

# LEGAL LANGUAGE MADE SIMPLE

**Legal language can seem daunting.  
Our jargon buster cuts through the complexity.**

<b>Assets</b>	The money and property you own.
<b>Beneficiary</b>	A person or organisation who is remembered in a will.
<b>Bequest</b>	Another name for a gift in a will.
<b>Codicil</b>	A legal form used to change or add to a will. It must be signed and witnessed.
<b>Estate</b>	The money and property you leave when you die.
<b>Executors</b>	The people you choose to manage the distribution of your money and property according to your will. There are usually two (although you can have up to four). One is often a relative or friend, the other could be your solicitor or bank manager. You should get their consent in advance.
<b>Inheritance tax</b>	A tax of 40% paid on your estate before it reaches those who inherit this money or property.
<b>Legacy</b>	Another name for a gift in a will.
<b>Pecuniary legacy (also known as a 'cash gift')</b>	A cash gift in a will.
<b>Residuary legacy (also known as a 'percentage gift')</b>	The gift of all or part of what's left of someone's estate after all other gifts have been taken into account. This is the most effective way to remember a charity like The Prince's Trust.
<b>Specific legacy</b>	The gift in a will of a particular item.



Prince's Trust

This is a resource to help you plan, but it is not legal advice. We encourage you to contact a solicitor when seeking professional legal advice.



# YOUR QUESTIONS ANSWERED

**Q If I leave a gift in my will to The Prince's Trust, how will you use it?**

**A** Your gift will help vulnerable young people to fulfil their potential. From free vocational and personal development courses, to support at school, or to get a business going, you'll be making sure more young people get the chance to thrive – however difficult their circumstances.

**Q I've arranged to leave my money to another charity. Can I still remember The Prince's Trust?**

**A** You can remember as many charities as you like. However, it's worth remembering that one or two larger gifts to the charities you care about most will probably be more cost-effective than lots of smaller ones.

**Q Which type of gift in my will would be most useful to The Prince's Trust?**

**A** Anything you decide to leave us, whatever the size, is gratefully received and will make a wonderful difference to young people. However, a 'residuary' or 'percentage' gift is often the most effective way to help. It means you can make sure your family and friends are provided for in the way you intended, while still providing us with funds to plan our work. That gives us confidence that we can give long-term support to the young people who need us.

**Q Can I use a gift to The Prince's Trust to reduce the Inheritance Tax I pay?**

**A** If your estate is worth more than £325,000, inheritance tax may need to be paid on everything above this threshold before this inheritance reaches your loved ones. The rate is currently 40%, which means that if your estate is worth £425,000, £100,000 is taxable, so £40,000 will go to the taxman.\*

However, by leaving 10% (or more) of your estate to a charity like The Prince's Trust, the inheritance tax rate is reduced to 36% of everything over £325,000. This means that less of your estate will go to the taxman, and more to your loved ones and the causes you care about.

\* This rate and threshold is correct as of Apr 2016. Please check current guidance, as the Inheritance Tax threshold is due to increase each year between 2017 and 2020.

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