**Do I really need a Will?**

Making a Will is a task which many people find daunting. Many people put off making a Will for a variety of reasons; either because they do not think it is relevant to them at their particular stage of life, because they do not feel that it is necessary, or because it may force them to confront difficult issues. However, it is one of the most important exercises we will ever undertake.

It is important to make a Will for the following reasons:

* it gives you the peace of mind to know that your assets will be distributed according to your wishes to beneficiaries you have chosen
* you can leave specific and often tax free gifts to your loved ones or a chosen charity
* your wishes are clear, giving certainty to your loved ones at a difficult time
* you can appoint trusted friends, family or solicitors to deal with your estate after your death by appointing executors
* if you have children you can ensure arrangements are made to look after them if either one or both parents die before they reach the age of 18 years by appointing guardians in the Will
* there may be opportunities to save Inheritance Tax on your death

Wills can be a very useful tool in Inheritance Tax planning, particularly for married couples, or couples who have registered a civil partnership. Careful tax planning can often help to avoid a large tax burden on death.

A trust can be incorporated into your Will which is very useful if you have disabled children or grandchildren, if you would like to delay decisions about the destination of your property, if you want to protect your beneficiaries from others or if you want to be sure that the assets remain within the family. A trust can be used to protect assets, and ensure that money is managed for the maximum benefit of the beneficiaries. A trust set up by Will does not take effect until your death and you can choose who will act as the trustees, to administer the trust.

**What will happen if I do not have a Will?**

If you die without making a Will, or if your Will is not valid, you will die intestate which means that the statutory intestacy rules will determine how your estate will be distributed. In this way, your estate may be distributed to individuals that you may not have wished to benefit and your administrators (the people responsible for administering your estate) may be people who you do not want to have control over your estate. In the worst case scenario, if you have no relatives entitled to benefit under the intestacy rules, your assets will be taken by the state.

It is important to bear in mind that only spouses or civil partners, and some close relatives can inherit under the intestacy rules. This can cause great problems for unmarried couples, for example, as partners are not automatically provided for under

these rules. Issues may also arise if you have re-married and have step-children as they will not be included.

The intestacy rules take no account of inheritance tax saving, so tax planning opportunities could be lost if you do not make a Will. A couple, who have each been married before, and widowed, have the possibility of passing down assets worth £1.3 million completely free of inheritance tax, if their Wills are drafted correctly.

In addition it is usually more expensive to administer an intestate estate. In some cases, for example, there might be considerable costs for researching potential beneficiaries if it is not clear who the beneficiaries are, or if they are difficult to trace.

**Who can make a Will?**

Anyone over the age of 18 who is of sound mind. It is possible for the court to make a Will on behalf of a person who doesn’t have the necessary mental capacity, but this is a complex, and expensive procedure.

**Updating your Will**

We offer to our clients who have written their Will with us, an annual review of their Will. As your circumstances change you may decide to change who your beneficiaries are under your Will or you may need tax advice if you acquire additional assets.

If you would like further advice about inheritance tax planning and Wills, please contact Knights Professional Services.

*Knights Professional Services provides the Free Legal Helpline for ICAEW Members (terms and conditions apply). If you would like more information about the helpline or other services Knights can provide ICAEW members please visit* [*http://www.icaew.com/en/membership/offers-discounts-and-services/business-offers-discounts-services/business-support/knights-professional-services*](http://www.icaew.com/en/membership/offers-discounts-and-services/business-offers-discounts-services/business-support/knights-professional-services)

*This information is provided by Knights Professional Services and a general guide only and does not constitute advice on any specific matter. We recommend that you seek substantial professional legal advice before taking action. No Liability can be accepted by ICAEW or Knights Professional Services for any action taken or not taken as a result of this information.*

*Copyright © 2016 Knights Professional Services, All rights reserved.*