

Wills and estate planning



Practical advice about making
and updating your will

Information written with you in mind.

This information guide has been produced with the help of older people, carers and expert peer reviewers.

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What this guide is about

Making a will is the only way to be certain that your wishes will be met after you die. Maybe you haven't got around to it or you've deliberately put it off, but the process can be quite simple.

This guide outlines the process and explains why you should make a will and what happens if you don't. It also covers the issues you should think about, and when you should seek professional advice.

You may already have a will that you set up years ago and haven't thought about for some time, but it's important to review and update your will every five years to make sure it continues to reflect your wishes.

“I recently changed my will because we have a lovely new granddaughter.”

Jen, 64



While it covers a lot of bases, this guide contains general advice only and shouldn't be used as a substitute for professional advice.



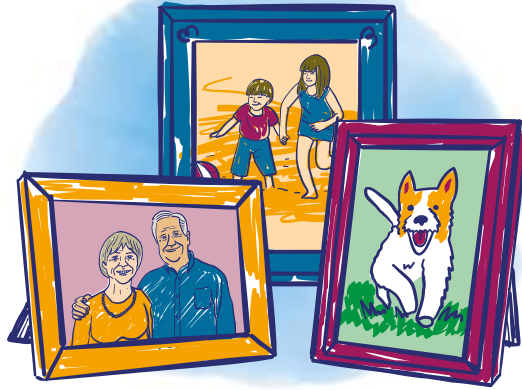
This guide is applicable across England and Wales. In Scotland, contact Age Scotland. In Northern Ireland, contact Age NI for their version of this guide.

Next steps



When it comes to legal matters, sometimes the more we know the more in control of things we feel. If you want more detailed information about anything mentioned in this guide it's worth reading our factsheets:

- **Making a will**
- **Dealing with an estate**
- **Planning for your funeral**



Why you should make a will

Although it can be difficult to talk about wills, inheritance and what happens after someone dies, clear and frank conversations with loved ones now can make things a lot easier down the line.

Why is it important to make a will?

Making a will is important because it's the only way to make sure your estate goes to the people and causes you want it to.



Your 'estate' is everything you own – all of your assets, including your money, property, possessions and investments.

Next steps

See our factsheets **Making a will**, **Dealing with an estate** and **Planning for your funeral** for more information or contact the Probate and Inheritance Tax helpline (page 28).

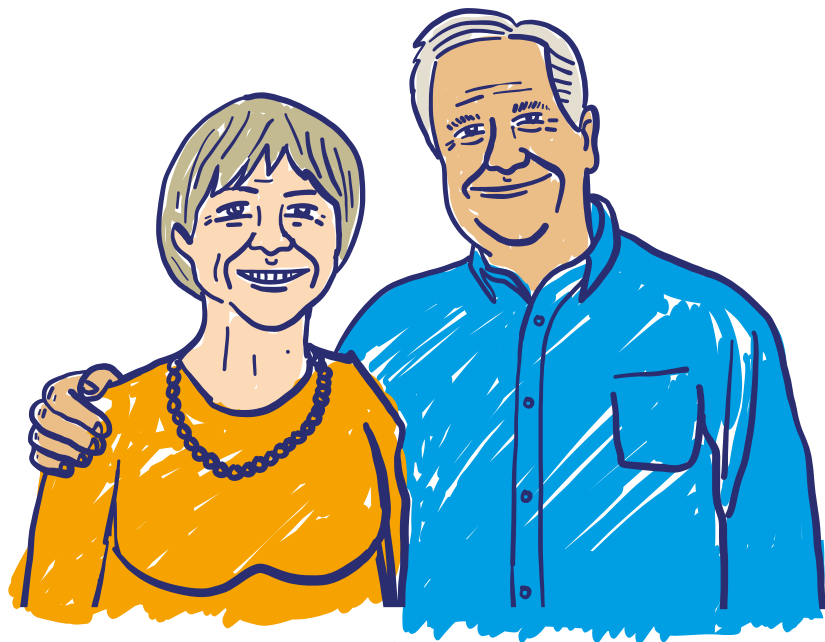
But there are also other reasons why it's important for both you and your loved ones:

