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## **MONEY BOX LIVE**

**Presenter: VINCENT DUGGLEBY**

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**DUGGLEBY:** Good afternoon. One of the most surprising financial statistics in my book is that around 60% of people don't have a will. And this despite the fact that every year in November solicitors get together to take part in Will Aid, offering to draw up a straightforward will without charge for which you're asked to make a donation to charity. So why the reluctance to put your affairs in order and save your family from the inevitable hassle and complications if you die intestate? Most people have no idea how their belongings would be divided up under intestacy rules, or that those who've never married are at far greater risk than those who've tied the knot. Admittedly things are different in Scotland, as we will explain later in the programme. And last month, the Law Commission published a consultative document for change in England and Wales. This would provide some protection for those who cohabited for at least 2 years, but not if the deceased partner was still married to someone else at the time of death. There would also be improved rights for children to end the unequal treatment of half brothers and sisters. But whatever they come up with is no substitute for making a will now, and keeping it up to date as family and financial circumstances change. Under inheritance tax, the first £325,000 of an estate forms what's called the nil rate band, available to both husband and wife and those in a civil partnership. What's important is that on the second death any unused part of the band can be passed on, up to a total tax free limit of £625,000. So it's important when making a will and deciding who gets what to bear in mind the tax consequences. Your calls to Money Box Live on 03700 100 444. And with me to answer the questions: Ian Johnson, tax partner with accountants Grant Thornton; Nicola Plant, a partner with

solicitors Thomas Eggar; and in our Edinburgh studio Alan Barr, Director of Legal Practice at the University of Edinburgh and a partner with Brodies. And our first caller is Diane in Hailsham. Hello Diane.

**DIANE:** Hello. Good afternoon.

**DUGGLEBY:** Good afternoon. Put your call, please; your question.

**DIANE:** Yes, indeed. The question is what happens if your husband dies and he hasn't left a will?

**DUGGLEBY:** Well he dies intestate for starters, but *why* won't he make a will?

**DIANE:** *(laughs)* No idea. I've been asking him for many years.

**DUGGLEBY:** Alright, so you want him to listen to this programme perhaps?

**DIANE:** He is doing.

**DUGGLEBY:** Alright, okay. Who's going to fire the first bullet? Nicola? *(Diane laughs)*

**PLANT:** Diane, can I ask, do you have children?

**DIANE:** No.

**PLANT:** Well a lot will depend on the value of your estate. As the law currently stands, you would receive the first 450,000 pounds worth of assets together with any personal effects that you have. So if what's in your husband's estate is below that amount, then it might not be too much of a problem for you. The difficulty is you don't just make a will for those reasons. You know, it's your chance to say what you want to happen for funeral wishes and also for personal effects. And really it's always

better ... you know the law can change, so it's much better to have things written down and certain. And really if, you know, you love your loved ones, then it's better to give them certainty.

**DUGGLEBY:** And possibly of course gifts to charity is another thing which some people don't think of. There's a number of things that you might not think of, which a solicitor should be able to at least do a bit of box ticking to say are you sure you don't want to do that or are you sure ...

**PLANT:** Yeah. It's also checking how the property is held and things like that.

**DUGGLEBY:** Ian, from the tax point of view, of course, gifts through a will to a husband or wife are completely tax free. It's the next gift that incurs tax. So you have to think perhaps beyond the first death.

**JOHNSON:** Well that's very true, Vincent. You're right in what you say that gifts between spouses are tax exempt, assuming that both spouses are UK tax domiciled. If you happen to have a foreign domiciled involved, then it can be restricted.

**DUGGLEBY:** Not in this case.

**JOHNSON:** Assuming not in this case. So that's quite right - you might want to think not only about, you know, making sure there's no tax payable on the first death, but also how do you benefit other members of the family. You say you've got no children, but perhaps there might be nephews or nieces that you would wish the money to go to following both of your respective deaths. And one way of doing that is to ensure that you perhaps build in a trust which then will give effect to your wishes.

