



What should you expect to pay for advice on reducing Capital Gains Tax (CGT)

Note that we are considering saving Capital Gains Tax purely within the context of probate and estate administration. That is, when it might be incurred by the personal representatives by selling an asset comprised in the estate.

Please refer to the download “Capital Gains Tax and Probate/Estates” for an explanation of CGT and how it may be incurred in this situation.

Usually the solution to it is to plan ahead. To anticipate that the asset that is being sold will be sold with a gain, and to make arrangements prior to the sale to mitigate the effect of CGT.

The usual way to do this would be to use a declaration of trust or a deed of variation to put the asset in question into the beneficial ownership of the persons due to receive it under the terms of the Will (or under the provisions of Intestacy). Sometimes it is desirable and possible to include their wives and children as beneficial owners.

The effect of this arrangement is to increase the amount of annual exemptions available to use against the gain in value.

The personal representatives may have an exemption of only £10,100 (in 2009-2010); or of half that in some circumstances. If there were five beneficiaries and they were all married and willing to include their wives as owners, the annual exempt amount could be increased to £110,000. Not rocket science. And if you knew what was involved, you would be willing to pay for the tax saving. But bear in mind that the drafting and advice are probably not desperately demanding or time consuming.

If you found this download useful and have not yet bought “Probate Made Simple”, please visit www.willsprobateandmore.co.uk where you can purchase it!

Disclaimer

All explanations of the law and legal practice given in this document are intended as no more than outlines for the prospective legal client. They do not replace the need to take professional legal advice. It is recommended that professional legal advice is taken by anyone thinking about acting on any of the issues mentioned in this document.

Wills Probate and More Ltd and the author do not accept responsibility for loss occasioned to any person acting, or failing to act, as a result of the content of this document.

For further information contact:

Wills Probate and More, 83 Birkby Lodge Road, Birkby, Huddersfield HD2 2BL

Tel: 01484 430834 (land line)

Tel: 07773 890979 (Mobile)

Email: enquiries@willsprobateandmore.co.uk

Website: www.willsprobateandmore.co.uk

Wills, Probate and More is a trading name of Wills, Probate and More Ltd reg co no: 6792641 Wills, Probate & More Ltd is a Member of the Institute of Professional Willwriters (IPW) and complies with the IPW Code of Practice.