- Your will reassures loved ones that they are respecting your wishes after your die, which can make things easier for everyone involved.
- A properly written will also helps avoid disputes. Badly drafted or outdated wills can cause arguments among loved ones and these disputes may need to be resolved by a solicitor. Your will should remove any doubt about who you want to benefit from your estate, and help avoid further stress for family and friends at an already difficult time.
- Your will also outlines who you want to leave your property, money and possessions to, so you know that everything goes to the people and causes you care about.
- Wills also protect the assets that make up your estate for future generations. A well-structured will can ensure that assets are kept within the family and are passed on.
- You can also use your will to outline decisions you'd like made, such as funeral preferences. It might not be a nice thought, but arranging a funeral can be tricky and knowing exactly how you'd like things done can make things easier for your loved ones.

“I wanted to make sure my son gets the watch my dad left me when he died.”

David, 69





What happens if I don't make a will?

If you die without making a will, you are said to have died 'intestate'. In this situation, your estate is divided up according to the rules of intestacy. This takes away any personal decisions and means you have no control over how things are distributed. Your assets are distributed after all your debts, funeral and administration expenses, and any taxes have been paid.

The chances are you have opinions about how you'd like your estate to be distributed amongst your loved ones. Don't worry if you don't have a will; the rest of the guide explains how you can make a will to avoid these intestacy rules and who you can contact for legal advice.

If you die without a will, your estate is distributed under the rules of intestacy. These rules state that:

- if you have a spouse or civil partner and children, your spouse or civil partner inherits all of your personal possessions and the first £250,000 of your estate, plus half of anything above this amount. Your children are then entitled to the other half of this balance
- if you have a spouse or civil partner and don't have any children, your spouse or civil partner inherits your whole estate, including any personal possessions
- if you and your partner aren't married or in a civil partnership, they have no automatic right to inherit from your estate if you haven't made a will. This applies even if you have lived together for a long time or have children together
- if you have no spouse, civil partner or children, other relatives such as siblings or nieces and nephews may have a right to inherit
- if you have no surviving relatives who can inherit under these rules your estate is passed to the Crown.

**“Dad died without a will.
It was a bit confusing trying
to understand what would
go to who.”**

Jerry, 70





Making a will

Making sure your will is written and signed properly makes things a lot easier when the time comes for your estate to be distributed. If things are done incorrectly, it can create problems for your loved ones to sort out.

When writing a will it's important to make sure you've got professional advice to avoid some of the common pitfalls.

How to make a will

There are a number of ways you can make a will – you might have an idea of which would suit you best but it's a good idea to look at all your options. These options are considered over the next couple of pages.

Lawyers

When you're writing a will it's best to get advice from a lawyer who specialises in wills and probate – for example, a solicitor or chartered legal executive. It's important to check the lawyer is regulated with the relevant professional body, such as the Solicitors Regulation Authority (page 28). Lawyers charge a fixed fee or their hourly rate for this work, depending on the complexity of your will, but this should all be explained in their letter of engagement.

The extra benefit of using a lawyer is that they can also advise you on any Inheritance Tax issues that may arise and might be able to store your will safely for you – but they may charge extra for this. It's really important you tell executors where your will is kept, so it's easy to locate after you die. See the section 'Choosing executors' for more information about what an executor is and what they do (see page 17).

Free Wills Month

Free Wills Month is an annual campaign in England and Wales that takes place every March and October. A group of charities, including Age UK, offer people over 55 the opportunity to have a simple will written or updated free of charge by one of the participating solicitors. Visit the Free Wills Month website to find out more (page 27).

Good to know



Our factsheet **Getting legal advice** has more information on getting professional advice. The Law Society (page 27) can provide you with a list of local solicitors in England and Wales.

Will Aid

Will Aid is a similar UK-wide scheme run every November. There's no age restriction but you will be asked to make a donation, which supports the work of nine charities that take part in the scheme, including Age UK. The Will Aid website has more information (page 28).

