MARSHALL

WILLS AND TRUSTS



The Essential Guide to Protecting Your Assets & Securing Your Family's Future

A clear, practical introduction to wills, LPAs, trusts, probate, and inheritance tax planning in England and Wales.

Designed to help families understand the basics, avoid common mistakes, and spot where professional advice can make a real difference.

Updated March 2026

Introduction: Why Estate Planning Matters

Estate planning is about making sure the right people inherit the right assets, at the right time, in the right way. It also covers who can step in to make decisions for you if you lose mental capacity.

Without proper planning, the law may decide who inherits your estate and who has authority to deal with your affairs. That can create delay, extra cost, and outcomes that do not reflect what you would have wanted.

This guide gives a practical overview of the core building blocks of estate planning in England and Wales.



Common Estate Planning Mistakes

One of the biggest mistakes is delay. Many people assume estate planning is only for older or wealthy families, but if you own property, have children, run a business, or simply want clarity, it matters now.

Another common mistake is not having a will. If you die without one, the intestacy rules apply and may not match your wishes. People also forget to review documents after marriage, divorce, children, or business changes.

A further mistake is ignoring Lasting Powers of Attorney. Wills only apply on death – LPAs protect you while alive if illness or accident affects your decision-making.

- Do not assume you are too young to need a plan.
- Do not leave your will untouched after major life changes.
- Do not overlook LPAs simply because you are healthy today.
- Do not assume trusts or tax planning are one-size-fits-all.

The Core Documents in a Good Estate Plan

A strong estate plan usually starts with a valid will, but often goes further. You may also need LPAs, trusts, and a plan for estate administration.

Wills

A will sets out who inherits your estate, who administers it, and who looks after your minor children. It gives clarity, reduces uncertainty, and avoids unnecessary family conflict. A properly drafted will can structure gifts sensibly – for example, holding money in trust until a child reaches a chosen age.

Review your will regularly, especially after marriage, divorce, births, major asset changes, or changes in executors.

Lasting Powers of Attorney (LPAs)

There are two types: Property and Financial Affairs, and Health and Welfare. Together, they allow trusted people to step in if you lose mental capacity. Without LPAs, your family may need to apply to the Court of Protection – a slower, more expensive process.

As of March 2026, the registration fee is £92 per LPA (£184 for both per person).



Trusts

Trusts are arrangements where assets are held by trustees for beneficiaries. They can help with control, succession, and protection – but are not a magic fix. Suitability depends on the type of trust, how it is drafted, and the wider family and tax picture.

Probate

Probate is the legal process of dealing with an estate after death: collecting assets, settling debts and taxes, and distributing to those entitled. Good record-keeping and a clear will make the process easier for executors and family.

Inheritance Tax: The Basics

Inheritance Tax is normally charged at 40% on the value above available tax-free thresholds.

The main nil-rate band is £325,000 per person. The residence nil-rate band is £175,000 where a qualifying residence passes to direct descendants (tapering for estates over £2m). Unused allowances may transfer between spouses, potentially allowing up to £1 million tax-free.

Key Figure	Amount
Nil-rate band	£325,000 per person
Residence nil-rate band	£175,000 (conditions apply)
LPA registration fee	£92 per LPA
Annual gift exemption	£3,000 each tax year

Ways to Reduce Inheritance Tax

Each tax year, you can usually make gifts of up to £3,000 under the annual exemption. Small gifts of up to £250 per person may also be exempt. Gifts between spouses or civil partners are generally exempt. Larger gifts may fall outside your estate if you survive seven years.

Some trusts and business or agricultural assets may qualify for relief. These areas are technical and should be reviewed carefully.

Why Trusts Appeal to Some Families

Trusts can keep control over timing and access – valuable for second marriages, vulnerable beneficiaries, young children, or concerns about divorce, creditors, or poor money management. Used properly, a trust ring-fences assets under clear instructions. But outcomes are never guaranteed.

Real-Life Style Examples

Example 1

A parent dies without a will. The surviving spouse may not inherit everything automatically where there are children. The statutory rules can split assets unexpectedly.

Example 2

An adult loses capacity without LPAs. The family must apply to the Court of Protection – delaying access, increasing cost, and adding stress.

Example 3

A family wants to leave assets to children from a first relationship while looking after a surviving spouse. Trust planning may provide a better balance than a simple outright gift.



Estate Planning Checklist

- [ ] I have a valid, up-to-date will.
- [ ] I have reviewed whether I need both types of LPA.
- [ ] I have considered whether any trust planning is appropriate.
- [ ] My beneficiary choices still reflect my current wishes.
- [ ] My family knows where key documents are stored.
- [ ] I have reviewed whether Inheritance Tax may be an issue.
- [ ] I have sought professional advice where the position is complex.

Next Step

The right estate plan depends on your family, your assets, and what you are trying to achieve. A good plan is not just legally valid – it is practical, tax-aware, and built around real life.

If you want help reviewing your current position, Marshall Wills and Trusts can talk through your circumstances and explain which options may be suitable for you.

MARSHALL WILLS AND TRUSTS

Book a consultation to review your current position and next best steps.

MARSHALL WILLS & TRUSTS

Contact

✆ 01264 332334 | 07872 898900

✉ info@marshallwillsandtrusts.co.uk

■ 40a High Street, Andover, SP10 1NF

Serving clients across the UK

© 2026 Marshall Wills & Trusts. All rights reserved.

Marshall Wills & Trusts is not a law firm and does not provide legal advice. Services are provided by suitably qualified professionals.

This guide is intended for general information only and reflects the broad rules in England and Wales as understood in March 2026. Estate planning, trust law, and tax planning are fact-sensitive areas, so personal advice should always be taken before acting.