Legacy Terminology

Asset – Any property or belonging owned by the testator.

Beneficiary – A person or organisation who will benefit from the will.

Bequest – the act of bequeathing; something that is bequeathed; a gift of property by will – especially personal property.

Codicil - A further document making a simple change to your existing will. It must also be drawn up legally and witnessed.

Endowment Fund – Capital is held in a trust fund and only the income it generates is spent on the charity’s work. This type of gift ensures that gifts have a lasting impact.

Estate – the total extent of the real and personal property of a deceased person on bankrupt.

Executor – a person appointed by a testator to carry out the wishes expressed in his will.

Executrix – a female executor.

Inheritance Tax - Inheritance Tax is usually paid on an estate when somebody dies. It’s also sometimes payable on trusts or gifts made during someone’s lifetime. Most estates do not have to pay Inheritance Tax because they’re valued at less than the threshold (£325,000 in 2010-11).

Intestate – of a person not having made a will; a person who die without having made a will.

Legacy – a gift by will, especially of money or personal property; something handed down or received from an ancestor or predecessor.

Pecuniary bequest – a gift of a fixed sum of money. The disadvantage of such a gift is that because of inflation, the value of the gift may reduce over the years, which means that the amount of the gift may need updating periodically.

Probate – the act of process of officially proving the authenticity and validity of a will; the official certificate stating a will to be genuine and conferring on the executors power to administer the estate (from the Latin – probare – to inspect).

Probate Registry - A court within the Family Division of the High Court which deals with probate and administration matters. The Principal Registry is in London and
there are district registries in other cities and some large towns. It checks the validity of all wills and registers them in a central database. See www.hmcourts-service.gov.uk/cms/wills

**Residuary bequest** – a gift of all or a percentage or share of your estate after allowing for expenses, pecuniary and specific bequests. The advantage of a residuary bequest is that it maintains its real value in terms of purchasing power, regardless of inflation.

**Reversionary bequest** – a gift of assets to a chosen beneficiary subject to the rights of a named person or persons to receive the benefit of those assets during his or her lifetime. For example, it could enable you to leave your residuary estate to an organisation such as the University, but on condition that a spouse or friend could continue to receive the income of that part of your estate (or continue to live in your house) until he or she died. The capital would then pass to the University on the death of that person.

**Specific bequest** - A specific bequest is where you leave a named article as a gift, for example a piece of jewellery, work of art, or piece of property. You will need to give a clear description in the will so that the Executor knows s/he is giving the right clock, watch, picture, house, etc. to the right person.

**Testamentary** – of or relating to a will or testament; derived from, bequeathed, or appointed by a will; contained or set forth in a will.

**Testate** – having left a legally valid will at death (from the Latin – testari – to bear witness).

**Will** – the declaration of a person’s wishes regarding the disposal of his property after his death.

**Witness** - Two witnesses must see you sign your will and you must also watch both of them sign it. They must also watch each other sign the will. No beneficiary (or their spouse) should sign the Will; if they do, any gift to them or their spouse will be invalid and will fail.

**Wording (Pecuniary Legacy):** “I give to the University of Sheffield the sum of £............(in words and figures) free from all taxes and duties, to be applied to the general purposes [or your preferred area] of the said University and I declare that the receipt of the Registrar and Secretary or other authorised officer for the time being of the University shall be good and sufficient discharge to my Executors.”

**Wording (Residual Legacy):** “I give to the University of Sheffield all [or a percentage or share] of my residuary estate to be applied to the general purposes [or your preferred area] of the said University and I declare that the receipt of the Registrar and Secretary or other authorised officer for the time being of the University shall be good and sufficient discharge to my Executors.”