Banks

Some banks offer will-writing services and advice about estate planning. Contact your local branch to book an appointment with an adviser, who'll explain what the bank can offer. It's important to read the small print and be clear on any costs as some banks charge high fees for this service.

Make your own will

There are do-it-yourself will kits and forms available to buy from stationery shops and online, but it's easy to make mistakes, miss out important details or not be absolutely clear what you want when filling them in.

While it can seem like the easiest option now, it can cause costly legal problems for your beneficiaries and executors after your death. A will is a legal document so it needs to be written and signed correctly and it's best to get professional advice.

“I used a lawyer to help me with my will.”

Jeffrey, 84





Valuing your estate

Your will should cover your whole estate, so it's a good idea to draw up a list of all your assets and debts (see page 14). This gives you a clear idea of what your estate is worth, which can help you write your will and decide how you want to distribute it.

Good to know

It's important you get your assets valued regularly. Your house price or pension fund, for instance, may have dramatically changed in value since you last checked. Our factsheet **Dealing with an estate** has more information.

When thinking about an estate there are a number of assets that spring to mind, and some that are often overlooked. The assets that typically make up an estate include:

- your home, and any other property you own
- savings in bank and building society accounts
- National Savings, such as premium bonds
- insurance, such as life assurance or an endowment policy
- pension funds that include a lump sum payment on death
- investments such as stocks and shares or investment trusts
- motor vehicles
- jewellery, antiques and other personal belongings
- furniture and other household contents.

It can be hard to think about debts, but ignoring them doesn't make them go away – it can just create issues when the time comes for your estate to be settled. So it's important to gather all the information you have about them. Debts may include:

- a mortgage or equity release
- a credit card balance
- a bank overdraft
- loans.

Good to know



Once you've written your will it's a good idea to review it at least every five years and after any major change in your life, such as bereavement, divorce or a new grandchild.

What to include in your will

It might be difficult to think about what you want, or even need, to include in your will.

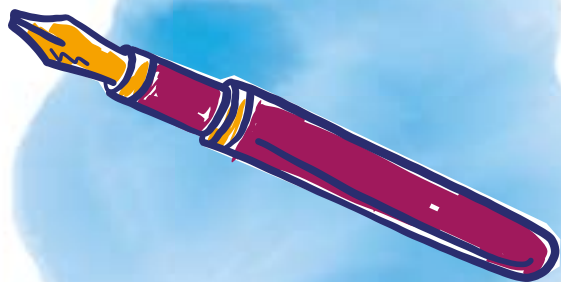
What's key is that you're as clear as possible about what you want to happen to the assets that make up your estate. When writing your will you should include:

- who you want to benefit from your will
- whether you wish to give any specific gifts to particular people
- where the residue of the estate is to go (any property or money left over after paying funeral and administrative expenses, legacies and taxes)
- what you want to happen if any of your beneficiaries should die before you
- whether you wish to leave any money to charity
- who will deal with your estate after your death.

Letter of wishes

A letter of wishes is a confidential document that can accompany a will. It lists specific items you wish to give to people and usually covers items of sentimental importance, such as ornaments, furniture, or jewellery. However, if these are worth a substantial amount of money, it's advised you state these items in your will.

Unlike a will, a letter of wishes is not legally binding, so pick a trusted person to carry out your requests. This letter can be amended without altering your will.



Signing the will

This might sound like the easy bit, but actually it's often done incorrectly and can be one of the most common causes of issues when trying to sort out an estate.

If the will is signed incorrectly, it won't be valid and therefore your wishes may not be followed.

For your will to be valid, it must be signed in the presence of two independent witnesses, who must also then sign it in your presence – so all three people should be in the room together when it's signed.

Anyone listed as a beneficiary of the will, their spouse or civil partner, can't act as witnesses, or they will lose their right to the inheritance. Beneficiaries should not even be present in the room when the will is signed. It's also best not to ask an executor to act as a witness (there's more information about executors on page 17).

