

Make a point of leaving a Will

Guidance notes



in association with

irwinmitchell^(IM)
solicitors

Will writing

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Why everyone should make a point of leaving a Will

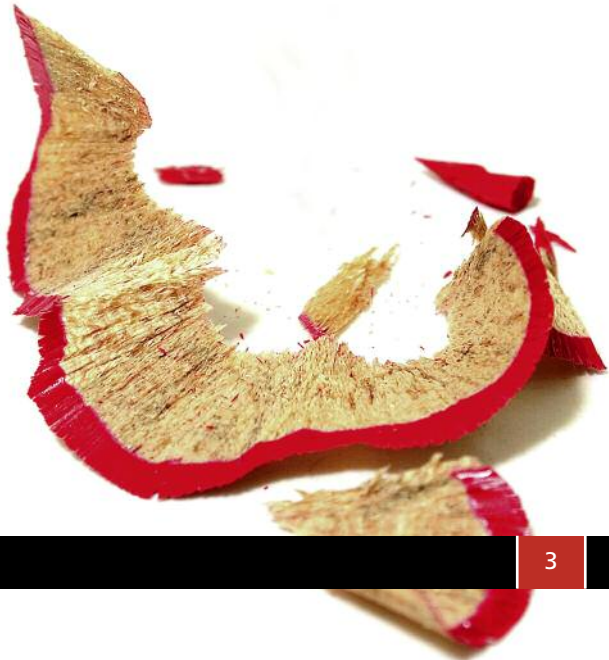
Many people die without making a Will, which can cause unnecessary upset and complications for loved ones. Even if relatives are aware of the wishes of the deceased, these wishes might not be followed if they are not recorded in a Will.

If you don't have a Will in place, the law rather than you, decides who inherits your estate.

By leaving a Will, you can . . .

- pass your estate to an unmarried partner
- decide what is left to each of your family members
- specify who will become the guardians of your children
- leave something to a charity
- give something special, like a piece of jewellery, to a treasured friend.

Chelsea have teamed up with Irwin Mitchell, a leading law firm to make the Will writing process easier for you. Since 1912, millions of clients have benefited from the professional advice of Irwin Mitchell; currently writing over 25,000 Wills each year, you'll know your wishes are in good hands.



Why everyone should make a point of leaving a Will

A Will is important if . . .

You are married

Many married couples believe that on their death, all their assets will automatically pass to their spouse. In fact, depending on the size of the estate, if you have children, your spouse may only inherit your personal items and the first £250,000 of the estate. The remainder will be divided equally between your children.

If you don't have children, your spouse could receive your personal items and the first £450,000 of your estate, and other surviving close relatives may benefit from the remainder. (Different provisions apply in Scotland.)

You have a civil partnership*

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

You live with a partner

Contrary to popular belief, co habiting partners have no automatic right of inheritance at all. A Will is the only way to make sure your partner is left all you want them to receive.

