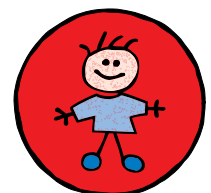




Leave the world  
a better place



Your guide to making a Will



**Circle of Life**

let your legacy live on

THE CHILDREN'S HOSPITAL TRUST





## The Children's Hospital Trust

**A**s a non-profit organisation, the Children's Hospital Trust has an impeccable record of raising funds for one of the most worthy causes in all of southern Africa, the Red Cross War Memorial Children's Hospital. Since 1956 the Red Cross Children's Hospital has resolved to never close its doors to a sick child. The Hospital manages over a quarter of a million patient visits every year and is often the only place that Africa's needy and sickest children can find the specialised medical help they need. Today, it's a cornerstone of paediatric healthcare on the continent, providing training to paediatric healthcare professionals from the sub-continent and doing important research into childhood illnesses.

The Children's Hospital Trust raises funds to upgrade and expand the Hospital's buildings, purchase state-of-the-art equipment and develop professional staff and more recently also funds gaps in the healthcare system to bolster broader paediatric support services.

The Trust's Circle of Life programme invites you to consider leaving a legacy that will ensure that the Red Cross Children's Hospital remains a world-class centre of excellence. This guide makes writing or updating your Will as simple as possible, while showing you how easy it is to leave a legacy.

## Planning for the future

A surprising number of people in South Africa do not have Wills.

If you are one of these people, have you considered what will happen to your family after you are gone? What will become of your possessions, your assets or your money? It is your right and your responsibility to decide this by ensuring that you have a valid Will.

## Why a Will is important

Everyone should have a Will, no matter what their financial standing. Your Will sets out your wishes in the event of your death and protects those that you leave behind.

## What is this guide about?

If you are considering putting your affairs in order by writing a Will, this guide will help you get started by explaining some of the choices open to you. You'll find sections covering the reasons why it is worth making a Will or a Trust, and an outline of the issues you need to consider. It contains some invaluable information to help make it as straightforward as possible to write or update your Will. If you have any questions about anything contained in the guide, please speak to your professional adviser.

This guide may also help you to appreciate just how easy it is to **leave money to your favourite charity in your Will and still provide for family and friends**, and to realise how precious this income is to the charities you remembered. You don't have to be rich and famous to make a contribution that can make a difference. We can all do something amazing for the world.

Please don't hesitate to get in touch if you would like to find out more about including the Children's Hospital Trust in your Will.

## MORE ON WILLS:

### Can I have a homemade Will?

Homemade Wills can cause problems so it is always worth talking to a professional to make sure that everything you need to cover is included in your Will. Many professional firms offer this service free of charge or for a nominal fee.

### What else should I consider when writing a Will?

Wills aren't solely about distributing your assets. You can also include specific funeral arrangements or appoint legal guardians to care for your children should you pass away while they are still minors.

One other important consideration is the appointment of your Executors, the people who will deal with your estate in the event of your death. Ideally, these should be professional advisers or business-minded family or friends.

### What else can I include in my Will?

You may choose to use your Will to pass on business interests. For example, you could leave shares in the family company to a son or daughter who has come into the business. This is a very tax-efficient way to leave assets to your intended beneficiaries. Personal items such as jewellery, paintings and heirlooms can also be covered in a Will, as can any gifts that you wish to leave to charity.

## Can I leave money to my favourite charity or cause in my Will?

Yes. In fact many people who give to charity choose to leave something behind to their favourite cause when they pass away.

Legacies, or bequests, from committed supporters comprise a very important income stream for many charities. If you do want to leave something to a charity, the donation can be as small or as large as you choose. You can also rest assured that the charity will not have to pay any tax on the donation. On the other hand, you may wish to leave assets to a charity by setting up a Testamentary Charitable Trust. Similar tax advantages apply, and you can also arrange for a charity to start benefiting from your donation while you are alive.

If you feel that it would be appropriate to leave a charitable donation to the Children's Hospital Trust in your Will, your professional adviser will explain what best suits your circumstances.

### BEQUESTS:

#### What is a bequest?

A bequest is simply a gift that is included in a person's Will. Most people want to ensure that their family and friends are provided for in the event of their death. A bequest does not have to be monetary. It can take the form of property, an insurance policy, shares or even a certain percentage of your estate. It can either be in the form of an outright bequest, or in a trust, with a charity such as the Children's Hospital Trust as a beneficiary. Alternatively you could allocate the residue of your estate, which is whatever remains after you have made provision for your loved ones.

#### Why leave a bequest to charity?

Charitable bequests have been included in Wills for centuries. They are a way of keeping your ideals and your compassion alive for years, even generations to come.

A charitable bequest offers you the opportunity to make a really worthwhile gift to a cause dear to your heart, to perpetuate your name or that of a loved one. They help to make the world a better place and touch the lives of those in need. A bequest means that you are able to leave your own legacy that lives on years after you have passed on. Charitable bequests may also save Estate Duty.

