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Spring Budget News

Although we haven't read the 120+ pages of the Spring Budget 2014 we have received numerous newsletters and bulletins from our partners and networks as well as feeds from various forums, there doesn't appear to be anything that impacts directly on Wills, trusts, inheritance tax or alters any of the advice that we give on any product or service.



THIS MUST BE A FIRST!

One major reform that The Chancellor George Osborne announced was to the pensions system that will allow people to draw as much as they like from their pension pot rather than buying annuities. The knock-on effect of this change is an indirect one. By allowing you to take a larger lump sum out of your pension, e.g. to reinvest in (previously non-approved) asset classes, such as buy-to-let properties, this would increase the value of your estate which would then potentially be subjected to Inheritance Tax on your death. So there's a trade-off. Just be aware.

Finally, whilst discussing pensions and Inheritance Tax, just a reminder to have another look at our [November 2013 Newsletter](#) in which we recommend directing any death benefits payable from your pension to one of our Family Trusts, so that it is protected from Inheritance Tax on your spouse's/partner's death as well as ring-fencing it for your children from being lost through remarriage, long term care, bankruptcy, etc.

STEP (Society of Trust & Estate Practitioners) Code for Will Preparation in England and Wales

STEP was one of many organisations that supported the regulation of will writing in England and Wales. The UK government, however, has called on professional bodies to develop their own standards and codes of practice rather than a single standard.



In response to this, STEP has launched their [Code for Will Preparation in England and Wales](#), to which their members must adhere to and which came into effect on the 1st April 2014.

The Code lays out a set of ethical principles that demonstrate openly the standard of transparency and service a client can expect from a STEP member preparing their Will.

The Code is a framework within which each STEP member who undertakes this area of work can determine how best to meet the needs of each individual client – while at the same time operating within appropriate standards. It does not set out a detailed and prescriptive procedure for will preparation.

As affiliate members of STEP, Cornerstone Wills are delighted that this Code has been established to create a clear divide between those Will writers who are qualified in Will Preparation and those who are not. It also provides a standard to which those individuals or other professional bodies can rely on when looking for Wills and Estate Planning services either for themselves or for their clients.

Quiz Answers

1. A Will must be dated? **False**
2. Marriage revokes a Will? **True**
3. Divorce revokes a Will? **False**
4. Unmarried partners inherit from each other if they've been together for more than 2 years? **False**
5. The threshold for payment of inheritance tax is £300,000? **False**
6. Married couples automatically inherit everything from each other without a will? **False**
7. Married couples inherit everything inheritance tax free? **True**
8. An unsigned will is valid? **False**
9. Wills **MUST** have two witnesses to the testator's (person making the Will) signature? **True**
10. If a son murders his mother he cannot benefit from her estate? **True**
11. A Will must be written on paper? **False**
12. A testator leaves their Rolex watch to one son and their Cartier watch to another son in their Will, and the Cartier watch is stolen before the testator dies, then the first son must share his watch with the second son? **False**
13. A husband and wife die at the same time without Wills, so their joint assets by-pass each other and pass to their children equally? **True**
14. A life assurance policy pays into a trust on your death, it's not taxed as part of your estate? **True**
15. If you are married you do not need a LPA to manage your Spouse's affairs? **False**
16. If you are unmarried you do not need a LPA to manage your partners affairs if you have been together for more than 2 years? **False**
17. There are two types of LPA both dealing with Property & financial affairs? **False**
18. Inheritance tax due on an estate must be paid within 6 months of death? **True**
19. Without a Will that appoints a Guardian, orphaned children would be made wards of the Family court until Social Services decide where they live? **True**
20. There is no need to apply for probate on an Estate if the deceased has left a Will? **False**
21. If someone leaves more to one of their children than the others then the one who has less can contest the Will? **True**
22. If a couple make a Will leaving everything to each other and then their children, the Children will always benefit from the joint estate? **False**



Sorry there were no winners to the Quiz so the Prize will be rolled over to our next event.

Thank You

We would like to thank the following clients for referring new clients to us and in recognition have received a £10 Marks & Spencer voucher.

Graham and Gillian

*Cornerstone
Wills
Thanks
You*

