



## Deeds of Variation

A Deed of Variation enables a beneficiary under a Will or a beneficiary who would be entitled to receive a share of the estate on an intestacy (where there is no Will) to redirect the benefit he will receive to another individual.

This is normally done to save Inheritance Tax but may also be put in place to benefit somebody who has been left out of the Will or to increase the amount of a gift.

A Deed of Variation can also be prepared to amend a defect in the Will.

The individuals who sign the Deed of Variation will be the beneficiaries whose share is affected and usually the executors. A Deed of Variation is not possible if the beneficiaries are under 18. A variation which affects the interest of minors would have to have the consent of a Court.

The effect of the Deed is that the person who receives the extra or new benefit will be treated for Inheritance Tax purposes as having inherited it from the deceased directly. If an original beneficiary therefore has a large estate himself and wishes to avoid his estate being increased and more Inheritance Tax being paid on his death he may wish to redirect his benefit to his own children. However, if a beneficiary is receiving means tested benefits, a Deed of Variation cannot be used to redirect his entitlement from the deceased's estate to prevent benefits being disallowed because under these circumstances it will be seen as a gift from the beneficiary.

### Time Limits

Although a Deed of Variation can be done at any time, from a tax saving point of view it must be completed within 2 years of the date of death and the correct declarations must appear in the document and there must be no cash payment given to any beneficiary as consideration for entering into the deed.

It is possible for a Deed of Variation to be done before or after the Grant of Probate even after the deceased's assets have been distributed.

Please contact us if you feel a Deed of Variation may be of benefit to you.

### Wills & Trusts Services

- Wills & Estate Planning
- Lasting Powers of Attorney & Registration of Enduring Powers of Attorney
- Trusts
- Deeds of Variation
- Probate & Administration of Estates Service
- Court of Protection applications

For further information on our Wills & Trusts services please contact:

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