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Welcome

Welcome to the latest edition of the Personal and Family Focus.

In this edition we introduce our new Diamond Client service, aimed at those who have retired or are soon to retire. We have already had a lot of clients sign up to the service; please give us a call if you're interested.

Over the page we look at when lifetime gifts can have inheritance tax implications and family lawyer Kim Aucott provides advice for separated parents on holidaying abroad with the children.

If you would prefer to receive this newsletter by email or if you would like to unsubscribe to this newsletter please email marketing@georgedavies.co.uk or telephone 0161 236 8992 to let us know.

Kind regards

Tony Hall

Partner



The George Davies Diamond Client Service

Are you:

- retired or approaching retirement?
- an attorney, or a deputy and/or carer, relative or friend of an older person?

If so, we would like to invite you to join our new, pioneering, free service, the George Davies Diamond Client Service.

We have been asking our clients what, as they become older, they value most in their relationship with us as their solicitors. And most people have said that it is regular personal contact and the reassurance this brings.

Because of this, we are launching our new Diamond Client Service.

Members will receive:

- access to our team of specialist lawyers
 - a copy of our "Helping Hand" Care Directory
 - copies of our "Diamond Client Focus" newsletter – published three times a year
 - invitations to seminars and social events across the North West
 - and, if this is what you would like, we will keep in personal touch
- ...all free of charge

If you would like to know more about the service, please contact Caroline Pinney on 0161 234 8825

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Lifetime gifts and inheritance tax

Occasionally it isn't until somebody dies that relatives start to consider what tax is payable on that person's estate.

Inheritance tax is usually only paid on death and is charged on the value of the assets owned by the person at the time of death. Anything passing to a surviving spouse or civil partner or to charity can be ignored – these types of gift are generally classed as “exempt”. But apart from that (and subject to one or two other exceptions) the balance of the estate would attract inheritance tax at the rate of 40%. Estates worth less than a certain amount (currently £325,000 for individuals, or up to £650,000 for a married couple or civil partners) are exempt. This is known as the *nil rate band*.

What about gifts?

Often relatives are unaware that gifts made during that person's lifetime can have inheritance tax implications.

For instance, if you make a gift to another individual and then die within seven years of making the gift, your nil rate band is reduced by the amount of that gift. Again, gifts to a spouse/civil partner or to charity are generally ignored for these purposes.

There are, however, various exemptions that can help you to ‘safeguard’ your nil rate band. These exemptions include:

- The first £3,000 of value gifted in a tax year. Incidentally, any unused portion of this can be carried forward for one year (but only one year).
- Gifts of up to £250 to as many people as you like in any one tax year.
- Certain gifts in consideration of a person's marriage or civil partnership.

- Gifts to UK registered charities, qualifying political parties and gifts for national purposes (this may include museums, art galleries and local authorities etc).
- Certain gifts made out of income, but there are conditions applied to this.

In most cases it is vital that you yourself don't benefit at all from the cash or assets gifted. There are rules to prevent the avoidance of inheritance tax by the making of gifts with “reservation”. An example would be a gift of your house to (for example) your children, but with you continuing to live in the house rent free. The value of the house would still be included in your estate for inheritance tax purposes.

For more information please contact Alex Sealy on 0161 234 8701 or email alexsealy@georgedavies.co.uk

Holiday headaches for separated parents

Your children have just arrived back from staying with your ex and announce that they are off to Spain in the next school holiday. The children are excited but you haven't been consulted about this. Your initial reaction is to panic. What if the children aren't returned after the holiday? How will they cope in a foreign country without you?

The law states that a child cannot be taken abroad without the permission of both parents except in circumstances where the parent has a residence order from the court. Otherwise, permission is needed.

What do you do if you want to take the children abroad and your ex objects?

If your ex objects it may be necessary to apply to a court for permission. More often than not, the court will give permission if satisfied that the arrangements are reasonable and the child will be safely returned. In some cases the court will build in arrangements for the children to phone home and will often insist that detailed holiday plans are provided.

When a parent is planning a foreign holiday, consulting with the other parent as far in advance as possible and

certainly before the holiday is booked is often key.

If you have made every attempt to get the other parent's permission and have failed or if you are worried about your children going abroad, your solicitor may be able to resolve the issues between you.

For further advice please contact Kim Aucott using the details overleaf.

Disclaimer

The contents of this newsletter do not constitute legal advice. You should always consult a suitably qualified lawyer for professional advice about any specific legal matter of concern to you. George Davies Solicitors LLP, its partners and staff do not assume any responsibility for information contained within this document and disclaim all liability relating to such information.

