

The James Gibb Stuart Trust

HOW TO HELP YOURSELF BY HELPING THE TRUST

The recent news has been all about the "cuts" necessary in the coming years to lower the deficit (the amount we need to borrow, over taxes received, each year). The obvious fact, **which we all know**, is that so many "cuts" will be needed, that the patient – our society – is going to be put at risk! Under the present system, whereby almost all money comes into society as a debt owed to commercial institutions, there can be no end to this endless debt.

Over the coming years, the **James Gibb Stuart Trust** intends to be at the forefront of research, education and advocacy in this critical economic matter. We have every serious intention of promoting our knowledge, in accord with our legally-accountable, charitable Objects.

To do that, we need to ensure we have money. We have now been established for 3 years. We have 3 years of properly-audited, fully-transparent Accounts behind us. These have been lodged with Companies House and the Charity Regulator. Anyone who wants to see our Accounts need only ask for a hard copy from us. You can also read the summary at the website of the Office of the Scottish Charity Regulator at www.oscr.org.uk Search for us via our name or charity number.

If we are to take advantage of the developing situation, which is certain to bring more and more people to our ideas, **we desperately need to ensure enough money is coming in which will keep a skilled, part-time contractor engaged every month for a modest fee.**

This Briefing Paper has been written to help you understand how you can help yourself financially, by helping us to meet this goal.

THROUGH TAX EFFICIENT GIVING – INHERITANCE TAX AVOIDANCE

Statistically, almost a third of the income of British charities comes from Inheritance Tax Avoidance activity.

What is my IHT burden? Your IHT burden is 40% of everything in your Estate, over the "nil rate band" (which in 2011-2012 is £325,000). That sounds like a lot, but if you own your own home in certain parts of the country, then straight away you're going to be close.

The value of your Estate, over that figure, *will* be charged at 40% and it *will* go to the government and it will *almost certainly* be spent on things which you possibly did not even approve of when you were alive! The lesson, therefore, is to ensure (after you've dealt with the family responsibilities) that you spend that money now, so it goes towards that which you approve.

How can I reduce my IHT burden? There are 2 main ways:

1. Give an Unlimited Amount when you are Alive: Money given to charity while you are alive can reduce your IHT burden. You can give as much as you want each year to charity, and this "transfer of value" from your Estate, will enable you to reduce your IHT burden.

("A transfer of value is a disposition made by a person as a result of which the value of his estate immediately after the disposition is less than it would be but for the disposition; and the amount by which it is less is the value transferred by the transfer" (IHTA 1984, Sec 3).

Gifts to a charity, such as The James Gibb Stuart Trust, are **not** subject to either the "7 year rule" or the "£3,000 annual exemption". That is to say, **one can give as much as one wants to a charity while one is alive and not a penny of that will be considered within one's final Estate.**

2. Give when you are Dead: This is the big one! Money left to charity in your Will is absolutely free of Inheritance Tax. There is **no limit** to how much you can leave to charity free of IHT – and you can leave it in cash, land, shares, or any kind of property. Put simply, this means that if you are subject to IHT, and you give a property worth £100,000 to charity, then you can knock £40,000 off your tax bill.

You can even state in your Will, simply that you would like "the entire amount left above the current IHT nil rate band" to be given to a specific charity. Just specify the **James Gibb Stuart Trust** by name, address and charity reference number, and it's job done!

It's not what you take, when you leave this world behind you,
It's what you leave behind you, when you go.

Randy Travis, Three Wooden Crosses
from the album, Rise and Shine, (2002)