

## Legacy Fundraising Terms Explained

### **Beneficiary**

A person, or an organisation, to whom you leave a gift in your will

### **Bequest**

A gift you leave in your will to a person or organisation. There are different types of bequests. The main ones are:

- **Residuary bequest**

A gift of the remainder of your **estate** after all other gifts have been made and debts cleared. You may leave either the total of the remainder or a percentage of it.

- **Pecuniary bequest**

A gift of a fixed sum of money. The value of a **pecuniary** gift will decrease over time, as the cost of living increases.

- **Specific request**

A particular named item left as a gift in your will. For example, a piece of jewellery, furniture, a painting etc

- **Contingent bequest**

A gift in your will that is dependent upon the occurrence of an event which may or may not happen. For example, a gift to a charity which applies only if other beneficiaries named in your will die before you die.

### **Codicil**

Any change or addition that you make to your will. However, it is now considered best practice to effect changes by getting a new will drafted rather than by making a codicil to an existing will.

### **Estate**

The total sum of your possessions, property and money left at your death after debts have been paid.

### **Executor**

Person(s) appointed by you to ensure the wishes in your will are carried out.

### **Inheritance Tax**

The 40% tax paid when you die on the proportion of your **estate** that is over the nil-rate band threshold. This threshold varies every tax year. Further details on the current tax threshold are available on the HM Revenue and Customs website at: <http://www.hmrc.gov.uk/cto/iht.htm>

**All gifts in your will to charity are free of inheritance tax.**

**Intestate**

The term for a person who dies without having a will. Under the Rules of Intestacy, if you die without a will certain relations are entitled to apply for your **estate**. If you do not have any surviving blood relations the state will apply for your **estate**.

**Legacy**

Any gift you leave in your will to a person or organisation.

**Life Interest**

The right of a beneficiary to benefit from part or all of your estate for their lifetime. For example, in your will you give a relative/friend the right to live in a property for their lifetime.

**Probate**

Official proof that a will is valid. After your death, probate must be applied for by your executors if your estate is over £5,000. It is granted by the court on the production of the necessary documents and granting probate gives your executors the authority to administer your will and distribute your estate according to your wishes.

**Residue**

The total sum of your possessions, property and money left at your death after debts and gifts of fixed sums to beneficiaries have been paid

**Testator**

A person who has made a will