Choosing executors

Executors are the people who are legally responsible for dealing with your estate after your death. Being an executor can involve a lot of work and responsibility, so give careful consideration to who you appoint.

When you're choosing your executor, you should explain to them what's involved and check they're happy with the role.

You can appoint a maximum of four executors – these are often family members and a professional, such as a solicitor. It's a good idea to choose more than one executor to share the responsibility, and in case any of them die before you do.

The people you choose to act as your executors can inherit from your will but they aren't usually paid for their work as executors, other than reasonable out-of-pocket expenses.

“All three of my children are executors of my will. I didn't want to put that responsibility on just one of them.”

Cath, 73



Next steps

Our guide **How to be an executor** has more information about the role.

Does an executor have to be a family member or friend?

Acting as an executor isn't an easy task and your family and friends may prefer not to take on the role. You could appoint a professional executor, such as a solicitor or an accountant. This could be especially useful if your estate is large or complicated, or if there's a chance of a dispute between loved ones. However, it's important to note that professional executors charge for their services and their fee will be paid out of your estate.

- In England and Wales, you can find a solicitor who specialises in acting as an executor by calling the Law Society (page 27). They can also help you find solicitors who provide information in different languages. They won't recommend a specific solicitor, so you'll need to compare services and fees.
- Solicitors for the Elderly can help you find a solicitor in your area. Use the tool on their website to search for solicitors by name, location or specialism (page 28).
- If you have no one who can act as an executor, there is a government official called the Public Trustee who can do so for you. For more information, contact the Public Trustee (page 28).



Trusts

A trust is a way of looking after assets for other people, for example when someone is too young to manage their affairs. If anyone under the age of 18 is to be a beneficiary of the trust, you should appoint at least two trustees or executors. Take professional advice when creating a trust. If there's a trust in your will, your executors can be appointed as trustees as well.

If you have a child or grandchild with learning disabilities, they could be left particularly vulnerable by directly inheriting money. Mencap runs a free advice and information service that will help guide you through the process and can recommend specialist solicitors.

For further information please visit www.mencap.org.uk/willsandtrusts.

Important documents relating to your will

When your executors come to sort your estate, it can be really helpful if they know where you keep important documents such as:

- the original copy of the will
- the deeds to your property
- insurance policies
- documents relating to savings accounts and any investments
- passport
- driving licence
- documents relating to a mortgage or loan
- documents relating to pensions
- utility bills.

Angela decided to set up her will when she found out how straightforward it can be.

Angela, 60, was worried to hear what could happen to her estate if she didn't make a will.

'I'd just turned 60 and had been thinking about making a will for some time. Having spoken to a friend who explained how straightforward it was for her, I decided to follow her lead.

'My friend told me that without a will, my savings and possessions would be distributed with no regard to my wishes. I wanted to leave some family heirlooms to my granddaughter and it was upsetting to think that she might not get them.

'So I spoke to a local solicitor and arranged to make my will. After leaving some things to my family and friends, I also made some bequests to a number of charities.



“I spoke to a local solicitor and arranged to make my will.”



‘I was pleased to be able to support such good causes, and I was pleasantly surprised to learn that gifts to charities are exempt from Inheritance Tax.

‘My will also appoints an executor, who I have chosen, to deal with the administration of my estate and to make sure my wishes are carried out.

‘I feel much better knowing that the people and causes I care about will benefit. I am now reminding my friends to make their wills, or review the details if they already have a will in place.’



Other things to think about

When you're setting up your will or updating an existing one there are a few things it's worth bearing in mind. This section outlines how to change your will and explains some tax considerations.

How to change a will

Once you've written a will, it's not set in stone – you can change it. Reviewing your will every five years offers you the opportunity to make a change if you want to. You also might like to make a change following the arrival of a new grandchild or if you've moved house.

Good to know



Whether you want to make a large or small change to your will, whatever you do, don't make alterations on the original document – either add a codicil or make a new will.