**DUGGLEBY:** I'm not suggesting in your case this is so, Diane, but remember that, you know, you and your husband do come from two different families ...

**DIANE:** Exactly.

**DUGGLEBY:** ... so if you each had a brother or a sister, they too have children. But, you know, there is this if you get all the money - fine, then you have to be trusted presumably by your husband to divide that money that was his equally between both sides of your family. I'm just being speculative here. Ian?

**DIANE:** Exactly.

**JOHNSON:** But obviously I mean it's always possible that you know you will remarry, and, you know, your husband might be interested in knowing where you know part of his wealth has ended up following a second marriage.

**PLANT:** That alone ought to provide him with the incentive he needs (*Diane laughs*); that if he pops off first, you'll get everything.

**JOHNSON:** And also, I mean, it really doesn't cost very much in the scheme of things to make a will. I'm sure solicitors will tell you they make far more money out of people who *don't* make wills than people who do.

**DUGGLEBY:** Okay, Alan, your turn from a Scottish standpoint.

**BARR:** Yes, it's not that different. It is, however, a little surprising. The wife will take things, if there's no will, will take things up to a certain limit. She'll probably take a house and the contents and a bit of cash. But then the surprising thing is that if there's no children, who comes in then will be the husband's brothers and sisters (if there are any of them) and, most surprising of all, parents. If the husband's parents are still alive, they will take in preference to the wife. And most people, as I say, don't expect that to happen - especially the surviving wife - and it's not ideal that it's passed up the family line instead of down.

**DUGGLEBY:** As you can imagine, this programme is very, very busy today. I've got a pile of emails, a stack of calls. Let's take three emails, broadly on the same sort of subject - in other words, why do I need a will? There's Robert in Muirfield. He says

what's the cheapest way to make a will? Then there's Jenny in Frome who says well why don't I just make a DIY will? And then there's Frances and she's emailed us to say can I use a basic will just to leave my home; and what happens if I want to leave it in trust simply by saying ... can I just say I leave my home in trust for somebody or other? Now all these questions are backed up by a solicitor who's then written saying 'please warn your listeners that if you do go round this route, there could be many problems on mass produced wills, not to mention the fact of establishing client identity, freedom from undue influence and even testamentary capacity.' So, panel, your comments. Nicola?

**PLANT:** Well there's no substitute for a professionally drawn will. I mean not least that if the solicitor gets it wrong, you know, they'll have insurance, so your beneficiaries are safe that way. But there are so many pitfalls and I've seen ... I once saw a lady who was thrown out of her house. The husband and wife, they'd done homemade wills. They thought they were safe because they'd made homemade wills and then they went off and got married and they didn't realise that the wills were revoked.

**DUGGLEBY:** Revoked, yes.

**PLANT:** Yuh. And that was a very sad case.

**DUGGLEBY:** Again Alan, I know it's slightly different in Scotland, but nonetheless the procedure is still no will causes complications.

**BARR:** Absolutely. Wills wouldn't be revoked on the marriage in that kind of situation, but the same principles apply. I mean to answer the email as such, if it's a very simple will then some of these basic kits will probably do the job. The trouble is things change and a professionally drawn will is much more likely to cope with these things that change.

**DUGGLEBY:** Future proofed in other words.

**BARR:** Indeed.

**DUGGLEBY:** Yeah.

**PLANT:** And the other issue is you don't know what you don't know. So the difficulty is you may think you have a basic estate, and so many people tell me they do, and then they walk in and say well it's their second marriage or ...

**DUGGLEBY:** What about cost because I mentioned Will Aid at the beginning and I know that you're all prepared to make wills "free of charge in return for a donation", but can you put some numbers on this?

**PLANT:** You would be looking at a basic cost of £150, or for a couple about £250. Once you start doing tax planning or there are trusts, then you'd be going up anywhere from £450 to £1,000, but generally the end justifies the means.