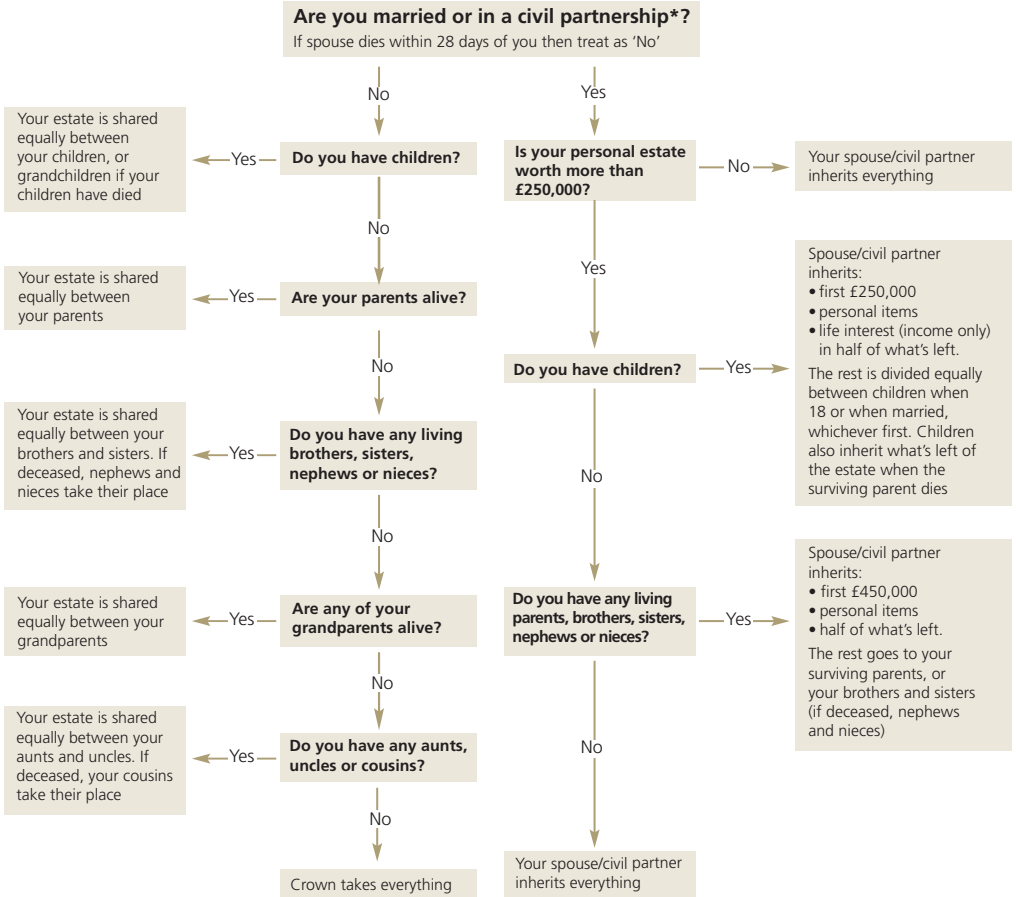
You have children

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

You are single

If you don't have a Will, your family, friends or dependants may need to challenge the Crown's legal rules, which may cost them a considerable amount of money in solicitor's fees to obtain the possessions you wanted them to inherit.

What happens if you die without a Will?



Notes

- 1 Younger generations of relatives are also entitled to inherit their parent's share if their parents have already died.
- 2 This flow chart applies only to people living in England or Wales at time of death. It is intended as a brief guide, not a definitive summary of intestacy law. (For example, it does not cover half blood relationships, whereas intestacy rules do cover them.) It is based on Irwin Mitchell's understanding of the Law at February 2009.
- 3 The term 'children' includes illegitimate and adopted children but not step children (unless legally adopted).
- 4 'Personal items' generally means items such as cars, jewellery and other household goods. It does not include, for example, houses, land bank accounts, investments and businesses.
- 5 Joint property generally passes to the surviving joint holder, independent of the intestacy rules, but this is not always the case.

Choosing the right Will

Irwin Mitchell can offer you a range of different Wills and other legal arrangements, designed for people with different circumstances.

From a single Will for a single person leaving their estate to a family member, to more intricate Wills designed to minimise tax liability – they will recommend the right solution for you as part of the Will writing service.

Types of Will

These Wills can be arranged by post and telephone, quickly and easily, with the minimum of fuss.

Single Will

Suitable for single people who may be divorced, separated or widowed or for couples who have very different requirements to their partner. This Will allows you to make sure 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 or Discretionary Trust Mirror Will

The effect of changes in Inheritance Tax legislation announced on 9 October 2007 means that choosing the right Will is a complex matter. For more information please speak to Irwin Mitchell on 0870 366 4128.



More specialist arrangements

The following arrangements are available through our Will Writing Service, however because they are more complex, it's likely you'll need to speak to an adviser from Irwin Mitchell.

Severance of Joint Tenancy or Transfers

It may be possible to use your property as a means of Estate planning. This may require a change in the joint ownership of your property, so you and your partner no longer own your whole property together, but own half each. Alternatively if your property is held in one name only, Irwin Mitchell can also offer advice on how to change the ownership of this property into both names as joint tenants in common.

