

The Downe House Foundation

Gifts Made By Will

Downe House Foundation (UK Registered Charity 1159259)

If you are thinking of remembering the School by making a gift in your Will, you may find the following guidance* helpful.

Gifts to School may be tax free

When someone dies, their estate is subject to inheritance tax (IHT) at 40% if it exceeds £325,000, and is left to someone other than their husband or wife.

If you make a gift to Downe House in your Will, the amount of your legacy is deducted from the amount of the estate that is taxed at 40%, so effectively saving tax at 40% on the value of the gift.

If you would like to make such a gift, you should ensure that your Will is drafted correctly to ensure that your estate gets the correct inheritance tax relief.

We would recommend that you take specific advice from a suitably qualified professional such as an accountant or solicitor.

Additional tax relief for larger gifts under a Will (Gifts of 10% or more of your taxable estate)

Making a substantial gift to Downe House in your Will could reduce the inheritance tax rate on all or part of your estate on death to 36%, compared with the standard rate of 40% mentioned above.

If you are thinking of making a substantial gift to Downe House in your Will, where the value of the gift is more than 10% of your net estate (after deduction of the £325,000 referred to above) then the 36% rate may apply.

This lower rate of inheritance tax will apply to your estate if gifts to charitable organisations including gifts to Downe House reach the 10% threshold mentioned above. So you could be eligible for this special treatment if you make gifts of less than 10% of your estate to each of several different charitable organisations.

The rules are complex, and where someone's estate contains business property, jointly owned property or trusts, there are further steps in the 10% threshold calculation.

There are other circumstances where the calculation may be different, for example if you have made lifetime gifts to family members.

If you already have provision in your Will to make substantial charitable gifts, you may wish to revisit the wording of your Will, as these rules have only applied since April 2012.

If you are thinking of making such gifts and have not already prepared a Will, or need to amend your Will, you should seek specific advice from a suitably qualified professional adviser.

Whilst we cannot make recommendations, please let us know if you need assistance on how to find a suitable adviser.

* Please note that the above general guidance does not constitute tax or legal advice, and you should not take any action, or refrain from action, based on the above. Specific professional advice should be sought as appropriate.