**DUGGLEBY:** But under Will Aid, it's described I think as a straightforward or a basic will would be done for a donation, so we're talking about a donation of say £100?

**PLANT:** It's normally £150.

**DUGGLEBY:** £150 and then you get your will done. And that's running for the whole of November, is it?

**PLANT:** That's right.

**DUGGLEBY:** Yuh, okay, and you can find out the details of participating solicitors ...

**PLANT:** On their website.

**DUGGLEBY:** ... on the Law Society website.

**PLANT:** I think there's a Will Aid website.

**DUGGLEBY:** Oh it's the Will Aid website. Okay, well that'll be on our website. We'll provide a link to that for you. And we'll move onto John in Hampshire. Your call, John?

**JOHN:** Hello. I've got a simple question, I hope, but I've had conflicting advice. My father died many years ago and only used a small amount of his nil rate band. My mother is very elderly and the question is will her estate benefit from my father's nil rate band given that she remarried about 20 years ago?

**DUGGLEBY:** Ian, I think the answer is probably yes, but ...

**JOHNSON:** Yes, I think the proportion of your father's unused nil rate band will be available to your mother. It would be something that would need to be claimed by her executors. You'd need to know what the proportion of the unused nil rate band is. So for example if ... And you work on percentages or proportions of the nil rate band.

**DUGGLEBY:** It's not the nil rate band that applied at the time.

**JOHNSON:** No, indeed.

**DUGGLEBY:** If we're going back 30 or 40 years, it could have been as little as £10,000 or something. So we are talking about the percentage.

**JOHN:** Right.

**JOHNSON:** It is. That's right. So I mean if you used 10% of the nil rate band 20 years ago and you're now talking about 10% of the present nil rate band, which is £325,000, you know, that's what you're looking at. You're looking at percentages.

**DUGGLEBY:** But, Nicola, you've got to prove it, haven't you?

**PLANT:** Yes, and this is the difficulty that we're coming across. And one of the things that we're advising widows and widowers is when they go to make their will actually get the solicitor to start looking at that point before they die. And we're putting together packages in the strong room with the wills because you've got to have the grant of probate, the death certificate - neither of which are too difficult to get hold of - but ideally you need the ... if there were inheritance tax forms, get those. And the problem is most solicitors will only keep their probate files for 25 years, so ideally what you want them to do is put together a package now, put it in the strong room with your mother's will, and then problem solved.

**DUGGLEBY:** Yeah and also there's this question of the deed of variation, which we'll probably be dealing with later in the programme, because that's another thing that can change the will. You might have a will that says we're doing this and numbers, but actually the processes might have been diverted in a way that eliminates it from the nil rate band.

**PLANT:** That's right.

**DUGGLEBY:** So again these are quite complicated issues, John.

**JOHNSON:** I mean there can also be further complications, John, I mean depending how long ago your father died. I mean if he died pre-inheritance tax, if he died in the capital transfer tax or even ...

**PLANT:** Yes. (*agreeing*)

**DUGGLEBY:** That's the 70s.

**JOHNSON:** ... you know there are further complications associated with that. In which case, I would say, you know, take proper professional advice.

**DUGGLEBY:** Right, we'll move onto Anne now. Anne Cooper on a mobile, I think.  
Anne?

**ANNE:** Yes. My husband died last year and my daughter and I were made executors. We proved his will without any problems when I was living in London. I'm now living in Scotland and I've been to a solicitor here to make a will. And when I proposed that my daughter should be the executor, he said the sheriff wouldn't be happy with that and I ought to appoint a solicitor as well. Is that correct?

