



BRI Wealth
Management PLC

Gifting doesn't
have to be taxing

If you are concerned about Inheritance Tax (IHT) being payable when you pass away, giving away a proportion of your money to charity (either whilst alive or as a legacy within your will) can reduce this unwanted bill.

Leaving a charitable legacy

- Leaving a gift to charity in your will is free of Inheritance Tax and will reduce your overall estate for IHT purposes; this is known as a 'Charitable Legacy'
- If you leave 10% of your net estate to charity, this reduces the IHT tax rate from 40% to 36%, so your beneficiaries will end up paying less tax!
- Net estate is the value of your residual estate after deducting any exemptions; i.e. the Nil Rate Band which currently stands at £325,000 and the additional Residential Nil Rate Band which will eventually be worth £175,000 for each individual, although not everyone will qualify for this extra allowance
- This requires careful planning as, of course, the value of an estate will naturally fluctuate over time
- If leaving a gift within your will, it is important to state which charity you would like the gift to be made to and include the registered charity number. Hopefully we all know one charity who would really value this ongoing support!

Gifts to charity whilst alive

- Making a gift whilst alive also helps to reduce your estate for IHT and allows you to see the benefits of your donation
- Depending on your tax status, your gift could benefit from Gift Aid which allows a charity to claim an extra 25p for every £1 donated
- Higher and Additional Rate tax payers can claim back an extra 20%/25% respectively which in turn can also be donated
- Some employers allow a donation direct from your salary, much in the same manner as a pension contribution

Interested to hear more?

Charitable donations are just one way to potentially reduce your IHT liability. If you would like to discuss estate planning in more detail, please contact us on 01676 523 550 or email invest@brigroup.co.uk

BRI Wealth Management plc

BRI House, Elm Court, Meriden Business Park, Meriden CV5 9RL

Telephone: 01676 523550, **Email:** invest@brigroup.co.uk

www.brigroup.co.uk