

## Talis Wills and Estates Glossary of Terms- and basic information

Writing a Will is an important moment in your life and understanding the different legal terms used can make it an easier and a more understandable process.

### Without a will: You will be Intestate:

#### Intestacy/Dying Intestate

This means you die without having a valid Will in place.

The law states where your Estate will be distributed, usually to close relatives. This may not be what you wanted.

If you are unmarried but have a partner, Intestacy laws will not consider them, so they would not receive an inheritance, no matter how long you have been together or what you 'said' you wanted to happen. If you have children, they will inherit the lot.

#### Will

A Will is a legal document that details what you would like to happen to your property, assets, and dependants after you die. It can also contain your wishes for your funeral. It must be completed correctly to make sure it is valid.

A new will usually overtakes a previously written will, which should be destroyed.

Marrying after writing a will invalidates that will, unless it specifies that it is being written 'in anticipation of a marriage'. You need to write a new one.

### Some terms you might meet when writing your will

#### Estate

Your Estate is everything that you own at the time of your death – worldwide. This will usually be subject to Inheritance Tax in the UK. We have double taxation treaties with most countries so the estate will not suffer tax twice. It can be complicated.

#### Residuary Estate

What is left after all your debts, funeral expenses and the cost of winding up your Estate have been taken into account.

#### Probate

The grant of probate confirms the authority of the executor to administer the estate of the person who has died. This is granted by HMRC after all the forms have been completed and the taxes paid. The will has no legal effect until it has been 'probated'.

#### Legacy

A Legacy is a gift detailed in your Will. So, you can leave a Legacy of cash or shares for example.

#### Bequest

A bequest (or bequeathing) is the act of leaving something in a Will, so you can bequest a legacy to someone.

#### Chattels

An item of property or goods apart from real estate, such as personal possessions, jewellery or works of art.

#### Devise

A Devise is a gift of immovable property, such as a house or a flat.

## Testamentary Expenses

These are the legal costs that are incurred in winding up your estate.

### People Involved in the will or following your death

#### Testator (m) / Testatrix (f)

The person who has made the will or given /created a legacy

#### Executor

An Executor is a person or group of people who are responsible for collecting your assets, submitting the probate forms to HMRC, paying any taxes from your estate, obtaining the grant of probate so that they can then distribute your estate in accordance with your Will.

#### Beneficiary

A Beneficiary is someone who benefits from your Will or who could benefit from assets within a trust.

#### Guardian

A Guardian is a person whom you appoint in your Will to take over parental rights for any children aged under 18 in the event of your death.

#### Trust

A trust is an arrangement where a person (the Trustee) holds legal ownership of money or property for the benefit of another person.

For instance; for children who may not be financially responsible enough to manage a large inheritance or people with impaired mental capacity.

#### Trustee

The person or company who is responsible for managing the assets within the trust on behalf of the beneficiaries. A trustee does not own any of the assets unless also named as a beneficiary.

### Notes on Tax terms

#### Inheritance Tax

Tax levied on your estate following your death. Currently at 40% over the Nil rate band [0%] of £325,000

#### Nil Rate Band [NRB]

The first £325,000 of your estate is not subject to IHT – it has a zero rate tax applied.

If a spouse/civil partner doesn't use all their nil rate band at death, the unused percentage of the NRB can be transferred to the other partner to use at their death.

#### Residential nil Rate Band [RNRB]

If you own your home and leave it directly to your children [including adopted, foster or stepchildren], there is an extra nil rate allowance of £175,000.

#### Inheritance tax Reliefs.

There are a number of IHT reliefs; including

- Gifts to spouse are 100% exempt
- Gifts to Charities
- Gifts of £3,000 pa
- Small gifts of less than £250
- Regular gifts from income
- Agricultural Property