

Your Legal Questions

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Q I am dealing with my late Sister's estate. In her Will she gave her jewellery to my wife, cash gifts totalling £14,000 to friends and other family and the remainder to me. Unfortunately, now that I have paid all the bills and expenses there is insufficient cash left. What do I do?

A In the current climate this is not an uncommon problem. You have dealt with the most important issue which is to ensure that the funeral expenses and all of the liabilities are settled first. If you have incurred any personal expenses these can be paid next. The jewellery should now be passed across to your wife in satisfaction of her gift (this would not be the case if the debts and funeral expenses exceeded the available cash - in such circumstances the jewellery would have to be sold).

With regard to the cash gifts (known as legacies) each gift must be reduced proportionally. For example if your sister's estate has the sum of £7000 available for distribution then each beneficiary would receive one half of the amount stated in the Will. This is because the sum available is one half of the total required to meet the legacies in full. You should also provide each beneficiary with a full statement or set of accounts so that they can see why their legacy is reduced. I regret to say that your gift (which is known as a gift of residue) ranks last of all and therefore there would be nothing left for you.

Readers whose Wills contain gifts of specific sums of money should keep their wishes under review to make sure that they do not create a similar problem for their Executor. One way of avoiding this is to make gifts expressed as a percentage of the estate.

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