

# Charitable legacy

A charitable legacy is when you leave part or all of your estate to a charity in your will.

By doing this you will not only be helping to sustain the vital work of your chosen charity but also reducing the amount of inheritance tax you pay on your estate.

Inheritance  
Tax allowance  
**£325,000**

## What you will pay:



If your estate is worth

**£425,000**

and you leave it all to your partner who lives with you

your net estate is worth

**£100,000**

You will have to pay **40%** Inheritance Tax = **£40,000**

This would reduce your estate to **£60,000**

Leaving **10% or more** of your estate to a charity reduces the Inheritance Tax you pay from **40% to 36%**

## What you could save by leaving a charitable legacy



If your estate is worth

**£425,000**

and you leave

**£415,000**

to your partner

and a gift of



**£10,000**

to a charity in your will, the estate would then pay

**36%** Inheritance Tax on **£90,000** = **£32,400**

While this would mean your partner receives less, in this example making a charitable legacy would reduce your Inheritance Tax bill by:

**£7,600**