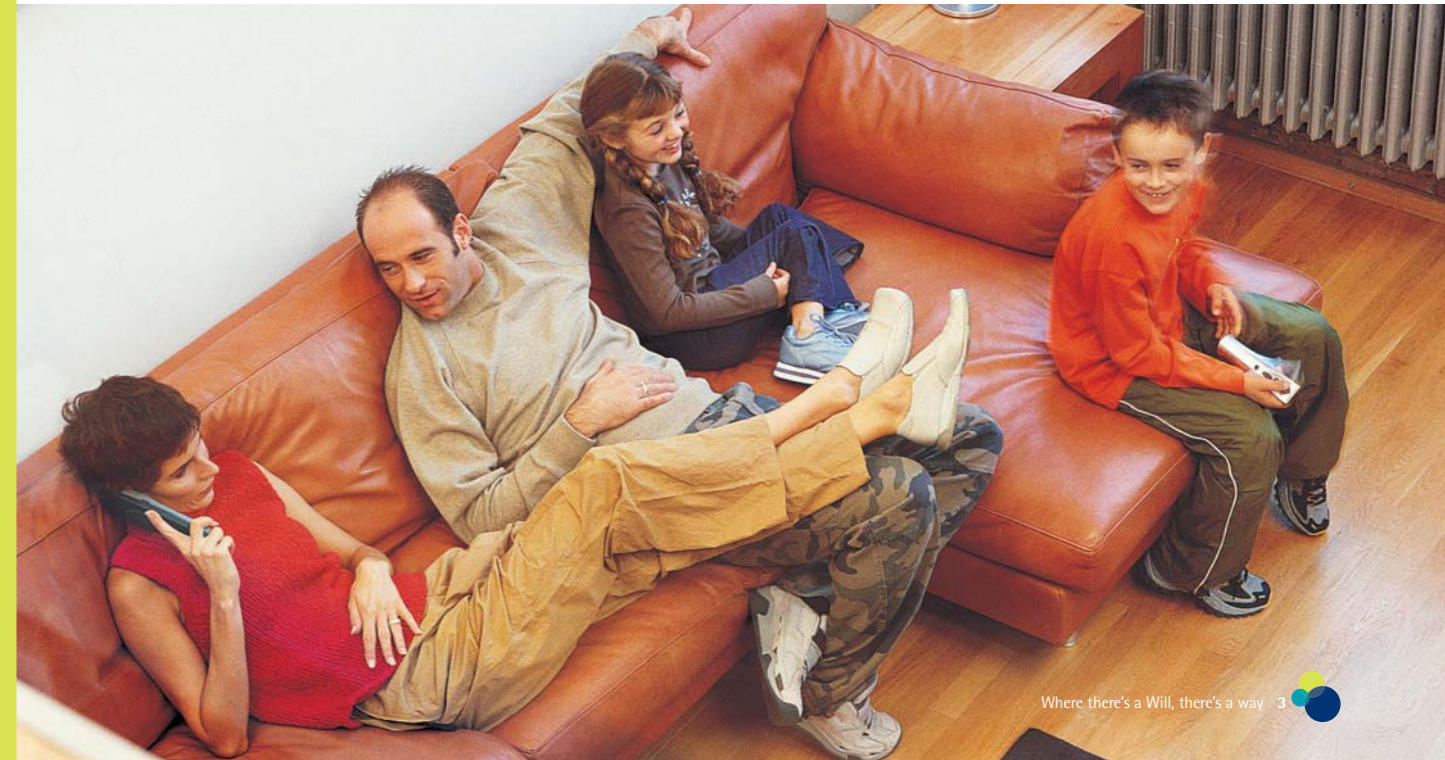
Three options are outlined below:

- **Pecuniary legacy** - This type of gift is a fixed amount of money. However, some people avoid making this form of bequest because inflation gradually reduces the value of the gift and means that the Will may need regular updating.
- **Specific legacy** - This is a gift of a particular item of property owned by you. You should make sure that it is clearly identified in your Will.
- **Residuary legacy** - This is a gift given from the residue (or remainder) of your property. The residue is all your property after all other specific and pecuniary legacies have been paid, together with debts, liabilities and tax.

It wouldn't happen to me

Adam Fraser was a generous man. He worked hard, supported his wife and three children, gave generously to his church, to charity and to friends in need. He died suddenly in a car crash, with no Will. Therefore distributing his estate was not a straightforward affair. Now his wife and children are unclear what their financial future will be, a problem they could do without as they deal with their grief. His church is dependent on his regular giving for a new programme they have recently started. A charity he supported may have to rethink a special project that he had provisionally agreed to fund. The things he most believed in: providing for his family and furthering the work of the Kingdom, through careful and responsible stewardship of the money he felt God had entrusted him with, are now in jeopardy. All because he put off thinking about something that was an uncomfortable subject for him, his death.

