

Leaving a Legacy

An obvious way to leave a legacy on your clients death is to create a will, this can direct their estate upon their death.

Not creating a will leaves an estate subject to the laws of intestacy and this could end up with your client's assets being directed in a manner that they may not wish to happen.

Remember that, even if your clients have lived with someone for 20 years, they are not automatically entitled to anything under the laws of intestacy. There must be marriage for that to happen

However, even leaving a will does not ensure that their wishes are fully met, in Scotland there are set rules for spouses and children to at least inherit something, so they cannot be written out of the will.

Even after all of this a will can be contested across the whole of the UK.

IHT rules and exemptions, also need to be known so that your clients know the tax position on death of what they leave, understanding nil rate bands, residence nil rate bands, inter spousal exemptions, gift allowances etc. is key.

Another way to get ahead of leaving a legacy is creating trusts during their lifetime, there are a variety of trusts that can be used and have varying degrees of access to money or an income stream for the settlor.

Lastly since the advent of pensions freedoms the ability to use a pension pot to provide benefits on death has changed the way we look at pensions.

But knowing what the scheme can offer on your client's death is key to knowing if this can be done, some schemes may only pay benefits to spouses or dependants, knowing this and making sure that your clients wishes can be achieved on your death is essential in this area.