

## Inheritance tax advantages of leaving a share to a charity

Gifts to Young Epilepsy are exempt from Inheritance Tax.

With effect from 6th April 2012 new legislation has provided an added benefit for those leaving at least 10% of their net estate to charity. If you make this gift, then the Inheritance Tax charged on the rest of your estate is reduced to 36% instead of 40%.

The important calculation here is to work out what the "net" estate is. This is very complicated, but is broadly defined as the estate after payment of debts, and after the tax-free threshold has been deducted. If the gift to charity is more than 10% of this net figure, the lower rate of tax will then apply.



There are special rules if you own property jointly, or if you have made large gifts in any of the 7 years before your death.

If you do not include a legacy to Young Epilepsy in your Will, all is not lost. If your family decides to make a gift in your memory from your assets, and provided certain

formalities are completed, the tax advantage will be the same as if the gift had been in the Will from the outset.

It is vital to take professional advice if you would like to take advantage of this tax allowance.

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### Contact Us

For more information, or an initial friendly no-obligation chat, please feel free to contact one of the team. Disclaimer: This document is written as a general guide only and is not intended to provide legal advice. © Mayo Wynne Baxter January 2013 all rights reserved.