

Reasons for making a will if you own property

Every adult should have a will but it is even more essential if you are buying a property, or already own one.

Protecting assets

Once you own property, you have an asset that is likely to increase in value. Without a will there is no guarantee that it would automatically pass to your immediate family on your death

Jointly owned property

Jointly owned property is sometimes held under a legal arrangement known as a 'tenancy in common'. Should one of the owners die, his or her share in the property will not automatically pass to the surviving owner. If you each want your share to pass to the other on your death, it is essential that you both have wills.

What are you really worth?

People often say they don't need a will because they have nothing to leave. But it is one of life's ironies that most of us would be worth more dead than alive.

The current threshold for Inheritance Tax (IHT) is £325,000. On your death, everything worth over that amount would be taxed at 40%.

For example, for someone with a home worth £300,000, investments of £200,000 and a car and personal possessions worth £30,000, the tax bill would be £82,000. If you have life insurance too, the sum may be much higher.

It is worth doing a quick calculation to see what your estate would be worth at today's value. Making a will allows you to decide what happens to these assets as well as providing an effective means of planning for inheritance tax.

Insurance

Most people who buy property have endowments or other insurance policies connected to a mortgage and possibly other life policies as well. A will is one way to ensure that the proceeds of such policies are properly directed. This applies whether or not you are married or in a civil partnership. The benefits of your policy may not pass automatically to a surviving spouse, civil partner or partner unless specific provision is made.

Contact

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If circumstances change

It's not enough just to make a will. Wills need to be reviewed regularly and brought up to date as circumstances change. For example, if you marry, divorce, re-marry, enter into a civil partnership or dissolve a civil partnership, an existing will may become invalid.

Executors & guardians

A will allows you to appoint someone you trust to wind up your affairs and to appoint guardians with legal responsibilities for your children.

Family and friends

Making a will gives you peace of mind that you are not leaving a mess behind you for someone else to clear up. It ensures that your spouse/partner and any children are adequately provided for. It enables you to ensure that any family possessions or items of sentimental value pass to the right people. It allows you to remember grandchildren, godchildren, friends or charities. You may also make financial provision for pets in your will and leave details of your wishes for them

Personal wishes

In your will you may, if you wish, set down your personal choices on matters such as burial or cremation and any directions on the use of your body for transplants or medical research

Other essential protection

We recommend that you consider making a lasting power of attorney (LPA) at the same time as a will. An LPA is legal way of appointing one or more people to look after your affairs should you become unable to do so for yourself. We can store it safely for you in case it is ever needed.

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