
Deeds of Variation

A Deed of Variation is where one or more beneficiaries of a deceased person's estate chose to give up or change the amount of inheritance they have received under a Will or Intestacy, in favour of someone else.

Sometimes a Deed of Variation is called a Deed of Family Arrangement.

There are many reasons why a beneficiary may wish to alter their entitlement; it could be because they wish to provide for others who are in greater need, or because there are tax advantages of doing so.

Tax advantages for you

Perhaps you have inherited money or property but are concerned that this additional wealth will increase the amount of inheritance tax that you will ultimately pay. In this case, you could choose to redirect your legacy, or part of it, to your children, or to someone else instead.

As a Deed of Variation is effective from the date of death of the deceased person, it will not be treated as a gift by you. This means that you will not have to outlive the gift by seven years for it to fall outside of your estate for inheritance tax purposes.

Tax advantages for the deceased's estate

Redirecting assets to a beneficiary who is exempt from paying inheritance tax, such as a charity or a spouse, can reduce the overall amount of inheritance tax payable by the deceased person's estate.

It is also possible to redirect assets qualifying for relief from inheritance tax, such as business or agricultural property. This will make sure that the tax relief is not wasted.

Deeds of Variation can also be used in situations where there is a dispute over the distribution of money or property following someone's death.

This is a complex area and so please contact us so that we can advise you on your particular circumstances.

Please note that Deeds of Variation can only be entered into **within two years** of the deceased person's death. It is therefore essential that you seek legal advice as soon as possible after the death of the person whose Will you wish to change.

If you'd like more information call [01904 866139](tel:01904866139)
or email hello@rochelegal.co.uk



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