



Jargon buster

Beneficiary: A person or organisation who receives gifts from your Will.

Bequest/Legacy: A gift of money or property or other asset in your Will.

Codicil: An additional document which is read with your Will to amend it. Must be Executed (signed officially) in the same way as your Will.

Conditional legacy: A gift which only takes effect if a condition is met on your death – e.g. "If my sister fails to survive me I give my Royal Worcester tea set to my neighbour". Charities are sometimes given conditional gifts.

Estate: All the assets that you own, less any debts you owe, when you die.

Executor: A person or organisation named in your Will to administer your estate (collecting your assets, paying any debts, tax and any other amounts due, and then distributing the remainder of your estate in accordance with the terms of your Will) following your death. The Executor can be a solicitor, trust company, bank, charity or a friend or family member. Up to 4 Executors can act, and quite often the main beneficiary of your estate is named as an Executor.

Index-linked pecuniary legacy : See pecuniary legacy above.

Inheritance tax (IHT): Inheritance Tax (IHT) is paid on the value of any assets you leave (and certain substantial lifetime gifts you make, and some types of trust funds if you get a benefit from them). There is an allowance (the 'nil rate band' - currently the first £325,000) on which no tax is payable, and other reliefs may be available, for instance on gifts to your spouse or to charity.

Intestate: To have died without making a Will, or without a valid Will. Assets are then distributed according to the intestacy rules which means unintended beneficiaries may benefit and unintended tax may be paid.

Legacy/Bequest: A gift of money or property or other asset in your Will.

Legator: Someone who has died and left a legacy in their Will.

Life Interest Trust: A type of gift you can make in your Will, giving named beneficiaries (often family members) the right to benefit from the gift for the rest of their lives, either by allowing them use of an asset (eg occupation of a house) or by getting the income from it (eg rent from a house, or income from an investment fund). Other beneficiaries, often charities, receive the asset after they have died. It's sometimes also called a reversionary legacy.

Pecuniary legacy: a gift of a fixed amount of money, e.g. £5,000. (To avoid the real value of these gifts reducing over time due to the effect of inflation, they can be linked to the index of retail prices, to keep the value in line with inflation – called an Index-linked pecuniary legacy.)

Personal chattels: Movable personal possessions. Your belongings/the contents of your house.

Personal Representative: Another name sometimes used for an Executor (strictly it has a slightly different meaning as it refers to administrators of all estates, whether they are Executors named in Wills or are Administrators of Intestate estates).

Probate: The authority provided by the Probate Registry (part of the UK courts system), following the production of the original Will and a sworn declaration from the Executors, to the Executors to enable them in all but the smallest estates to collect in the assets. It's sometimes also called the 'grant of probate' or the 'grant'.

Residuary legacy: A gift of a share – or possibly even all - of the balance of your estate once all other payments have been made (e.g. lifetime debts, tax, administrative expenses and any pecuniary and specific legacies).

Reversionary legacy: See Life Interest Trust above.

Specific legacy: A gift of a particular item such as personal possessions, land, buildings, shares or the contents of a bank account.

Trustee: If your Will sets up a Trust (for example a life interest trust as above), the Trustees will be the people or organisations specified in your Will to manage the trust property according to the terms of the Trust for the benefit of its beneficiaries, once the administration of the rest of your estate has been completed. Their role is similar to the Executors of your estate and often, at least initially, will be your Executors.