If you don't keep your will under review, it may lead to complications with how your estate is dealt with. For example, your will may refer to a house you no longer own, or mention older grandchildren but not younger ones.

If you marry, remarry or enter a civil partnership, this automatically revokes (cancels) any will you previously made. If you marry, separate or divorce, then you should make a new will. Divorce doesn't automatically invalidate a will made during the marriage, but it does exclude your ex-spouse or civil partner from benefitting if they are mentioned in the will.

If you only want to make a minor change then you can do so using a 'codicil'. This must be signed and witnessed in the same way as the will (see page 16 for more information about signing your will), but the witnesses don't necessarily have to be the same ones that witnessed the will signing.

If you want to make a substantial change then you need to make a new will revoking the old one. If you do revoke an old will then either destroy it or make it clear it's revoked to avoid confusion in the future.



Inheritance Tax

Currently, you don't need to pay any Inheritance Tax (IHT) on the first £325,000 of your estate. This is referred to as the nil-rate band. However, IHT is paid at a rate of 40% on the proportion of your estate valued above the nil-rate band.

If you leave your property to your child or your grandchild, you can gain an additional tax-free allowance of £150,000 (2019/20). This is called the residence nil-rate band and is a complicated area, so you should seek specialist advice.

There's no IHT to pay if you leave your whole estate to your spouse or civil partner. If your spouse or civil partner dies and their estate doesn't use all of their available tax-free allowance, any unused allowance can be transferred to your estate.

Gifts to charity are completely exempt from IHT and if your estate is liable for IHT and you leave 10% or more of it to charity, then a reduced IHT rate of 36% may be applicable to the rest of your estate. Rules apply to the reduced rate of IHT, so you need to seek professional advice.

You may want to gift money and property to your beneficiaries before you die. But gifts made while you're alive could still be liable to IHT, depending on how much they were and when they were given. Seek advice before making lifetime gifts.

Next steps



IHT is a complicated area so seek specialist specialist advice, especially if trusts are involved. Contact the Probate and Inheritance Tax Helpline for more information (page 28).

It's easy to continue supporting your favourite causes with a gift in your will

When we make our will, we naturally want to make sure our loved ones are cared for. But through your will you can also leave something special to the causes that mean the most to you.

There are different ways to leave a gift in your will:

Residuary: a proportion of your estate given when all other costs and gifts have been paid.

Pecuniary: a fixed sum of money.

Specific: a named item, such as a house, item of jewellery, or piece of furniture.

If you plan to leave a gift to a charity in your will, make sure you include the charity's full name, address and registered charity number. Incorrect information may result in your chosen charity not receiving the gift.

See page 24 for information about how gifts left to charity are affected by Inheritance Tax (IHT).

“I'm really glad I'm leaving gifts to causes that mean a lot to me.”

Rose, 88



Useful organisations

Age UK

We provide advice and information for people in later life through our Age UK Advice line, publications and website.

Age UK Advice: 0800 169 65 65

Lines are open seven days a week from 8am to 7pm.

www.ageuk.org.uk

Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

In Wales, contact Age Cymru: **0800 022 3444**

www.agecymru.org.uk

In Northern Ireland, contact Age NI: **0808 808 7575**

www.ageni.org

In Scotland, contact Age Scotland: **0800 124 4222**

www.agescotland.org.uk

Citizens Advice

National network of advice centres offering free, confidential, independent advice, face to face or by telephone.

In Wales there's a national advice service on **03444 77 20 20**. It's available in parts of England on **03444 111 444**.

www.citizensadvice.org.uk

Free Wills Month

Several charities, including Age UK, join together to offer those aged 55 and over the opportunity to have their wills written or updated free of charge by selected solicitors in locations around England and Wales.

www.freewillsmoth.org.uk

GOV.UK

The official Government website that provides information on public services such as legal advice and legal aid, benefits, jobs, pensions and health services. Use the search function to access the legal aid eligibility calculator.

www.gov.uk

Law Society of England and Wales

Representative body for solicitors in England and Wales.

