

Helping our clients to achieve

Article

‘Hindsight is a wonderful thing’

Date: May 2008

By Sheila Glyn-Owen, managing partner specialising in Wills and Probate

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‘It’s not often that we get a chance to benefit from hindsight, but Deeds of Variation (sometimes called Deeds of Family Arrangement) can give you one of those rare opportunities’ says Sheila Glyn-Owen, managing partner at Phillips Solicitors. ‘These Deeds allow adult beneficiaries of a deceased person’s estate to re-direct their share of the estate so that it passes to the ‘right’ beneficiary in the most Inheritance Tax efficient way.’

Whether someone dies testate (i.e. with a valid Will) or intestate (without a valid Will) the adult beneficiaries of the estate can execute the Deed within two years of the date of the death to change how the assets are shared out. Minor beneficiaries’ legacies or share cannot be altered in this way although the Deed can make or increase gifts to them.

Whilst it may seem unreasonable that someone’s wishes can be varied or even erased completely, there are genuine reasons why this can be helpful.

For example a Deed of Variation can correct or amend very old Wills which have not been changed in line with changes in family circumstances. A Deed can also help a family plan Inheritance Tax down the generations – for example a legacy left to a son may tip the son’s family over the nil rate band IHT threshold, so rather than receive the inheritance he could sign a Deed of Variation and pass some or all of the legacy on to his children or grandchildren.

Sheila says ‘If you would like to protect your inheritance and that of your family, we can help highlight any advantages in executing a Deed of Variation. You can call me or Shirah Real, another of our solicitors who specialises in Wills and Probate, on 01256 460830’

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