



Royal Air Force
Benevolent Fund

A GUIDE FOR LAY EXECUTORS

GIFTS IN WILLS ARE AT THE HEART OF OUR WORK

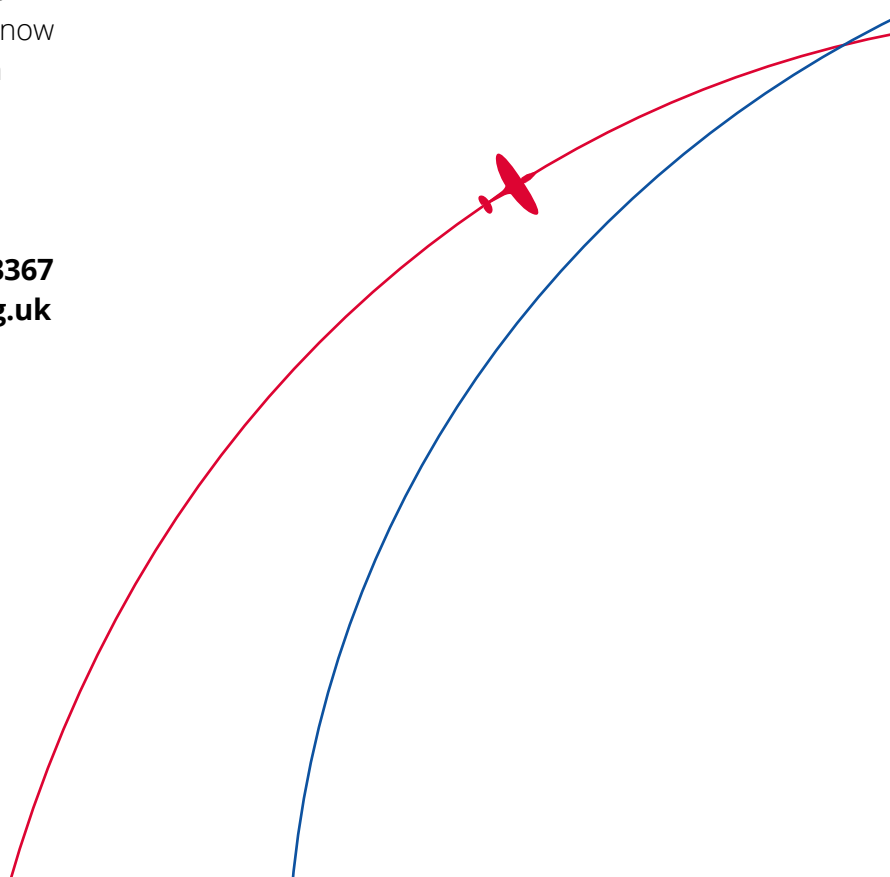
Gifts in Wills, like the one you are administering, are vital to our work supporting serving and ex-serving members of the RAF and their families. Over 60% of our fundraised income comes from these very special gifts.

We're here to help

We have produced this guide to help you with any questions you might have about the role of an executor and administering a gift to the RAF Benevolent Fund.

You have been given a big responsibility, at what might be a very emotional time. We know what your role involves in administering an estate, so if there's anything you would like to ask along the way, please get in touch.

**Call Fabian Ouchterlony, our Legacy
Administration Manager on 020 7307 3367
or email fabian.ouchterlony@rafbf.org.uk**



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YOUR ROLE AS AN EXECUTOR

As lay executor you will naturally want to make sure that the Will you are responsible for is administered properly, which is why many executors appoint a solicitor to help them. Don't forget, we're here to support you too.

Your role as an executor includes...

- Gathering all the relevant financial documentation.
- Getting valuations on property or items of value to work out the total value of the estate.
- If Inheritance Tax is due from the estate, arranging for this to be paid (see page 10).
- If necessary, preparing the appropriate forms for submission to HMRC and the Court.
- Obtaining a grant of Probate (or grant of confirmation if you're in Scotland) so that you can administer the estate.
- Finding out whether there are any claims on the estate.
- Paying any debts that are owing from the estate.
- Preparing the estate accounts and settlement of Capital Gains Tax and Income Tax (see page 10).
- Distributing assets and cash according to the instructions in the Will.

Any costs involved will be paid out of the estate, including solicitor fees and your expenses, so you shouldn't be out of pocket.

KEY STEPS TO ADMINISTERING A CHARITABLE GIFT

- 1** Get in touch with us to let us know about the gift.
- 2** Residuary Gifts - Send us a complete copy of the Will and any codicils.
Pecuniary Gifts - Send us a copy of the Will clause containing our gift.
- 3** For Residuary Gifts please provide us with details of the estate assets and liabilities submitted for probate purposes or a copy of the IHT400 form (Form C1 in Scotland).
You can find these at gov.uk/government/collections/inheritance-tax-forms
- 4** If the estate contains a property, provide us with 3 marketing valuations.
- 5** Work out any tax implications of the charitable gift.
- 6** Sell any relevant assets.
- 7** Where possible, make interim payments if most assets have been dealt with.
- 8** Send us a copy of the estate accounts for our review and approval at the end of the administration.
- 9** Pay the full final amount of the gift to the charity.

