



PRESS RELEASE

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BEGINS

New Intestacy Rules

If you die without leaving a Will the rules of intestacy determine how your estate is distributed. That is, the law decides, without compassion and without regard for the personal needs or wishes of those left behind.

Intestacy rules are revised periodically so that values adjust to inflation. The latest revisions came into effect on 1st February 2010.

Now, if there is a surviving spouse (or civil partner) and children, the spouse keeps all the assets up to £250,000 and, in addition, all the personal chattels (possessions) whatever their value. The remaining value of the estate, after the £250,000 has been deducted, is divided between the surviving spouse and the children. Half goes on trust to the spouse and half goes to the children (to be divided equally between them). On the death of the surviving spouse, the half on trust goes to the children.

The consequences of this rule can be unfortunate. Take, for example, someone dying and leaving a spouse and children and a house valued at, say £600,000 but no other assets. Here, the children are entitled to receive £175,000 and the spouse might have to sell the house in order to raise the money. This may well cause the spouse inconvenience and hardship and be not at all what the deceased would have wanted or intended.

The above is just one example where the intestacy rules may lead to hardship and unintended or unwanted consequences.

The simple way to avoid such issues arising is to make a Will where you (and your spouse or civil partner) can stipulate exactly how you want your estate distributed after your death.

If you live with a partner, and are not married or not in a civil partnership, they have no rights to inherit if you die intestate. If you wish a partner to inherit, you must make a Will.

For further information please contact Roderick McCulloch or Vanessa May at Reynolds Parry Jones on 01494 525941

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