Spousal Bypass Trust

If you are still working, your company pension scheme may have valuable lump sum death benefits of up to four times your salary. If you die now, these are likely to be paid directly to your spouse/civil partner* – increasing the eventual Inheritance Tax liability on their death. A Spousal Bypass Trust means your benefits are paid into a trust, allowing your spouse/civil partner full access but not increasing the value of his/her estate from an Inheritance Tax perspective.

Deed of Variation

If you have recently received an inheritance, it is possible to 'vary' this using a Deed of Variation. This doesn't mean you have restricted access to the inheritance, but could save you a considerable amount in Inheritance Tax. There is a limit of two years from the date of death to take advantage of this arrangement.

Lasting Power of Attorney

Many people worry about their affairs in case they become too ill or mentally unable to take care of them on their own. By writing a Lasting Power of Attorney now, this will allow the person you choose to take over the administration of your affairs, to do so with the minimum of distress when needed.

For more information on any of the above please contact Irwin Mitchell on 0870 366 4128.

Important things to consider

When considering your Will, there are important things you should think about.

Your funeral instructions; what makes up your estate; the value of your assets; who you wish to leave your estate to and who you will appoint to be executor.

Who'll be your Executor?

Executors are the people you choose to carry out your wishes after you die. Some of their duties include:

- obtaining details of all assets and debts
- preparing Probate papers and the HM Revenue and Customs account for Inheritance Tax
- calculating and paying Inheritance Tax to HM Revenue and Customs
- paying all debts
- arranging sale of your home and disposal of contents
- distributing the assets in line with the terms of the Will.

You can nominate Irwin Mitchell to be one of your executors, or your sole executor. Not only do they have the technical knowledge and an objective, unbiased approach, but they will also be able to relieve those you love of great responsibility.

Who'll store 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 Irwin Mitchell's vault for a small fee. You will receive a copy for reference and benefit from knowing that the master copy is safe and secure.

Helping reduce Inheritance Tax

Writing your Will and Estate planning go hand in hand.

Many people think they don't have enough money to be affected by Inheritance Tax however, it's possible that you are worth more than you think – particularly if you own a property.

In 2009/10, the level after which Inheritance Tax is payable is £325,000* per person – at the rate of 40p for every £1. £325,000 may seem like a lot, but this includes the value of any property you own. In 2010/2011 the level after which Inheritance Tax is payable will remain at £325,000. Add to this any savings and life assurance policies you have, as well as your possessions and death in service benefits†, and you could easily find yourself liable for Inheritance Tax.

This is an area where we can help you reduce or avoid Inheritance Tax altogether. This is based on current legislation, the situation may change in the future. Chelsea Building Society introduces to Aviva Life Services UK Limited for investments, pensions and wealth management. Through this relationship we can provide you with access to a team of qualified financial advisers who can review your situation with a view to reducing any potential Inheritance Tax liabilities.

Any financial advice given will relate only to the products of Chelsea and the UK Life companies of Aviva.

At an appointment, an Aviva Financial Consultant will:

- review your personal financial situation and objectives
- help you calculate any potential Inheritance Tax liability
- give advice on various reliefs and exemptions that apply, and how to start transferring assets out of your estate
- discuss specialist schemes, such as trusts and investment bonds that will allow you to minimise your potential tax liability while remaining in control of and benefiting from your assets
- help you to protect beneficiaries from the costs of Inheritance Tax by taking out life insurance to cover the estimated liability.

To arrange an appointment, visit your local Chelsea branch or call (0800 389 2429).

* Any proportion of IHT nil rate band not used on the death of the first spouse (civil partner) can be transferred to the surviving spouse (civil partner).

†Except for those death in service benefits written to trust.

What to do next...

Once you have completed the instruction booklet you can do one of the following:

