



# LEAVING A GIFT IN A WILL

Whilst considering what provisions to include in their Will an individual may decide to include a charitable donation (a legacy). They may wish to simply leave an outright gift of a specific amount to a particular charity in their Will. Sometimes the donor would like to be a little more specific, including by directing exactly how, and for what purpose within the overall charitable objects of the charity their gift should be spent. At the Community Foundation in Wales we can set up a personal named fund for an individual so that their charitable giving can continue long after their death. The client's family and friends can also be involved in the decision making process which can be a great way to preserve the client's memory.

All of our clients have strong and proud ties with Wales and are passionate about giving back to Welsh communities as part of their legacy. We exist to help our clients achieve their Welsh philanthropic wishes, whether as a living legacy or after they have passed away.

Naming the Community Foundation in Wales as a beneficiary in a Will ensures that the donor's money goes directly to those who are in need in Wales. This can be by way of setting up a separate fund for specific charitable purposes and/or for the benefit of inhabitants in a specific geographical area. Alternatively, should the donor wish to give more generally then they could leave an outright gift to our Fund for Wales endowment, which is a perfect way for a gift to keep giving.

## Legacy Options

### FUND FOR WALES

Large endowment pot that covers all charitable causes across Wales

Non specific

The Foundation would choose worthy charitable causes in and across Wales and administer grants accordingly

### IMMEDIATE IMPACT FUND

Tailor made to the clients' charitable wishes

Can be to a specific charitable cause or geographical area, or both

Specific

Grants administered by the Foundation in accordance with the client's wishes until the gift runs out

### NAMED FUND

Tailor-made to the clients' charitable wishes

Can be to a specific charitable cause or geographical area, or both

Specific

The amount is invested as an endowment fund that ensures that the gift keeps on giving long after the client's death



## Wording to consider:

If the client is clear on which of our charitable causes and/or geographical area they would like their gift to benefit from then this should be specified in their Will. For example, the following clause could be included: -

*"I give [£500,000 (five hundred thousand pounds)]/\*\*the residue/\*\*a X% share of the residue of my net estate] to The Community Foundation in Wales (charity number 1074655) of St Andrews House, 24 St. Andrews Crescent, Cardiff, CF10 3DD and I wish, without creating any binding trust, that this is used [to help families on low incomes in the Pembrokeshire area by providing funding for their children to further their education]"*

Please note that this purpose is included by way of example only.

If the donor is not sure how they want their gift to be used at the time of drafting their Will they may include a

memorandum of wishes. In this case the following clause can be included: -

*"I give [£500,000 (five hundred thousand pounds)] to The Community Foundation in Wales (charity number 1074655) of St Andrews House, 24 St. Andrews Crescent, Cardiff, CF10 3DD and I desire that this be used according to terms of any memorandum of wishes I have left which sets out my preferred charitable purposes."*

If the client is happy for their gift to simply be added to the Fund for Wales to help various charitable causes across Wales as determined by the trustees from time to time of the Community Foundation in Wales, then the following clause should be included in the Will: -

*"I give [£500,000 (five hundred thousand pounds)] to The Community Foundation in Wales (registered charity number 1074655) of St Andrews House, 24 St. Andrews Crescent, Cardiff, CF10 3DD for their general charitable purposes"*

## Tax benefits

As a registered charity, legacies and residuary gifts made to The Community Foundation in Wales qualify as charitable donations for UK tax purposes. Therefore, donations made via legacies are exempt from inheritance tax and could help reduce the total amount of tax paid on a client's estate, maximising what is available for their heirs.

Leaving at least 10% of an estate to the Community Foundation in Wales (or any other charity) will reduce the inheritance tax owed from 40% to 36% as illustrated in the table below.

Example: £1,000,000 estate size - £325,000 nil rate band = £675,000 net estate

	Charitable Gift %	
	4%	10%
Charitable gift amount	£27,000	£67,500
Inheritance tax to pay	£259,200 (40% rate)	£218,700 (36% rate)
Beneficiaries receive	£713,800	£713,800

As you can clearly see, leaving 10% of this estate to charity leaves the same amount to beneficiaries as only leaving 4%. The increased value of your charitable gift will offset the inheritance tax contribution, and the difference is covered by HMRC.

Should you or your client wish to discuss leaving a legacy to The Community Foundation in Wales further please contact **Mari-Wyn Elias-Jones** (Development Manager) on **mari-wyn@cfiw.org.uk** or **02920 372580 / 07780 382600**