Provides information on legal issues, including making a will. Contact them or use the 'find a solicitor' search tool on their website to find a solicitor.

Tel: **020 7320 5650**

www.lawsociety.org.uk/for-the-public

Mencap

A charity focused on supporting people with learning disabilities.

Tel: **0808 808 1111**

www.mencap.org.uk

Probate and Inheritance Tax helpline

Information and advice on probate and Inheritance Tax, as well as contact details for local probate registries.

Tel: **0300 123 1072**

Public Trustee

Government official who can be an executor if there is no one suitable to appoint.

Tel: **020 3681 2759**

www.gov.uk/public-trustee-executor-will

Solicitors for the Elderly

Independent, national organisation of solicitors, barristers and legal executives who can provide legal help to older and vulnerable people, their families and carers.

Tel: **0844 567 6173**

www.sfe.legal

Solicitors Regulation Authority

The independent regulatory body of the Law Society of England and Wales.

Tel: **0370 606 2555**

www.sra.org.uk

Will Aid

Partnership between legal profession and nine UK charities, including Age UK, to help people have their wills written professionally.

Tel: **0300 0309 558**

www.willaid.org.uk

Help us be there for someone else

We hope you found this guide helpful. When times are tough, it's so important to get some support. Did you know you could help us reach someone else who needs a little help? Here's how:

1

Give your views on guides like this

Our Readers' Panel helps make sure the information we produce is right for older people and their families. We'd love you to join. Go to www.ageuk.org.uk/publications/readers-panel.

2

Donate to us

Every donation we receive helps us be there for someone when they need us. To make a donation, call us on **0800 169 8787** or go to www.ageuk.org/donate.

3

Volunteer with us

Our volunteers make an incredible difference to people's lives. Get involved by contacting your local Age UK or at www.ageuk.org.uk/volunteer.

4

Campaign with us

We campaign to make life better for older people, and rely on the help of our strong network of campaigners. Add your voice to our latest campaigns at www.ageuk.org.uk/campaigns.

5

Remember us in your will

A gift to Age UK in your will is a very special way of helping older people get expert support in the years to come. Find out more by calling **020 3033 1421** or visit www.ageuk.org.uk/legacy.

How we can help you

If you're thinking of remembering Age UK in your will, our Legacy team is happy to discuss any questions you may have.

Please contact the Legacy team on **020 3033 1421** email **legacies@ageuk.org.uk** or write to Legacy team, Age UK, Tavis House, 1-6 Tavistock Square, London WC1H 9NA.

Please note that Age UK cannot give any specific legal advice on your personal circumstances and you should refer to your solicitor for this.

How a gift in your will can help others

Age UK is the UK's leading charity for older people. But we're all living longer, and that means more people need us than ever before.

We rely on gifts left to us to ensure we can continue to fund vital services so we can be here day in, day out, with free advice and support for older people and their families in the future.

Leaving us a gift in your will could help to:

- continue our befriending services that bring companionship to those who are lonely
- provide free, expert information and advice to those that need it, when they need it
- answer the phone to people that call the Age UK Advice Line when they need help and support
- campaign for people's rights to equal and fair treatment as they get older
- fund vital research projects that help shape services for older people.

Thanks to the generosity of our supporters, Age UK has made a huge difference to the lives of millions of older people.

You can find out more about what we do and why we do it by visiting our website at www.ageuk.org.uk/legacy.

What should I do now?

You may want to read some of our other relevant guides, such as:

- **Thinking about end of life**
- **How to be an executor**

You can order any of our guides or factsheets by giving our Advice Line a ring for free on **0800 169 65 65** (8am-7pm, 365 days a year).

Our friendly advisers will also be able to help answer any questions you have about anything you've read.

All of our publications are available in large print and audio formats.

There's plenty of really useful information on our website, too. Visit **www.ageuk.org.uk/planningahead** to get started.

If contact details for your local Age UK are not in the below box, call Age UK Advice free on **0800 169 65 65**.



0800 169 65 65
www.ageuk.org.uk



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