



**DEEDS OF
VARIATION**

A Deed of Variation (which is sometimes referred to as a Deed of Family Arrangement) is a document entered into where one or more of the beneficiaries of an estate wish to change the amount of inheritance they stand to receive and to pass this inheritance on to another person.

There are several reasons why a beneficiary may wish to prepare a Deed of Variation:

Inheritance Tax Planning

Gifts made by a Deed of Variation are treated as coming from the Will of the deceased, as opposed to being made personally by the beneficiary varying their entitlement to the estate.

This means that as the gift comes from the estate, the beneficiary is not treated as making a gift for inheritance tax purposes. Therefore such a gift would not follow the usual 7 year rule for inheritance tax, which provides that where a person passes away within 7 years of making a gift, the value of the gift is treated as part of their estate for inheritance tax calculations.

A beneficiary can also use a Deed of Variation to pass assets onto another beneficiary who is exempt from inheritance tax, such as a charity, to reduce the inheritance tax liability due on the estate.

Finally, where assets that are exempt from inheritance tax (such as certain agricultural and business assets) pass to exempt beneficiaries (such as a spouse), a Deed of Variation can be used to pass these assets to a non-exempt beneficiary, such as the deceased's children, so as to not waste the agricultural or business relief.

"Clear and straightforward service. Maxine's fees were clearly stated and I felt able to raise all relevant issues"
P R, Corsham



To clarify the terms of a Will

Where the terms of a Will are ambiguous or do not achieve the desired outcome of the deceased, the beneficiaries of the estate could prepare a Deed of Variation to clarify the terms of the Will or to vary the Will to bring it in line with the wishes of the deceased.

This can be useful where, for example, a person is left out of a Will and the beneficiaries wish to include the person that is missing. It is important to note that in circumstances such as this, all of the beneficiaries included in the Will will need to consent to and sign the Deed of Variation.

Where there is a dispute over the terms of a Will and all the beneficiaries agree a way forward, a Deed of Variation can also be useful to incorporate the terms of the agreement reached by the beneficiaries.

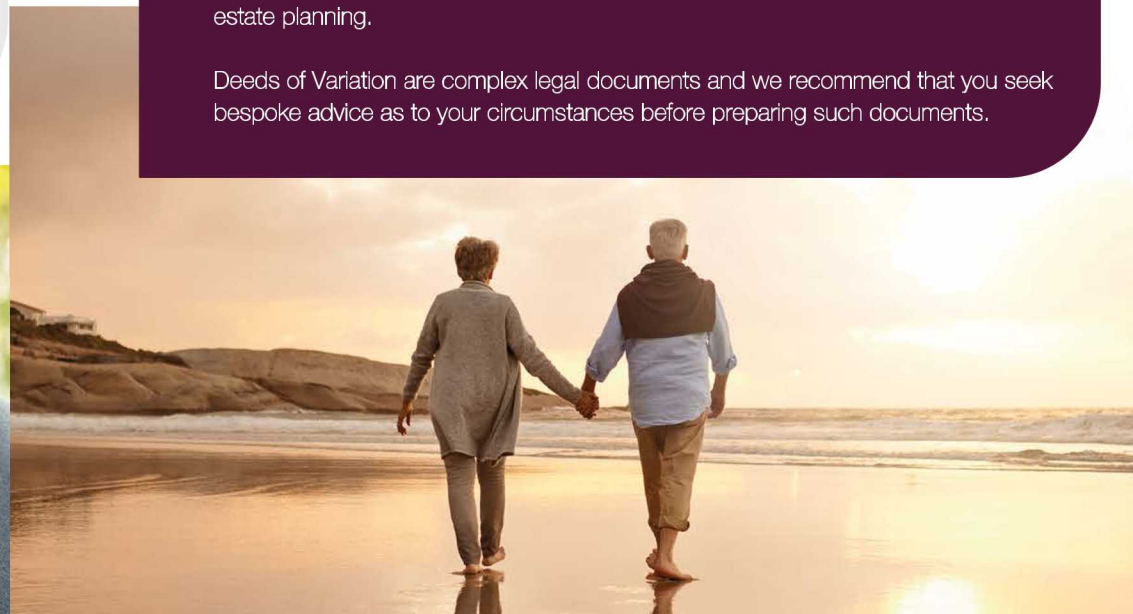


Creating a trust

A beneficiary may rather receive assets on trust as opposed to receiving them outright. It is possible for this beneficiary to prepare a Deed of Variation to arrange for their inheritance to pass into a trust which can then be managed moving forwards.

This may produce positive outcomes when it comes to care and other forms of estate planning.

Deeds of Variation are complex legal documents and we recommend that you seek bespoke advice as to your circumstances before preparing such documents.



WHAT OUR CLIENTS HAD TO SAY

"Friendly exact explanations on all legal aspects, helpful throughout and always with a smile" Mr & Mrs C, Westbury

"Very understanding. I'd recommend Emma Taylor for all later life matters"
Mrs W, Chippenham

"We liked Phillip's quiet efficiency, his understanding and knowledge of the subject"
R & L Bunnett, Corsham



HAVE YOU BEEN PUTTING OFF UPDATING YOUR WILL?

Get in touch today.



ARE YOU AWARE OF THE INTESTACY RULES?

Speak to your lawyer for more information.

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