Sadly, Adam's story is not unusual. Many people in the United Kingdom, including many Christians, do not have a Will when they die.





How to go about making a Will

Legal expertise is essential to ensure that your Will is watertight, free from ambiguities and is regarded as an authoritative and definitive document. It is not an expensive exercise and a solicitor should give you a quote on the likely cost before work begins.

Before briefing a solicitor there are several decisions you can make to save yourself both time and money:

- You will need to appoint one or more executors who can administer your estate after your death. Their full names and addresses should be supplied to your solicitor for inclusion in the Will. Sometimes it is pertinent to appoint more than one executor. You can opt for a solicitor to act as an executor and to be paid for doing so out of the proceeds of the estate.
- It is important to work out the likely value of your estate by making a list of the things you own (such as house, car, valuables and savings) with an estimate of their value. This should then be offset against your liabilities (such as mortgage, loans and credit cards). A form to help you

do this is included in the flap at the back of this pack.

- Any significant gifts of property or money that you have made during the last seven years will need to be recorded for inheritance tax purposes. The current basic inheritance tax allowance on gifts is only £3,000 per annum (tax year 2006/07).
- The division of your estate should be thought through carefully and could be done in consultation with a family member or close friend. The full names and addresses of individuals or charities you wish to include in your Will need to be provided.

A solicitor will initially prepare a draft of the Will and ask you to check that it reflects your wishes. When the content has been agreed, a final version is produced.

To ensure it is valid and recognised, your Will must be properly signed and dated. This should be done in front of two witnesses who must not be beneficiaries, executors or their spouses. The witnesses must then sign it in front of you and each other. No one should leave until the procedure has been completed.

Your solicitor should retain the original Will and you should hold a copy for reference purposes. Your executor(s)

should know where the original is located.

If you do not have a solicitor, there are plenty of law firms listed in the Yellow Pages or local telephone book. Alternatively, a friend may recommend one to you.

Should you wish to use a Christian solicitor, refer to the Association of Christian Law Firms website www.aclf.org.uk



Getting it sorted

Esther Thompson knew she ought to make a Will. It was playing on her mind. She set aside some time to think about it, having read the helpful material from Evangelical Alliance.

It was quite alarming to realise how much she was worth: house, savings and family jewellery. She might need to talk to the solicitor about inheritance tax planning. However, she planned to include some charitable gifts, which might bring her below the threshold.

Deciding who should benefit from her estate was key. At 58 this might not be her final Will so she considered her wishes if she should die unexpectedly. She didn't have any dependants but wanted her three nieces to receive something, as well as her brother Charles. None of them was in financial need, but the jewellery could be passed on to her nieces. She was close to her god-daughter Elizabeth, who did not own property: she would leave her a significant sum. Esther wanted to include a legacy to her church. She also supported her friends Bill and Sally who were working for a mission agency, that was added to her list. Lastly she'd include an amount for another charity, that she had supported for many years.

Who could she appoint as executor? Perhaps her brother Charles and her god-daughter Elizabeth. Both were well organised, business minded people. She had already decided that they would be beneficiaries. She must ask their permission.

She had contact with a local solicitor when she'd moved flat. She gave him a call and made an appointment for the following week. Two weeks later a draft Will arrived in the post. Esther checked it through. All seemed to fit in with her wishes, so she took it into work and asked two colleagues to act as witnesses. She kept a copy and returned the original to her solicitor. It was good to know that the task was accomplished.



What is Inheritance Tax and when is it payable?

Inheritance Tax is a tax that may be levied on your estate when you die. For example, in the tax year 2006/2007, an estate that has a net value over £285,000 is liable to tax at 40 per cent on the amount above the threshold (subject to certain exemptions identified below). Estates with a total net value less than the threshold pay no inheritance tax. The starting point at which this tax is levied and the percentage of tax payable is usually reviewed each year in the Chancellor's Budget. A solicitor, accountant or financial advisor will be able to advise you on effective inheritance tax planning.

There are several ways to optimise your inheritance tax position. These include:

- Gifts made to a spouse are free of tax.
- Gifts to charity are tax-free and are deducted from your estate before the tax bill is calculated. If this brings your estate below the tax threshold, the money you would have paid in tax will go instead to the charity.
- Gifts made seven or more years before death are also tax-free.
- Gifts made within seven years of death must be added to the total value of your estate and may thus become subject to inheritance tax.

When should a Will be revised?

