

will writing

Will Writing Guide

This Guide explains:

- why making a will is so important and what happens if you don't have one
- the types of will you can make and the differences between them - including why it might be appropriate to consider to establish a trust
- how inheritance tax planning can help you reduce your estate's tax liability on your death
- the role of executors and estate and trust administration
- how our service works

Our service is offered through our wholly owned subsidiary Skipton Trustees Limited (STL) who work with other members of the Skipton Building Society Group for the specialist areas of:

- Will Writing Service –administered by Redstone Wills Limited
- Estate and Trust Administration Service – administered by Pearson Jones Plc
- Financial Planning – provided by Skipton Financial Services Limited

Many people die without making a will, which can cause real problems for loved ones because the deceased's true wishes are never known. If you die without a will, you are deemed to have died 'intestate' and the law – rather than you – decides who inherits your estate.

If you leave a will, you can:

- decide how much money is left to each of your family members
- specify who will become the guardians of your children
- pass your estate to an unmarried partner
- choose who you want to be the executor of your will
- leave something to charity
- give a memento, like a piece of jewellery, to a treasured friend

A Will is important if:

1. You are married

Many married people believe that on their death, all their assets will automatically pass to their spouse. In fact, depending on the size of the estate, if there are children the spouse may only inherit personal items and the first £250,000. The rest of the estate may not pass to their spouse, children or other relatives as you might expect.

2. You have a civil partnership

A registered civil partnership between same sex couples is similar to a marriage and usual intestacy rules apply. Therefore it is very important that couples in a civil partnership write a will.

3. You live with a partner

Contrary to popular belief, an unmarried partner or non-civil partner has no automatic right of inheritance at all. A will is the only way to make sure your partner is left what you want them to receive.

4. You have children

A will allows you to say who you wish to be the guardians of your children - otherwise the Courts decide.

5. You are single

If you don't have a will, your family or dependents may need to challenge the intestacy rules, which may cost them a considerable amount of money in solicitor's fees to obtain the possessions you want them to inherit.

Your will options in detail

There are a range of different wills and other legal arrangements, from a single will for a single person leaving their estate to a family member, to more intricate wills designed to protect assets or minimise tax liabilities – we can recommend the right solution for you as part of our service. The following wills can be arranged quickly and easily, with the minimum of fuss.

Single Will

Suitable for single people, this will allows you to ensure that the right people receive the things you want to leave them. It has no inheritance tax benefits, unless you plan to leave your estate to charity.

Mirror Will

Ideal for married couples or registered civil partners who wish to leave all their assets to each other.

The effect of the legislation is that it enables any unused inheritance tax nil rate band available on the death of the first spouse or civil partner to be claimed by the survivor's executors on the second death, regardless of the date on which the first spouse or civil partner died.

Discretionary Will Trusts

Whilst discretionary will trusts may no longer be required for inheritance tax savings, there are still many other advantages to having wills drawn up this way, which are:

- Unmarried or cohabiting couples can transfer assets up to the value of the nil rate band into trust on first death, thereby reducing the inheritance tax liability for the surviving party's estate.
- By not passing all your assets to your spouse on your death, you can potentially reduce the amount of future care costs that may be payable should your surviving spouse need to go into care.
- A trust can provide a layer of protection for your children following your death, ensuring that they benefit from your assets in the event of the surviving spouse re-marrying.
- Trustees choose who can benefit from the assets placed into a discretionary trust. Therefore if you want to ensure that your children cannot access these assets until they are old enough, a trust is a great way to maintain control.
- If, as a married couple, both of you die and your children's estates are over the nil rate band at the time, the existence of a trust provides your children with an opportunity to pass on the benefits to their children (ie your grandchildren). This reduces your children's inheritance tax liability on their estates and would be more difficult to do should your wills not be prepared to include trusts in the first instance.
- If the assets placed in the trust upon first death increase in value more quickly than the rate at which the inheritance tax threshold increases, then potentially more of an inheritance tax saving can be made by having the trust set up on the first death.

There are no guarantees that the inheritance tax situation will not change again. If you include discretionary trusts in your will, upon your death, the trustees can decide whether it is beneficial to create the trust or not. Should they not be included within your will, it will be difficult for your beneficiaries to create a trust at this stage.