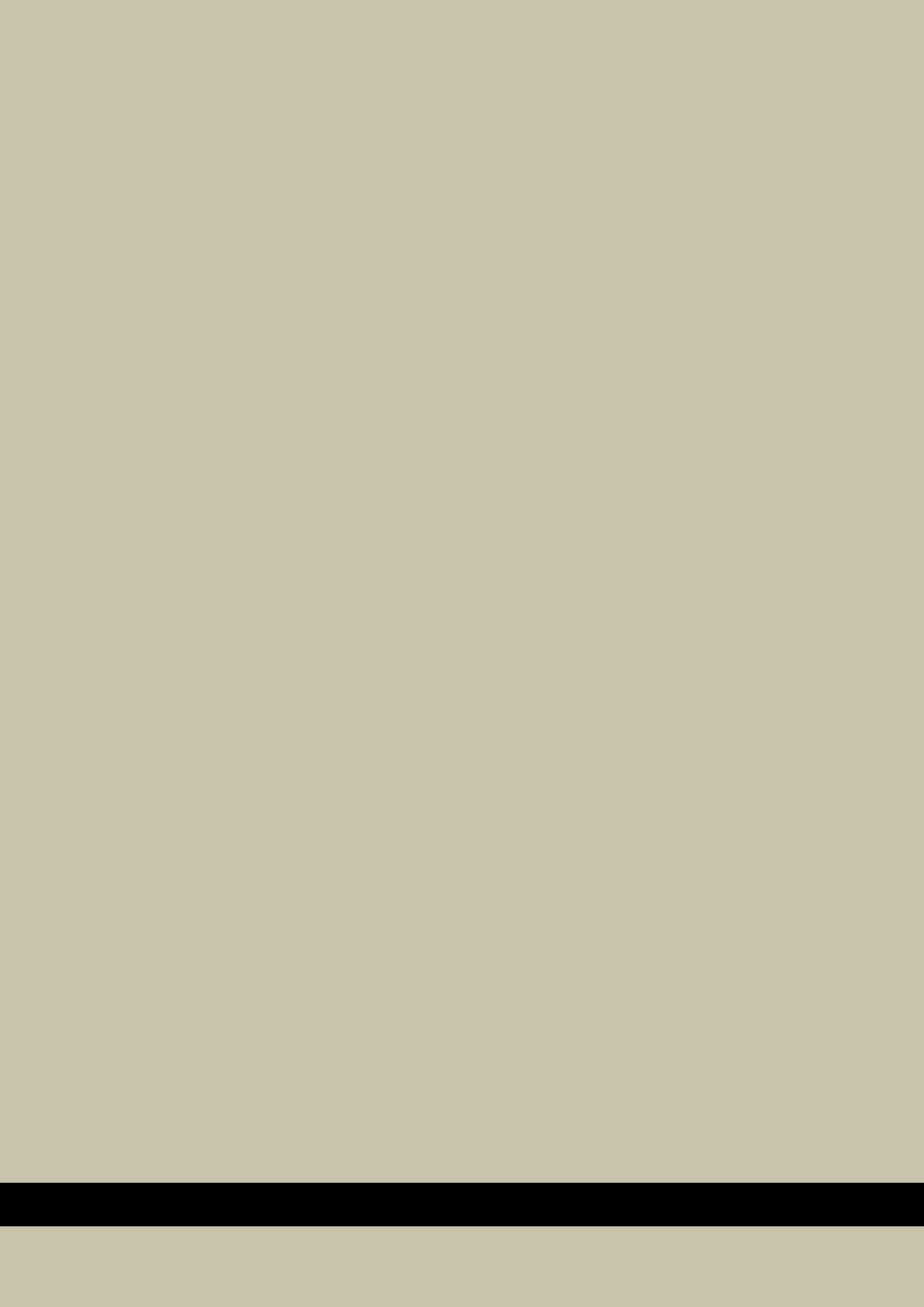
- take it to your local Chelsea branch
- post it to us at the address shown on the reverse of this leaflet.

If you would like help completing the instruction booklet, please ask a member of staff.

Your completed instructions will be sent to Irwin Mitchell who will prepare your Will based on your instructions. They will call you to obtain any additional information they need and to confirm you are happy for them to commence the Will writing process.

Once you have made a Will, you should check it regularly to make sure that it's up to date.





Contact us

Your local branch is:

Visit www.thechelsea.co.uk

For more information on our products visit our website.

Visit www.chelseacares.co.uk

To read our latest Corporate Responsibility report and find out how we plan to make a real difference at Chelsea.

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Charges to 0845 numbers may vary. Prices can be checked with your phone provider. Mobile calls usually cost more.



This leaflet is also available in large print, Braille or as an audio tape. Please ask at any of our branches or telephone us on **0845 744 6622**.

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