

# A guide to Legacies

*Legacies are a very generous and helpful way of saying "Thank You".*

*For the retired, those living on a fixed income, or those with growing families, giving in your lifetime can be difficult, so leaving a legacy in your Will is a very attractive alternative.*

*In practical terms there are additional advantages as, on death, no tax is payable on the legacy.*

*We would be grateful if you would consider making a donation to our church in this way.*



**THE SURREY  
WEALD TEAM**

The Churches serving Beare Green, Capel, Newdigate & The Holmwood

A legacy can be made in 3 principal ways:

## Pecuniary Legacy

allows the Giver to bequeath a specific amount in their Will

## Specific Legacy

allows the Giver to bequeath specific items such as shares or works of art in their Will

## Residual Legacy

involves the Giver leaving all, or part, of their Estate to the Church after liabilities.

There are other ways of making legacies, but these are more complex and would need to be drawn up by your solicitor.

† Calculations are based on tax rates and allowances for 2007/2008, but the principle will remain the same even if threshold amounts change in future Budgets (the threshold level is due to rise to £312,000 in tax year 2008 / 2009, £325,000 in tax year 2009 / 2010 and £350,000 in tax year 2010 / 2011).

In 2007 / 2008 Inheritance Tax (IHT) is payable on estates where the net value of assets, after liabilities, exceeds £300,000.†

The rate of tax is currently 40%.†

Legacies to charities however count as a liability, so if the net value of the estate exceeds £300,000 a tax saving is made. As the Church is a charity, all legacies would be deducted from the amount of your estate chargeable to IHT.

If you would like to set up a Legacy to our Church, simply complete the enclosed Codicil Form and PLACE IT with your Will. DO NOT staple or clip to your Will, as any marks may delay probate. You do not need to prepare a new Will but, to avoid any problems after your death, it is worthwhile advising your next of kin of your decision.

Example †

### Without legacy

|  |           |
|--|-----------|
| Net value of the estate                        | £ 320,000 |
| IHT: 40% of £20,000<br>(balance over £300,000) | £ 8,000   |
| Balance for beneficiaries<br>of the estate     | £ 312,000 |

### With legacy

|  |           |
|--|-----------|
| Value of the estate                            | £ 320,000 |
| Legacy to Church                               | £ 10,000  |
| IHT: 40% of £10,000<br>(balance over £300,000) | £ 4,000   |
| Balance for beneficiaries<br>of the estate     | £ 306,000 |

From this example it can be seen that whilst the cost of the legacy, to the estate, would be a net amount of £6,000, the Church would benefit by £10,000

## Further Assistance

For further information about how to bequeath a legacy to the Church, or to arrange a confidential discussion, please contact the Treasurer, Planned Giving Secretary or the Minister.