GOT A QUESTION?

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email fabian.ouchterlony@rafbf.org.uk

THE IMPORTANCE OF GIFTS IN WILLS

Gifts in Wills have an incredible impact on the lives of serving and ex-serving members of the RAF and their families.

For more than 100 years, the RAF Benevolent Fund has been supporting members of our RAF Family through thick and thin providing practical, emotional, and financial support whenever they need us.

Over 60% of our fundraised income comes from gifts in Wills.

In 2022, supporters raised £17.4 million for the RAF Benevolent Fund. Of that, approximately £12.3 million came from gifts in Wills. Here are a few examples of the support made possible by these kind gifts...

£604,000

on adapting housing, enabling RAF veterans to remain living independently in the homes they love.

£35,000

to help build a new Community and Social Centre at RAF Brize Norton.

£374,000

on topping up Care Home fees so RAF Family members can live in comfort in the best home possible.

For more information about the importance of gifts in Wills visit rafbf.org



“ Whatever my needs were, the RAF Benevolent Fund has always been there.”

Bob Greig, Former Parachute Training Instructor

YOUR STEP-BY-STEP GUIDE

In your role as executor, you will want to make sure that the wishes of the person who has passed away are carried out to the letter. Here's a brief overview of the process and considerations. Please feel free to get in touch if you have any questions.

Communication with other charities

If the Will you are administering includes gifts to other charities, we will work together to make your job easier.

It is standard practice for a lead charity to be appointed, so that you only need to contact one person. They will then be responsible for communicating with the other charities named in the Will, before feeding back to you.

Applying for probate

For many estates, you will need to apply for a Grant of Probate. Probate enables you to act on behalf of the estate – for instance, moving savings from the deceased's bank account into the estate bank account so that you can distribute funds according to their wishes. Before you apply, you will need to estimate the value of the estate of the person who died.

You may not need probate if the person who passed away:

- Only had savings
- Owned shares or money with others – this automatically passes to the surviving owners, unless they've agreed otherwise
- Owned land or property as 'joint tenants' with others – this automatically passes to the surviving owners

The process of applying for probate varies depending on whether you live in England, Wales, Scotland or Northern Ireland. You can find guidance online here:

England and Wales: **gov.uk/applying-for-probate/apply-for-probate**

Scotland: **scotcourts.gov.uk/taking-action/dealing-with-a-deceased-s-estate-in-scotland**

Northern Ireland: **nidirect.gov.uk/services/apply-probate**

Assets and liabilities

One of your first priorities is to find out the value of the assets and liabilities (debts) of the person whose estate you are administering. Once all liabilities have been paid from the estate, what remains of the assets can then be distributed to beneficiaries according to the wishes set out in the Will.

NOTE: If their debts exceed the value of their estate, you should get legal advice. No one else will have to pay any debts left over.

Claims on the estate

You may need to consider if there is anyone, such as a child or co-habitant, who is not named in the Will, but could have a right to make a claim on the estate.

Rights vary depending on whether you are in England, Wales, Scotland, or Northern Ireland, however if claims on the estate are possible, then please consult a solicitor. If a claim is being made against the estate, please let us know as early as possible.

The type of gift left to the RAF Benevolent Fund

Pecuniary (A fixed amount of money)

If the gift is pecuniary, please send us a copy of the relevant clause in the Will. Also let us know when you expect probate to be granted and if you anticipate any delays in administering the estate.

Specific (A specific item or asset)

This involves valuable items, such as jewellery, paintings, land, stocks and shares. Please send us a copy of the relevant clause in the Will along with a professional valuation of the item (or preferably three marketing valuations if a gift of property).

Residuary (A share of the estate)

This type of gift is a percentage of the remainder of the estate once all other wishes have been carried out. If the gift is residuary, please send a copy of the entire Will and any codicils or informal writings such as letters of wishes, a schedule of assets and liabilities of the estate (or a copy of the IHT400 if applicable) as submitted for probate, as well as a copy of the Grant of Probate. Please provide three marketing valuations if the estate includes a property.

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SELLING PROPERTY AND TAX

Selling property

The role of an executor often includes the sale of property or land. If you are selling a property that forms part of an estate in which the RAF Benevolent Fund is a residuary beneficiary, please keep us up to date with offers received and the sale and send us a copy of the Completion Statement once the property has been sold.

Tax considerations

Charities like the RAF Benevolent Fund are exempt from Inheritance Tax and Capital Gains Tax.

To find more about Inheritance Tax and Capital Gains Tax, and how they might apply to your estate administration, go to gov.uk/inheritance-tax or gov.uk/capital-gains-tax

NOTE: When applying for probate, please write on the appropriate HMRC form that the Will includes a charitable gift as this will be exempt from Inheritance Tax.