#### Can you change an existing Will to include a bequest to charity?

Adding what is called a codicil to change an existing Will is a simple matter. It is, however, not advisable to alter your Will yourself as you may invalidate the entire document. Rather consult an expert, who will ensure the codicil is properly worded and witnessed. If you would like to leave a bequest to the Children's Hospital Trust please ask us for a copy of our codicil.



## TRUSTS:

### What is a Trust?

If you'd like a person or favourite cause to benefit from your assets, cash, shares or property then a Trust could be the answer. A Trust transfers the assets to a small group of people or a Trust company (the Trustees) with instructions as to how they use them to benefit someone else (the beneficiary). You can set up a Trust in your Will to come into effect after your death (Testamentary Trust) or to function in your lifetime (Inter-vivos Trust). If you choose the latter you can appoint yourself as a Trustee so that you retain some control of the assets.

### Why should I think about making a Trust?

Firstly, you may want to reduce your exposure to Estate Duty. This is discussed further on. Trusts can also be a perfect solution in certain domestic situations. For example, if you wish to leave something to children or grandchildren who are currently very young, a Trust can hold the assets until they are old enough and wise enough to receive them.

### What types of Trust are there?

1. Interest in possession Trusts- are those where the income from the Trust must be given to the beneficiary that you specify.
2. Discretionary Type Trusts- are where the Trustees decide how to allocate the benefits.

## TAX ADVANTAGES:

### What are the tax advantages in writing a Will?

Estate Duty is the tax that is paid on your estate when you die, as well as on some assets that you may have given away during your lifetime.

Under current South African legislation, if the estate you leave behind is less than the nil-rate band, which varies each tax year, your beneficiaries will not have to pay Estate Duty. However, if your estate is worth more than this threshold, they will have to pay tax on anything beyond the nil-rate band.



One way to avoid Estate Duty is to leave your assets to your spouse, as they will be exempt from the tax. Also, once your spouse dies, his or her whole estate will be eligible for Estate Duty.

A more effective way to limit Estate Duty is for you and your spouse to set up a Discretionary Trust in your will. Always seek professional advice with regards to the details of Estate Duty.

## Savings on Estate Duty

The value of any bequest that you make to the Children's Hospital Trust as a registered Public Benefit Organisation will be deductible for the purposes of calculating the Estate Duty payable on your estate. This means that a bequest to a charity may decrease the amount of Estate Duty payable on your death – or even help to entirely exclude your estate from being liable for the payment of this tax. Please remember to include our PBO number 930 004 493.

## What happens if my circumstances change?

It's important to review your Will regularly at least once every five years. After all, life never stands still. Your family circumstances may change, as may the relevant taxation laws.



## CASE STUDY

Jane was in her late 50's when she made a decision to leave a legacy to the Children's Hospital Trust. She was unmarried, but had a married brother and two nieces. While Jane was initially keen to support lots of charities, she realised this would be impossible, and so after discussing matters with her brother, decided her whole estate should go to the Children's Hospital Trust to help sick children at the Red Cross War Memorial Children's Hospital. Having been a childhood cancer survivor herself, she wanted to leave a bequest to help future generations of sick children at the Hospital regain their health and childhood. She discussed her intentions with the Children's Hospital Trust and agreed that her bequest would be used for future upgrades and improvements to the Oncology Department. She was happy to hear that her memory would live on with a specially engraved plaque in the Hospital's Garden of Remembrance and an inscription in the Book of Remembrance.

## WHAT ARE THE NEXT STEPS?

### Five steps to discuss with your professional adviser:

Decide on a particular solicitor or bank to draw up your Will. To be legally binding, your Will must be signed in the presence of two witnesses, who must then sign it themselves. They or their spouses must not be beneficiaries.

#### 1. What have I got to leave?

Write a list of all your assets and liabilities to estimate the value of your estate. This will also help you to assess if you need further advice on estate tax planning if your total estate is above the current threshold.

#### 2. Who do I want to help?

Write a list of all the people, including full names and addresses, who you would like to benefit from your Will. Of course you must make provision for your family and friends first.

#### 3. Who has made a difference to my life?

Please don't forget to consider leaving a donation to a favourite charity or cause. Donations in Wills prove invaluable to many charities. You could be making a valuable difference for the causes you care about most. Has a charity helped you or someone you love? Which causes are important to you? Which appeals have really moved you? If you know them, make a note of their official charity name, address and registered charity number to give to your adviser.

#### 4. Executors and Guardians

Choose an executor for your Will. You will need at least one person. They will be responsible for making sure your Will is carried out in accordance with your wishes. You can choose a solicitor, bank manager or accountant. However, they may charge you a fee. You can also ask a family member or close friend. Write down their full names and addresses.

#### 5. Keep your Will safe.

One good way of doing this is to entrust it to your attorney or bank manager. Some people send a copy to the beneficiary charity for their records in case the original is lost or disputed.

Advancing Child Healthcare through the Red Cross War Memorial Children's Hospital

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