

For immediate release

September 23, 2005

## **YOU DON'T HAVE TO BE ON THE RICH LIST TO NEED A WILL**

You don't have to be on the nation's Rich List to be a higher rate tax payer, warns the Institute of Professional Willwriters (**08456 442042**) as it reminds homeowners to keep a careful eye on the price of their home and recognise its impact on their estate.

The latest Halifax House Price Index for August 2005 showed that the average price of a property in England and Wales is now £162,850. However, there are vast differences in prices around the country and, more importantly, in house price inflation in different regions and even in different towns and cities within a region.

One example of this is the North West of England, where the average price of a property is £130,254, which is below the national average. However, house price inflation is 7.8% as opposed to the national average of 3.7% and house prices have risen by 80% over the past three years. Yet, whilst house prices in Nantwich have only risen by 2% for the year, those in Ellesmere Port and Ashton under Lyne have both risen by 25% and Bootle and Blackburn by 22%.

This complicated regional picture can easily catch homeowners out, says the IPW. This body of highly trained and professional Willwriters warns that millions of homeowners are moving towards a situation in which they have an estate valued over £275,000, thanks to the ever-increasing value of their property. On the other hand, few are aware that, if they were to die, they would have to pay 40% tax on the balance in the value of their estate over and above this amount.

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The frightening part of this scenario is that relatively few of us bother to draw up a Will that can ease the burden of the tax bill that our relatives and friends will have to face, if we pass away. Despite threats such as natural disasters, terrorism, road traffic accidents and illnesses, 70% of us make no provision for the distribution of our 'wealth' after our death. Whilst those on the nation's rich list probably recognise their wealth and have drawn up a Will, too few of us note the value of our property as anything more than a stroke of good fortune and a reward for being on the property ladder.

*"Homeowners are just not looking at the downside to the boom in the value of their property", says Paul Sharpe, Chairman of the IPW. "We are seeing a year-on-year increase in the number of people crossing the Inheritance Tax threshold, but are not witnessing a similar increase in the number making a Will. Too few homeowners realise that a Will can help to reduce the IHT burden by working within the tax regulations and distributing an estate in such a way as to reduce the tax payable to the Chancellor.*

*"The pattern of house price inflation that we are witnessing is pretty erratic, creating pockets within regions that are booming far more than the national average. Unless a homeowner is noting prices of similar properties to theirs within their local papers, or estate agents' windows, they can easily live in ignorance of what their home is worth. Without even knowing it, they can be edging ever closer to the IHT threshold."*

An 'estate' in the eyes of the law is made up of the value of an individual's property, their savings and investments and their belongings. With the average house price in Greater London being £238,950, anything more than a £36,050 value of savings, investments and belongings will push the average homeowner over the IHT threshold.

On a daily basis, families of people who have passed away are left to face a tax bill that can be frightening, unexpected and, in some cases, the cause of many sleepless nights. Every day, IPW members sit down with individuals and word a Will in such a way as to reduce the burden of Inheritance Tax to the bare minimum. This is just one of the many advantages of making provision for what is going to happen on your death, taking care of those that you leave behind.

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IPW members, who have to undergo rigorous training, pass professional and recognised exams and satisfy stringent requirements before they can join this Institute, are available around the country, offering a Willwriting service that is affordable, competent and trustworthy. These are vital factors in a market that is unregulated at present and where a do-it-yourself approach is also appearing. Both of these can cause problems when the Will is read, which is when the loopholes tend to first appear.

The cost of making a Will with an IPW Member is around £50-£70 for an individual. This is a small price to pay when offset against a tax burden that could run into thousands. To talk to an IPW Member about your own situation, you can call **(08456 442042)** to get details of your nearest accredited IPW Member or log on to [www.ipw.org.uk](http://www.ipw.org.uk)

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#### **Note to Editors**

Interviews with Paul Sharpe are available on request and can be focused on any element of Willwriting or regulation within the Willwriting market. Interviews with local IPW Members may also be available, subject to availability.