Why Thomas Dunton?

We have been helping the local community for over 40 years and have built a reputation for being professional, approachable and sensitive when it comes to handling our clients' legal concerns.

We also have a wealth of expertise and experience within the firm to assist with all your legal needs. So, when discussing gifting, we can also advise on equity release, buying or selling a property, making and updating your will, and inheritance tax planning, to name just a few examples.

Above all else, we only ever have our clients' best interests at heart and dedicate the time to listen and understand your circumstances and needs, to help make the best decisions for you and your loved ones.

But don't just take our word for it, here is a summary of just some of the things our clients have said about us...

"You have been utterly brilliant when we needed you most."

"Wonderful and understanding. Guided me through the process and presented all the options in a way I could understand."

"Extremely helpful and efficient. Service provided was faultless from start to finish."

"Been a customer for years. Wouldn't go anywhere else."

"Informative, patient, understanding and most helpful."

"Knowledgeable and efficient. You provided helpful and practical advice. A pleasure to deal with."

"In this day and age of impersonal internet services, we feel lucky to have dealt with a firm which operates at the human level."

What else can Thomas Dunton help you with?

Our solicitors are here to talk to you about even the most complex legal matters, to listen to your needs and offer practical solutions.

- Buying & Selling a Property
- Dispute Resolution
- Personal Injury
- Family & Children
- Employment Law
- Mediation
- Powers of Attorney
- Probate
- Contested Probate
- Wills
- Business Law

www.thomasdunton.co.uk

THOMAS DUNTON SOLICITORS

Accredited LEXCEL Practice Management Standard – The Law Society

Solicitors Regulation Authority

Accredited Children Law – The Law Society

Accredited Personal Injury – The Law Society

Accredited Conveyancing Quality Scheme (CQS) – The Law Society

apil Association of Personal Injury Lawyers – Accredited Practice

resolution – first for family law

fsb – Experts in Business

Contracted with the **Legal Aid** *agency*

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THOMAS DUNTON SOLICITORS

Your guide to

Gifting

LOCAL PROFESSIONAL TRUSTED

If you find yourself in the fortunate position of having money to spare, gifting it to your loved ones while you are still alive, can be a positive way of helping them and also help with your inheritance tax (IHT) bill.

The inheritance tax position

When you die, you can gift your estate to your spouse or civil partner, tax free. On their death, if their estate falls above the inheritance tax threshold (the various nil-rate bands), then inheritance tax of 40% will be payable on the remaining amount.

Gifts within 7 years

Generally, if you give away gifts of any amount, seven years or more before your death, then these will be tax-free. If you die within seven years of bestowing a gift, the amount of that gift will be taken into account when IHT is calculated. The lifetime gift will be the first asset set against your nil-rate band. This usually means that there is no tax to pay on the gift itself, but unfortunately means that there is less nil-rate band available for the rest of your estate – leading to more tax overall.

Wedding gifts

Helping those you love, by gifting money for their big day, is tax free. You can give your children £5,000 towards their wedding, grandchildren and great-grandchildren £2,500, and if you're feeling generous you can gift anyone £1,000 for their nuptials.

For more information,
please contact our Wills Department
on **01689 822554**, email
wills@thomasdunton.co.uk
or visit **www.thomasdunton.co.uk**



Gift allowance

Each tax year you can gift £3,000 tax free. This is known as your annual exemption. If you do not use the total allowance in one year, you can carry this or any unused allowance over to the next tax year, but be mindful that it can only be used in the following tax year and no further.

Smaller gifts

You are able to give away up to £250 tax free each tax year, to as many people as you choose, as long as they have not benefited from your annual exemption.

Maintenance payments

If you support a relative who is disabled, old or infirm, then these gifts may be IHT free. Gifts of maintenance for ex-spouses and maintenance or education for children, who are under 18 years of age, are also IHT exempt.

Gifts to UK charities

Gifts to charities based in the UK are tax free. If you leave a charity a substantial gift in your will, this may also reduce your IHT bill from 40% to 36%.

Regular gifts from your post-tax income

If you find that you have excess money which has come from your income (e.g. pensions or salary) then you may be able to provide a regular gift without being liable for inheritance tax. HMRC would however, need to see a regular payment pattern for this to be exempt. Keeping a comprehensive paper trail is vital to ensure that IHT is not payable. It is sensible to take advice on the detailed requirements if you are hoping to rely on this exemption.

The 'Gotcha!' in it all

Sadly, these rules generally don't work if you continue to benefit from the gift in any way. For example, if you gift your holiday home to your family, but still use it, this is classed as a gift with reservation. It will be considered for IHT as if you never gave it away.

Knowing how, and when, to gift your money is a complex matter. At Thomas Dunton Solicitors, we have been helping people navigate their way through the ever-changing tax landscape for over 40 years.

It is important to note that this guide is not a full statement of the law. The information in this leaflet is of a general nature and may not reflect your individual circumstances. You should receive individual advice before taking any action.