



The Royal Air Force Disabled Holiday Trust

(Registered under the Charities Act 1960 No. 286019)

How a gift in your Will could help the RAF Disabled Holiday Trust

The Royal Air Force Disabled Holiday Trust exists to provide holidays for serving and ex-serving RAF people and their dependants with a severe disability to take holidays in the UK and abroad on equal terms with able-bodied people. An important part of this aim is to enable families, immediate or extended, to holiday together in a suitably adapted property integrated with the rest of the community.

At present the Trust can only offer each of our beneficiaries a holiday every two to three years. We would like to offer holidays more regularly and ideally, every year. Each £1,500 we raise will purchase one day's holiday which we can re-use every year. Leaving a gift in your will is an ideal way of ensuring that your memory and generosity live on as well as helping the Trust to increase the assistance we can provide.

Intestacy – what happens if you do not make a Will

If you pass away without a Will, you are said to have died “intestate”. The effect is that your “estate” (a legal term for everything you own including property, assets and possessions) will be legally divided between a fixed list of beneficiaries. If you have a spouse and children, your estate will be divided between them. This may cause difficulties for your spouse as he/she may not be left with enough to live on and your home may be at risk.

If you have no spouse or children, the person you regard as next of kin will not automatically receive everything, as other relatives (from siblings to grandparents) may be entitled to a share in your Estate. For example, if you have step-children you may presume they are your next of kin and will receive everything. However, legally your blood relatives will be considered next of kin.

If you have no relatives, your estate becomes “bona vacantia” (it is passed to the government). Therefore it is particularly important for unmarried couples and single people to make a Will, as intestacy rules do not automatically provide for people not related by blood or marriage.

Almost certainly you will want to determine what happens to your assets after your death, in the interest of your wishes and your family.

Making your own Will

Ready-made Wills are available, although if you make even a small mistake it could cause problems when your estate is administered. It is worth taking expert advice for such an important document. If you are reluctant to approach a solicitor, there are many companies that will write the Will on your behalf and ensure it is reviewed by a solicitor.

It is also recommended that you review your Will every few years and if your personal circumstances change you should write a new Will to reflect your changed situation.

The National Will Writing Advisory Bureau maintains a list of registered consultants who have been carefully selected for their sympathetic and professional approach to all aspects of will writing. They can be contacted on 0845 006 0728 or via their website: www.nwab.org.uk.

Making The Royal Air Force Disabled Holiday Trust a beneficiary of your Will

As highlighted above it is very important to make a Will to ensure that your wishes are carried out after you pass away. You can make the Trust a beneficiary of your Will in a number of ways:

Residuary Bequest

Naturally it is important you make provision for your family and loved ones. After that you can leave the “residue” (the remainder of your estate after all your specific bequests, debts and costs have been paid) as a gift to the Trust.

Pecuniary Bequest

You can leave a specific sum of money to the Trust; however it is worth noting that a gift of money is eroded in value by inflation. To avoid this you can regularly update your Will or index-link the gift to inflation. Please do not think you have to leave a large amount of money; a little will go a long way to ensure we can continue to provide a vital services to our beneficiaries.

Special Bequest

Another option is to leave a gift in kind for the Trust, which could include shares, property, art and jewellery. This is an advantageous option for those who have limited cash resources yet still wish to leave a gift to the Trust.

Codicil

If you already have a Will and just need to change it to include the Trust as one of the beneficiaries, you can simply make a codicil which amends and updates your current Will. A Codicil form is available to download from the Trust’s website: www.rafdht.org.uk or from our Administrator on 0207 3073 303.

Inheritance Tax 2009/10

At 2009/10 figures, an estate worth more than £325,000 is subject to inheritance tax. However, assets passing to a surviving spouse or a charity are exempt from inheritance tax. Where the value of an estate passed to children and other beneficiaries exceeds £325,000, inheritance tax is charged at 40%. For example, if your estate is worth £335,000, £10,000 will be taxed at 40%. The taxman would receive £4,000 and your estate would be worth £331,000. However, you may prefer to leave a gift of £4,000 to the Trust, which would mean that you would incur less tax and your estate would still be worth £328,600. If you gave a gift of £10,000 you would not have to pay any inheritance tax at all as your taxable estate would be worth £325,000.

Example (at 2009/10 rates)

No Gift to the Trust

Initial Estate Value: £ 335,000

Gift to the Trust: £0

Estate Value: £ 335,000

Inheritance Tax: 40 % of £10,000 = £4,000

Final Estate Value: £335,000- £4,000=£331,000

£4,000 Gift to the Trust

Initial Estate Value: £ 335,000

Gift to the Trust: £ 4,000

Estate Value: £ 331,000

Inheritance Tax:40% of £6,000 = £ 2,400

Final Estate Value: £331,000 - £2,400 = £328,600

The gift of £4,000 to the Trust has only reduced your estate passing to your beneficiaries by £2,400; the taxman has effectively contributed £1,600.

Contact

For further information about leaving a gift in your Will to the Royal Air Force Disabled Holiday Trust please speak to our Administrator on 0207 3073 303 or e-mail: admin@rafdht.org.uk.