

## **IPW WARNS THAT LATEST WILLS LEGISLATION COULD LEAVE BRITISH FAMILIES IN HOT WATER**

The first increases in the amount a spouse or civil partner inherits under intestacy since 1993 will come into force on February 1, 2009, for those living in England and Wales. Whilst this is good news for those married to partners who fail to make a Will from that date on, it's sending alarm bells ringing amongst will experts at the Institute of Professional Willwriters (IPW).

The IPW ([www.ipw.org.uk](http://www.ipw.org.uk)) welcomes the increases, which raise the amount the widow or widower of an intestate spouse can inherit to £450,000 (from £200,000) if there are no children and to £250,000 (from £125,000) if there are children. In the latter case, the children would inherit the rest of the deceased's Estate.

The IPW's stance on this is that there has at least been some attempt to increase the spouses share in line with inflation for spouses in a childless marriage. House prices have increased 229 per cent since the last intestacy increases in 1993\*, resulting in larger amounts of money left on death, which the current limits do not reflect.

On the other hand, the increase in statutory legacy is only 100 per cent for widowers of people who die and who have children, so their need to have a provision that accounts for the vast increase in house prices has not been satisfied.

Even more worrying in the IPW's opinion is the fact that this legislation may now encourage even more consumers to overlook the perils of intestacy. With only around one-in-five British consumers making a Will already, the intestacy nightmare could be an ever recurring one after the February 1 changes.

The IPW sums up the dangers of intestacy for consumers in ten main areas, believing that the fundamental weakness of the intestacy legislation in England and Wales is that it fails to recognise that the family unit bears little resemblance to that in existence when the intestacy rules were first drawn up.

The reasons why intestacy should not be contemplated are as follows:

1. If you are co-habiting, but not married (a situation applying to an estimated one in six couples)\*\* intestacy will leave you stranded on the death of your partner. You will not be recognised under intestacy laws, which will make no financial provision for you, no matter how long you and your partner were together. Your partner's Estate would pass to their children and then, if there are no children, to your partner's parents, siblings and other relatives, in a specified order.
2. Stepchildren are not be provided for under intestacy legislation.
3. There is no provision for charities when a person dies intestate.
4. Non-family members (e.g. friends) will not be entitled to any gifts.
5. There is no provision for first spouse's family when the surviving spouse dies.

6. Going down the route of intestacy leaves you unable to appoint guardians who could handle your children's emotional, physical and financial needs should you pass away during their childhood.
7. Choosing not to make a Will leaves you with no provision to create flexible trusts that can manage assets on behalf of young or vulnerable beneficiaries.
8. Dying intestate leaves a tangled web of delays, difficulties, confusion and emotional upset at the very time when distress and grief is already at its highest.
9. By making a Will you can choose who to appoint as executors of your Estate when you pass away.
10. The money saved in professional fees charged where there is no Will can be far more than the cost of making a Will.

IPW Chairman, Paul Sharpe, says: "The February 1 changes were a chance for the Government to adapt the intestacy laws to suit 21<sup>st</sup> Century family relationships and social and lifestyle trends. Instead, there has been a half-hearted attempt to adapt the intestacy thresholds so as to take house prices and inflation into consideration.

"The February 1 intestacy rules will still leave many English and Welsh consumers short-changed, having no status in the eyes of the law on the death of their partner, stepmother or stepfather, life-long friend or other relative, if that person did not make a Will. For many, who do not realise what will happen at some point in their future, this will be the ultimate heartache."

Anyone worried about their own family situation can contact a fully qualified, professional Willwriter through the IPW. Visit [www.ipw.org.uk](http://www.ipw.org.uk) for more information or call 08456 442042.

The IPW is **the only** Willwriting organisation to insist on professional qualifications for its members, backed by on-going professional development and training. The IPW was the first organisation in its sector to successfully complete the first stage of the OFT's Consumer Codes Approval Scheme (CCAS), earlier this year. It hopes to take its Code of Practice through to second stage approval in the next few months. **ENDS**

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Notes to the Editor

\* According to the Nationwide Price Index, 1<sup>st</sup> Quarter 1993 to the last quarter 2008 for the whole of the UK

\*\* According to a news story at <http://news.bbc.co.uk/1/hi/business/7775986.stm> on December 30, 2008.