

The Institute of Fundraising have produced a Legacy Jargon Buster, to help you to understand some of the terms used when considering a legacy.

Beneficiary

A person, or an organisation, to whom you leave a gift in your will

Bequest

A gift you leave in your will to a person or organisation. There are different types of bequests. The main ones are:

- **Residuary bequest**

A gift of the remainder of your estate after all other gifts have been made and debts cleared. You may leave either the total of the remainder or a percentage of it.

- **Pecuniary bequest**

A gift of a fixed sum of money. The value of a pecuniary gift will decrease over time, as the cost of living increases.

- **Specific request**

A particular named item left as a gift in your will. For example, a piece of jewellery, furniture, a painting etc

- **Contingent bequest**

A gift in your will that is dependent upon the occurrence of an event which may or may not happen. For example, a gift to a charity which applies only if other beneficiaries named in your will die before you die.

Codicil

Any change or addition that you make to your will. However, it is now considered best practice to effect changes by getting a new will drafted rather than by making a codicil to an existing will.

Estate

The total sum of your possessions, property and money left at your death after debts have been paid.

Executor

Person(s) appointed by you to ensure the wishes in your will are carried out.

Inheritance Tax

The 40% tax paid when you die on the proportion of your estate that is over the nil-rate band threshold. This threshold varies every tax year. Further details on the current tax threshold are available on the HM Revenue and Customs website at:

<https://www.gov.uk/government/publications/rates-and-allowances-inheritance-tax-thresholds-and-interest-rates/inheritance-tax-thresholds-and-interest-rates>

All gifts in your will to charity are free of inheritance tax.

Intestate

The term for a person who dies without having a will. Under the Rules of Intestacy, if you die without a will certain relations are entitled to apply for your estate. If you do not have any surviving blood relations the state will apply for your estate.

Legacy

Any gift you leave in your will to a person or organisation.

Life Interest

The right of a beneficiary to benefit from part or all of the income (e.g. rent, dividends, bank interest) your estate for their lifetime. It is also possible in this way to give a relative/friend the right to live in a property for their lifetime. After the lifetime of that beneficiary (for example, your spouse), your estate can then pass outright to another beneficiary (for example, your children).

Probate

Official proof that a will is valid and that the executors have authority to deal with your estate. After your death, probate must be applied for by your executors if your estate is over £5,000. It is granted by the court on the production of the necessary documents and granting probate gives your executors the authority to administer your will and distribute your estate according to your wishes.

Residue

The total sum of your possessions, property and money left at your death after debts and gifts of fixed sums to beneficiaries have been paid

Testator

A person who has made a will