If a property or investments sell for more than their probate value, Capital Gains Tax may be payable unless the assets are appropriated to the charity before sale. The Legacy Administration Manager will be happy to help with the completion of a Memorandum of Appropriation to claim the charity exemption from Capital Gains Tax.

Tax Deduction certificates (Form R185)

Charities can reclaim any income tax which has been paid on interest, not only during the administration of the estate, but also interest that accrued during the deceased's lifetime, but which was not paid until after their death.

Completing an R185 form and providing it to the charity beneficiary makes a reclaim from HMRC by them possible. This is an important source of additional income for us and ensures that the gift you are administering achieves as much as possible for the charity. The R185 form and guidance to complete it can be found at gov.uk

Deeds of Variation

A Deed of Variation may be used by beneficiaries of a Will to reduce the amount of Inheritance Tax liability, to include relatives left out from the Will, or to increase the value of gifts left to charity. This must be done within two years of the death, and we would advise seeking advice from a solicitor.

THANK YOU

We are extremely grateful to the person whose Will you are administering for leaving such a special gift to the RAF Benevolent Fund. Their generosity will enable us to continue supporting serving and ex-serving RAF personnel and their families in times of need.

We also want to express our gratitude to you for administering the Will and ensuring that all the wishes contained within it are carried out.

Once administration is complete

As a charity, for Residuary Wills, we need you to send us a copy of the estate accounts once the administration is complete. When being audited, we are required to show we complied with the wishes laid out in the Will and received what we were supposed to.

All residuary beneficiaries, whether charities or not, are legally allowed to view the estate accounts. These accounts don't need to be complex; a simple summary of assets, liabilities, and payments made will suffice. We have enclosed an example set of Estate Accounts so you can see what is required.

Keeping in touch

We would love to keep you updated about the work of the RAF Benevolent Fund and the ongoing impact of gifts in Wills. Please let us know if you would like to hear more from us through any of the contact routes in this guide, or by scanning the QR code here:



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GLOSSARY OF TERMS

Assets and Liabilities – everything owned or owed by the deceased person whose estate you are administering. Land, property, savings, unpaid wages, investments, and personal possessions fall under this category.

Beneficiary – those due to receive gifts from the Will.

Capital Gains Tax – a tax levied on profit from the sale of property or an investment.

Codicil – an addition or supplement that explains, modifies, or revokes a Will or part of one.

Estate Accounts (known as executry accounts in Scotland) – these are the final accounts of the assets and liabilities of the estate, tax paid and the amounts from the estate distributable to beneficiaries.

Estate Inventory (Scotland only) – a detailed list of all the assets, property, and debts of the deceased person's estate.

Grant of Probate (called Confirmation in Scotland) – a document issued by the court that gives someone legal authority to deal with the estate of the deceased.

Guardian – a person designated in the Will to care for any minor children or dependents of the deceased.

Inheritance Tax – a tax levied on the assets or property that beneficiaries receive from the estate, which may vary depending on the relationship between the deceased and the beneficiary.

Interim Payments – payments that are made before the administration of the estate has been finalized.

Letter of Wishes – a way to express wishes that are not included in the Will or any Codicils. This could be funeral wishes or the distribution of smaller items such as books or jewellery.

Liabilities – outstanding financial obligations and debts of the deceased, such as loans, mortgages, credit card debt, and medical bills.

Probate – the legal process of validating a Will and administering the estate according to the deceased's wishes and applicable laws.

Pecuniary gift – a gift in a Will that is a fixed sum of money.

Residuary gift – everything that is left in an estate after all debts, bills and taxes have been paid and all specific and non-specific gifts have been distributed.

Specific gift – a particular item such as jewellery, paintings, land, stocks and shares.

USEFUL LINKS

gov.uk/wills-probate-inheritance

The UK government's guide to Wills, inheritance and probate.

lawsociety.org.uk, lawsoc-ni.org or lawscot.org.uk

The Law Society, where you can find a qualified solicitor to help with the administration of the estate.

USEFUL INFORMATION

Our details:

Royal Air Force Benevolent Fund, 67 Portland Place, London W1B 1AR

Our charity number:

RAF Benevolent Fund is a registered charity in England and Wales (1081009) and Scotland (SCO38109)

How to make a payment:

You can make a payment to our charity by sending us a cheque payable to 'RAF Benevolent Fund' or send payment via BACS; please contact us to request bank details.





Tom, RAF Veteran



**Royal Air Force
Benevolent Fund**



**For help or support with any aspect of your role
as an executor, please call us on 020 7307 3367
or email fabian.ouchterlony@rafbf.org.uk**

**To find out more about the work of the
RAF Benevolent Fund and gifts in Wills, please visit rafbf.org**

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of Service Charities**



Registered with
**FUNDRAISING
REGULATOR**