

What shall I give my children for Christmas?

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How about a well thought out will, it could save them thousands of pounds in legal fees later.

Last week a couple came to my office to sign their wills. They had lived together for 27 years and Bob had in effect brought up Suzanne's children. Those children had long since left home and had families of their own. Bob and Suzanne are not married and Bob doesn't have any children of his own. After she had signed her will Suzanne asked me what would have happened if they had not made their wills. I explained that things could potentially have become very messy, especially if Suzanne were the first to die. Her adult children would naturally have assumed that they would inherit everything as next of kin. Bob on the other hand probably would have thought that everything was to come to him as Suzanne's common law husband. The answer is that if Bob and Suzanne's children could not agree on how much of the estate they would each take then Bob would have to try to prove that he had a financial dependency upon Suzanne and that she had failed to provide adequately for him. In this case the legal fees involved in resolving this matter would have been nearly as much as Bob and Suzanne have in savings.

OTHER ISSUES TO CONSIDER

1) At what age should your children inherit your estate?

Unless your will states otherwise your children will inherit at 18. Will they be responsible enough to spend your money wisely or will your life's accumulation of assets be spent on beer? Even if they are responsible is it possible that their suddenly devoted boyfriend or girlfriend will help them to spend all of your money?

2) If you have young children should you appoint a guardian?

A guardian would be the person chosen by you to care for your children in the event of the death

of you and your child's other parent. Such a person must be consulted before you appoint them as it is a huge commitment to take on someone else's child.

3) Who should you appoint to be a trustee?

You should appoint two trustees or one firm of solicitors, especially if you own a house. In relation to your children your trustee's job will be to look after their inheritance until they are old enough to receive it. I usually suggest that if you are choosing relatives or friends then they should not be a couple. You need to think of checks and balances. One of our clients, Bert, left money to his grandchildren which they would inherit when they were 18. He appointed his two daughters as trustees. A very wise move as it turned out. Sally had two daughters and at every turn suggested to her sister Paula (the second trustee) that the girls would love this or that. Apparently they would have loved a holiday to Florida accompanied by Sally and her new partner Mr Waster. Paula said no. They would have loved a new computer which Sally's partner could also use in his new business. Paula said no. Eventually the girls each received their money at 18 just when they needed it for university.

Not the most exciting Christmas present I realise, but it's bound to be of more use than a Barbie doll or a pair of Jimmy Choos!