Key events may necessitate a review of your Will and an update. These include:

- At the birth of a child or grandchild (*parents are strongly advised to appoint a guardian*)
- On marriage
- When a spouse dies
- When other beneficiaries die
- On inheriting a significant amount of money
- If you wish to include a new person, organisation or good cause
- If you simply change your mind and wish to amend your Will accordingly
- On retirement
- After the purchase of property
- At landmark anniversaries



Note: It's important to remember that a Will is automatically cancelled by marriage, which includes remarriage after divorce. Following divorce a former spouse automatically loses their entitlement within a Will.

How to update or change a Will

It is highly likely that you will want to make changes to your Will from time to time.

You can make minor changes and updates by way of a codicil, which is witnessed and signed in the same way as a Will, and supplements the terms of an existing Will either by adding, amending or revoking part of it. A codicil must be executed in exactly the same way as a Will. This means that as well as including the amendments to your Will, a codicil must confirm all the other contents, and it must also be signed in exactly the same way as a Will; otherwise, it is invalid. It is, therefore, wise to involve a solicitor when adding a codicil to your Will.

What now?

You have started the task by reading this booklet. Can we now encourage you to take it a step further? Firstly by praying and thinking through the appropriate contents of your Will as outlined in the section *How to go about making a Will* and secondly by visiting a solicitor to put the matter in hand. May you know God's peace and blessing as you undertake this important and responsible activity.

Glossary of Terms

The legal jargon can sometimes be daunting. The following is a list of some of the most commonly used terms in the Will-making process.

Administrator - If you fail to leave a Will, the administrator is the person who distributes your estate, pays off debts and liabilities, deals with the probate registry and, if necessary, HM Revenue and Customs and other interested organisations. The process of sorting out your affairs is called 'administration'.

Beneficiary - A person or organisation that benefits from your Will.

Bequest - A gift included in your Will (also known as a 'legacy').

Codicil - A testamentary document which is signed in the same way as a Will. A codicil supplements the terms of an existing Will, either by adding to it, amending it or revoking part of it.

Estate - The total of everything you own at the time of your death. Your 'net estate' is the figure after all your debts and liabilities have been deducted.

Executor(s) - The person(s) you appoint in your Will to administer your property and to ensure that the wishes stated in your Will are carried out. Being an executor does not prevent a person benefiting from the Will.

Inheritance tax - This is a tax which may be payable on the value of your property in your estate when you die and also on the value of gifts you have made during your lifetime (although there are exemptions and allowances). This tax was formerly known as 'death duties' or 'capital transfer tax'. If you want to leave money to charity when you die, a Will is essential - and might save you tax!

Intestate - A person is said to have 'died intestate' if they have died and have made no Will at all, made an invalid Will, revoked any Will they

have made or made a Will which does not dispose of any property. Their estate is distributed in accordance with 'intestacy rules'. These rules dictate who are the administrators and beneficiaries, and how much they each get.

Legacy - A gift included in your Will (also known as a 'bequest').

Pecuniary legacy (or bequest) - A fixed sum of money left in a Will.

Probate (grant of probate) - A court order which establishes whether or not your Will is legally valid. It also establishes the authority of your executors to distribute and administer your estate.

Residuary legacy (or bequest) - A gift of all or part of the remainder (or 'residue') of your estate once all debts, liabilities, pecuniary legacies and specific gifts have been settled.

Residue - The amount of money left in your estate after all debts, tax, costs and legacies have been accounted for.

Specific legacy (or bequest) - A specific piece of property given in your Will (such as a car, piano or jewellery, but not money).

Testament - Another name for Will.

Testator - The person who makes the Will.

Will - A testamentary document naming the people who will deal with your property and affairs after your death, and setting out how your property and finances should be distributed.

Witness - An independent person (not a beneficiary or executor or the spouse of either) who watches you sign your Will and then signs it in your presence. You must have two witnesses to your Will for it to be valid. (Note: different rules apply in Scotland.)

Related Reading

Cash Values by Tony Payne (St Matthias Press)
ISBN: 1875245251

The Gift of Giving by RT Kendall (Hodder & Stoughton)
ISBN: 0340863315

What Does Love Require?
by Redina Kolaneci (Macedonian Trust)

Your Money Counts
by Howard Dayton (Tyndale House Publishers)
ISBN: 0842385924

This pack is based on the law relating to wills and probate in England and Wales in 2006 but may subsequently change. The Evangelical Alliance can accept no liability for any reliance placed on the contents of this leaflet and advice should always be taken from a solicitor.

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Five steps to making your Will

- 1 Read booklet
- 2 Prayerfully consider your plans
- 3 Practical preparation
- 4 Brief solicitor
- 5 Check and sign Will

