

LEGACY GIVING INFORMATION SHEET



NOAH'S ARK
children's hospice

WHAT IS A LEGACY?

In the context of Wills and Trusts, a legacy means money, property or an item that is left to an individual, organisation, or charity.

COMMON TYPES OF LEGACY GIFTS

Pecuniary Gift: is a specific amount of money that is left in a Will or Trust to an individual, organisation, group or charity.

Residuary Gift: is what is left of an estate after all debts, taxes, and specific legacies (gifts) have been paid; it can be left as a whole or as a percentage.

Specific Gift: is a type of gift specified in a Will or Trust that gives a particular item, asset, or sum of money to a specific individual, organisation, or charity.



IMPACT OF LEGACY GIFTS

Beyond financial implications, legacies often carry emotional importance. They can represent love, respect, and shared values passed down through generations. Leaving a legacy can also serve as a way to honour your memory and ensure that you are remembered for your contributions and the positive influence you had on others.

Many individuals choose to leave a legacy gift to a charitable organisation. This can significantly impact the charity's ability to fund projects and support communities that matter most to you.

Leaving a legacy can inspire others to do the same, creating a ripple effect of generosity in the community. In some cases, legacy gifts can provide tax benefits for your estate and/or beneficiaries.

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Inheritance tax is a tax on your estate (incl. property, money and possessions). However you may be able to reduce the amount of inheritance tax you pay by leaving a gift to a charity in your Will.

Currently, there's generally no Inheritance Tax to pay if:

- The value of your estate is below the £325,000 threshold
or
- You leave everything above the £325,000 threshold to your spouse, civil partner, a charity or a community amateur sports club. www.gov.uk/inheritance-tax

A solicitor specialising in Wills and probate can help.

PLANNING TO LEAVE A LEGACY GIFT

Proper estate planning is fundamental to ensuring that your legacy is distributed the way you want it to be. This includes drafting a Will that clearly outlines your wishes. It is always advisable to seek the advice of a solicitor specialising in Wills and probate to help advise what is best for you.

LEGAL CONSIDERATIONS

An executor is responsible for managing your estate and ensuring your legacy is distributed according to your Will. This role could also include handling debts, taxes, and any disputes that may arise.

Some legacies may be subject to inheritance tax or other financial considerations that need to be addressed during estate planning. A solicitor specialising in Wills and probate can help in this case.

GLOSSARY/TECHNICAL TERMS

Asset: Anything owned by an individual or organisation that has monetary value, such as property or investments.

Beneficiary: An individual or organisation entitled to receive benefits from a Will or trust.

Bequest: A gift left in a Will, often referring to personal items or money.

Charitable Legacy: A gift left to a charity or nonprofit organisation in a Will.

Codicil: An amendment or addition to an existing Will that alters its terms without creating an entirely new document.

Digital Legacy: Refers to the online presence and digital assets that a person leaves behind after they die. Managing a digital legacy involves determining how or whether social media, email accounts, digital photos and videos, online subscriptions, and other digital content should be, preserved, transferred, or deleted, and who should have access to them.

Donor: A person or organisation that provides a gift, contribution, or donation to support a cause or organisation.

Estate: The total property, assets, and debts owned by an individual at the time of their death.

Estate or Legacy Planning: The process of preparing for the transfer of wealth and assets after someone dies, including Wills, trusts, and charitable giving.

Executor: The person appointed to manage the estate and ensure the wishes outlined in the Will are fulfilled.

Fiduciary: A person or group that is legally required to act in the best interests of another party, typically a beneficiary.

Heir: An individual legally entitled to inherit part or all of an estate from a deceased person.

Inheritance Tax (IHT): A tax on the estate of someone who has died, applied to the value of their assets above a certain threshold.

Intestate: An individual who dies without having made a valid Will, resulting in their estate being distributed according to state laws.

Memorial Fund: A fund established in memory of a person, typically used to support charitable causes or projects that reflect their values and interests.

Next of Kin: Refers to the closest living relative or relatives of a person. This can include a spouse, children, parents, siblings, or other family members who are legally recognised as having the closest familial relationship to an individual.

Power of Attorney (POA): A legal document that allows an individual to appoint another person or organisation to make decisions and take actions on their behalf in financial or medical decisions.

Probate: The legal right to manage an individual's assets, finances, and possessions (referred to as their 'estate') after they die. Plans relating to financial matters or marketing property should not be made until probate is granted.

Testator: The person who makes a Will.

Will: A legal document that outlines how an individual's assets should be distributed after their death, and which may also appoint guardians for children under the age of eighteen.

REMEMBER

Understanding the importance of making a Will is vital for effective personal, and financial planning. Legacy gifts play a crucial role in shaping how individuals are remembered and how their impact continues after they die.

Always seek independent legal advice from a trained business professional to ensure your wishes are documented correctly.



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