

# Legacy Information

## Inheritance Tax

Leaving a legacy in your will can be a tax-efficient way of supporting the School whilst providing for your beneficiaries.

Oundle School is a recognised charity (No. 1075698) and therefore is exempt from paying tax on gifts received within or after a donors lifetime.

Legacies made to Oundle School are free from Capital Gains Tax and Inheritance Tax. If you choose to make a charitable gift in this way, you will reduce the total tax liability of your estate.

Currently, estates in excess of £325,000 are subject to Inheritance Tax. If you choose to leave 10 per cent of your estate to charity, the tax due may be paid at a reduced rate of 36% instead of 40%.

Below is an example to show the tax paid on an estate worth £500,000 where a £100,000 legacy is left to charity.

Value of estate	£500,000
Legacy donation to charity	£100,000
Tax free amount	£325,000
Amount subject to 36% tax	£75,000
Amount payable to beneficiaries	£373,000
Tax paid	£27,000

\*Please check with HMRC for most up to date information with regards to taxes

## Types of legacies

**Residuary Legacy** is a gift of all or a percentage of your estate after specific gifts to family and friends have been made. Residuary legacies increase with the value of the estate and are not affected by inflation.

**Pecuniary Legacy** is a bequest of a specific amount. These gifts can be index-linked to ensure that the final amount gifted to the School remains in line with inflation.

**Specific Legacy** relates to stocks and shares, property, artworks or any other such objects. We advise speaking to a member of the team when considering leaving a specific item to the School.

**Reversionary Legacy** is a bequest that is made once those specifically named in a will have benefited.

**Conditional Legacy** occurs when you outlive all of the beneficiaries in your Will.

*Did you know if you were to find yourself the beneficiary of a will, it is possible to transfer whole or part of that inheritance to a charity using a deed of variation, which are also free of Inheritance Tax.*

*We recommend seeking professional advice when making or amending details in your will.*