

Lamont
Pridmore

ASSET & WEALTH MANAGEMENT

A guide to Preparing a will

Introduction

If you want to control what happens to your estate after you die, it's vital to have an up-to-date will in place.

Where one isn't present, your assets will be divided according to the intestacy rules, which could mean that some of your loved ones are left without the financial support they need.

If you're planning to write a will, you can choose whether to do it yourself or seek help from a professional.

The right option for you will depend on how complex your affairs are, and how much assistance you'd like.

However, it is important to remember that the way in which a will is prepared could have a significant effect on the wealth passed on to the next generation, so it is strongly advised that you seek professional assistance.

Our guide, while providing useful insights, is not comprehensive and it is advised that you seek additional support when preparing a will.

What to include in a will

Deciding what to leave and to who may seem like a decision driven by your own personal desires, but by carefully drafting a will it may be possible to pass more on to the next generation.

Wills are typically made up of:

Bequests

Typically made up of a person's possessions, including property and treasured items.

Cash legacies

These are usually fixed sums left to named individuals.

Residue

After all the debts, tax and fees have been paid, this amount can be left to one person or it can be shared out among several individuals.

Property

If you share ownership of a property with a spouse or partner, your worth is half its market value, less your share of the mortgage. Property is typically held in two ways:

Joint tenancy

Your half of the property will pass to the surviving joint tenant automatically.

Tenancy in common

You can leave your share of a property to someone else in your will, who will then become a tenant in common with the other owner of your property.

Depending on your circumstances each model may have its advantages and disadvantages, so this arrangement is typically left up to personal preference.

However, in the latter case, it is important that the person drafting the will clearly identifies which beneficiary will gain your share of a property.

Children as the beneficiaries

If you have children under the age of 18 it is important that you clearly define who their new legal guardian will be if both parents pass away. It is important that you also stipulate where the money will come from to look after them.

If children inherit money and/or property, it is held in trust until they are 18 (or until they get married, if earlier).

If you don't specify how the trust should be managed, it will be dealt with according to the 'trustee laws', which allow the executors to deal with the fund.

Appointing an executor

Executors are responsible for carrying out a person's wishes in accordance with their will, so it is important that it is a trusted individual.

It is recommended that a will includes more than one executor, or an executor and a substitute, to ensure the estate is dealt with properly.

An executor could be a relative, friend, or trusted professional adviser, whether they are a beneficiary or not. In most cases, individuals will select a family member or trusted professional to administer the estate. However, if they struggle with the process they can commission probate services to assist them.

Who should write a will?

Most people typically turn to their solicitor to prepare the document and make sure everything is in order.

However, since changes to the law, it is now possible for other regulated professional advisers, such as accountants, to offer will writing and probate services.

It is worth considering professional advice if any of the following applies:

- Your estate will have to pay inheritance tax;
- Your family's circumstances are complicated – perhaps due to former marriages or children from a previous marriage;
- You have a family member, or friend, with special needs, that you'd like to be sure is protected after you've gone; or;
- You have assets that could be subject to complex rules, such as overseas property.

The advantage of seeking advice from a professional includes:

- They will usually store your will for free;
- Professionals are qualified and regulated, so you or your dependents will be able to seek compensation if problems arise with the will; and
- They can provide advice on reducing inheritance tax liabilities and the creation of trusts.

If you have self-written a will it is also possible for this to

be reviewed by a professional to make sure everything is in order. There will usually be a fee for this.

Some banks may also offer a will-writing service, but you might later find that you are required to pay significantly more when they administer the estate.

It's particularly important to look for clauses that give the will-writing company the right to administer your estate, and charge fees for doing so.

Even with relatively straightforward estates, you might be charged a high percentage of the estate to act as sole or joint executor.

What costs are involved in drafting a will?

Simple wills start from about £150 and go up to several hundred pounds.

If you and a spouse or partner want substantively the same wills, known as mirror wills, the costs can often be reduced if you have them written at the same time, but these can carry risks in more complex cases or where a person remarries after the death of a first spouse.

Where should I store my will?

Once you have made a will, you have to decide where to store it. The original signed and witnessed will must be produced when you die, otherwise, your assets are treated as if you died intestate. Be sure to tell your executors where your will is stored.

The rules of intestacy

If you die without a leaving a valid will, your estate must be shared out according the rules of intestacy. If your will is not legally valid, the rules of intestacy will decide how the estate is shared out with no regard to the wishes expressed in that will.

Only married or civil partners at the time of death can inherit under the rules of intestacy. The rules do not apply to cohabiting partners.

If you die and leave a partner and surviving children, grandchildren or great grandchildren, your married or civil partner will inherit all your personal belongings and the first £250,000 of your estate, and half of the remaining estate.

If there are no surviving children, grandchildren or great-grandchildren, your married or civil partner will inherit your whole estate and personal belongings upon the date of your death.

If you die without a surviving married or civil partner, and without leaving a will, your children (including adopted children) will inherit the whole estate, and it will be divided equally between two or more children.

If you die and leave a surviving married or civil partner, a child only inherits one half of the value of the estate above £250,000, and this is divided equally between two or more children.

Deed of Variation

Should circumstances have changed between the writing of a will and the date of your death, it is possible to change the provisions of the will as long as any beneficiaries of the current will agree, in particular those who will be worse off as a result. Any changes must be completed within two years of the death by a Deed of Variation.

How Lamont Pridmore can help

At Lamont Pridmore, we appreciate that preparing a will can be a difficult process and requires careful consideration.

Thanks to our expertise in a wide range of matters we are able to help individuals to draft a will in such a way that it not only reflects a person's wishes but also ensures that beneficiaries gain the most from the estate.

Our inheritance tax, wills and estate planning service ensures that you decide how your affairs will be managed and that family and friends will be adequately provided for in the future.

We'll also use our expertise and experience to ensure that you and your family enjoy a financially secure lifestyle in your later years, including advising on a Life Wealth Plan.

Our services include:

- Inheritance tax planning
- Lifetime gifts, including transferring assets
- Planning for long-term care
- Trusts and wills
- Powers of attorney
- Deeds of variation
- Supporting Executors and Trustees in applying for Probate

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