Once you have established that a discretionary trust is appropriate, there are no disadvantages in making your will. If it is clear that the trusts are no longer required to save inheritance tax, following the death of the first spouse then the trustees have the power to terminate the trust by exercising their discretion to give the nil rate band assets to the surviving spouse. You therefore need to choose trustees who have the technical knowledge and ability to do this.

Who should you choose as Trustee?

We would always recommend that you choose a professional trustee. Skipton Trustees Limited provide a professional and impartial service. They have the technical knowledge and expertise in the management and administration of trusts. You also have the reassurance of knowing that as part of the Skipton Building Society Group, you are dealing with a name you can trust.

Things you need to consider:

Your Estate

You need to consider the current value of your assets and your spouse/partner/civil partner's assets, such as:

- main place of residence and any other property or land
- business and foreign assets
- building society and bank accounts
- investments (eg ISAs/PEPs, Investment Bonds, Unit Trusts), life assurance/insurance policies.

Who'll be your executor?

Executors are the people you choose to carry out your wishes after you die. It is important you choose people you can trust – who are able to deal with the responsibilities of administering an estate. Some of their duties include:

- obtaining details of all assets and debts
- preparing Probate papers
- calculating and paying inheritance tax to HM Revenue and Customs
- paying all debts
- arranging house sales and disposal of contents
- distributing the assets in line with the terms of the will

You can nominate Skipton Trustees Limited to be, either one of your executors, or your sole executor.

Not only do they have the technical knowledge and a professional unbiased approach, but they will also be able to relieve those you love of this great responsibility.

By choosing Skipton Trustees Limited as an executor, your beneficiaries will have the reassurance that the work carried out is at a fixed price, there are no hidden charges and it is not charged by the hour. Please see the Tariff of Charges for our current fees.

If you have been asked to administer an estate, Skipton Trustees Limited can also help you – visit your local Skipton Building Society branch or call 08457 171777*.

Storing your Will

It's important that your will is kept somewhere safe. As part of our Will Writing Service, we can arrange for your will to be stored in Skipton Building Society's fireproof storage facility free of charge. You will, of course, receive a copy for your reference, but you will have the comfort of knowing that the original is safe and secure.

You can access your will free of charge at any time should you wish to make amendments through our Will Writing Service. However, if your will is to be amended or stored by another firm or solicitor, a retrieval fee is payable (see Tariff of Charges).

Does your will need updating?

If your circumstances have changed you may need to update your will to reflect this. Remarriage and the dissolution of a civil partnership are just a few examples of events that may cause your will to be nullified. There may be other events, such as divorce which mean that you will want to change your will. Even if there has been no apparent change in your circumstances we would recommend a review of your will every five years in case of changes in tax rules or other legislations.

We can help you update an existing will if your circumstances have changed. Just visit your local Skipton branch or call 08457 171777*.

Reducing Inheritance Tax

As well as drawing up the right type of will for you, our Will Writing Service can also help with inheritance tax planning.

Not everyone pays inheritance tax. It is only due on your estate that is valued over the current inheritance tax threshold of £325,000 for a single person and £650,000 for married couples and civil partnerships. The tax is payable at 40% on the amount over this threshold.

Skipton Financial Services Limited (SFS) can help

We can help you through our wholly owned subsidiary, SFS, who offer financial advice on a range of financial products across the market place. Their advisers are on hand in every Skipton branch to advise on inheritance tax and find the best solutions to suit your individual needs. They can work alongside Skipton Trustees Limited as your will is being progressed.

Do your financial arrangements need reviewing?

When you consider your will and what your estate is worth, it may be a good time to review your wider financial situation.

The experts at SFS can provide no obligation advice on your investment portfolio. To make an appointment, visit your local Skipton branch or call them on 08457 171777*.

How long will it take?

We have developed an efficient and streamlined Will Writing Service and as long as all your details are completed on the relevant forms, most wills or other documents can be prepared within two weeks.

What to do next...

Visit your local Skipton branch to complete the Instruction Form(s)

If you have any queries regarding the Skipton Will Writing Service please call 08457 171777*.

Once we have received your completed forms Skipton Trustees Limited will call you to obtain any additional information that will help them gain a better understanding of your circumstances.



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* To help maintain service and quality, some telephone calls may be recorded and monitored.

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