



HEIRLOOM WILLS

For single people who wish to set up a nest egg for their grandchildren

Single people with substantial assets should consider making a Will which puts all their assets into a trust, for their children and grandchildren rather than giving them to their children directly. Their children would be trustees of the trust and in control of the assets.

Although not effective to save any Inheritance Tax on the parents' death, this trust will protect the assets for their children and grandchildren. This will be of particular benefit if the children are likely to be over the Inheritance Tax threshold or if there is any possibility of them ever getting divorced. The Trust allows the children to borrow all the assets and use them, without them ever becoming part of their taxable estates.

If the children decide not to borrow the assets, they can be left in the Trust for the grandchildren, creating a family heirloom for them. As long as the value of the Trust does not exceed the Nil Rate IHT band, no extra Inheritance Tax will be payable on an ongoing basis. If your estate does exceed this limit, however, setting up an extra trust will deal with this problem.