

The Parish of Haslemere

Inheritance Tax and making a charitable donation in your Will

Please remember that as Haslemere Parish is a registered charity (no 1127927) your legacy gift will be exempt from Inheritance Tax.

Under present legislation should you leave 10% or more of your residuary estate to a charity, your estate would pay a reduced rate of inheritance tax.

Below are examples of how this would work in practice

Gross estate of £1,500,000	No charity bequest	%	10% charity bequest	%
Gross estate	1,500,000		1,500,000	
Nil-rate band	<u>1,000,000</u>		<u>1,000,000</u>	
	500,000		500,000	
Legacy to charity	0		50,000	
Taxable estate	500,000		450,000	
Less inheritance tax	200,000	40%	162,000	36%
Distributable Estate	1,300,000		1,288,000	

Therefore the estate's beneficiaries would forgo £12,000 but the Parish would benefit by a total of £50,000.

Gross estate of £500,000	No charity bequest	%	10% charity bequest	%
Gross estate	500,000		500,000	
Nil-rate band	<u>325,000</u>		<u>325,000</u>	
	175,000		175,000	
Legacy to charity	0		17,500	
Taxable estate	175,000		157,000	
Less inheritance tax	70,000	40%	56,700	36%
Distributable Estate	430,000		425,800	

Therefore the estate's beneficiaries would forgo £4,200 but the Parish would benefit by a total of £17,500

If you would like to know more about how you can leave a gift in your Will to Haslemere Parish (including the tax benefits) please phone the parish office on 01428 644578 or email office@haslemereparish.org