**DUGGLEBY:** Is that because she was living in Eng... Is she living in England or something?

**ANNE:** No, I'm living in Scotland.

**DUGGLEBY:** Yeah, *you're* living in Scotland. Where is she living?

**ANNE:** My daughter's in Scotland.

**DUGGLEBY:** Okay, well I can't see a problem, but maybe Alan will enlighten us. He's the one to talk to.

**BARR:** No, there's absolutely no problem at all with that if your daughter is adult; and certainly if she's living in Scotland, there's not even a practical difficulty. The only thing I suppose I would say is that it's generally better to have more than one executor appointed and that might be the reason for it, but there's absolutely no problem with having just other members of the family appointed as executor.

**DUGGLEBY:** Okay.

**ANNE:** But the solicitor said that, you know, the sheriff wouldn't be happy. Does the sheriff come into it?

**DUGGLEBY:** Alan, could you explain the role of the sheriff because I'm not sure I understand that?

**BARR:** Right. It's really the administrative process if there is a will. Technically it goes through the sheriff court, but it's really (as in England) like an application for probate. So it's exactly the same process with slight technical differences as you've been through in England. And, again, there is no reason at all why the sheriff would take an interest as long as this was a capable adult that was appointed to be executor.

**DUGGLEBY:** So I can't imagine anybody at the Probate Office saying we don't like your executors, therefore we're not going to ... Although actually raising that point, is there any case where an executor can be essentially taken out of the equation? I mean is there any way you can appoint an executor who cannot act?

**PLANT:** Incapacity, bankruptcy.

**DUGGLEBY:** Yes, so there are issues where that could ... So it's not perhaps a cut and dried question. There could be a case where the executor was not able to act.

**BARR:** It's why it's a good idea to have more than one - because if there is a reason why one cannot act, any reason at all, then you're left with somebody there to do it.

**DUGGLEBY:** Indeed. So two executors are better than one. Claudia, your call now from Ashford.

**CLAUDIA:** Oh hello. I just want to ask you some questions because I've got some confusion here. My mother bought her house at the peak of the housing market and then died 6 months later. We put the house on the market, but because of the start of the recession and the plummet of the housing market, we couldn't sell it. My situation is we have actually now sold it, but for £85,000 less than what she paid for it. What is my tax situation?

**DUGGLEBY:** Did you get the house valued for probate?

**CLAUDIA:** Yes, we did.

**DUGGLEBY:** What was the valuation?

**CLAUDIA:** It was £400,000.

**DUGGLEBY:** So it was £400,000, so they valued it at the same price as she paid for it?

**CLAUDIA:** Yes, that's right, because she bought it only 6 months before she died.

**DUGGLEBY:** I think we've got some good news for you.

**CLAUDIA:** Okay. And, meanwhile, you know I sold it for £315,000. I was aware - well I'm not sure whether this is right - that I had to sell it before 3 years, otherwise I think I would be liable for tax ...

**DUGGLEBY:** (*over*) The point is, Claudia, the house has been sold. It doesn't really matter exactly the circumstances.

**CLAUDIA:** It has, yeah.

**DUGGLEBY:** The house was in the probate valuation at a particular figure and it was then sold for less than that figure. Ian?

**JOHNSON:** Yes, Vincent, it is good news. I mean ordinarily the value of the property for probate purposes - £400,000 in your case - would be the figure upon which inheritance tax was calculated.

**CLAUDIA:** Right.

**JOHNSON:** However, there is a rule that where you sell property within 3 years of the date of death and you sell it at a loss and that loss is not an insignificant loss - there's a de minimis involved here, but your loss of £85,000 sounds pretty significant - then in those circumstances substitute the sale proceeds rather than the £400,000. So unfortunately you know you've lost on the value of the asset, but at least the tax is going to be based upon that lower figure.

**DUGGLEBY:** So you save the tax effectively on the loss.

**PLANT:** You do have to actually make the claim.

**DUGGLEBY:** Yeah, you have to make the claim. And just rolling that onto ...

*(Claudia tries to interject)* Sorry?

**CLAUDIA:** Sorry. And I have to make that claim within 3 years. Is that right?

**BARR:** It's the sale that has to take place within 3 years.

**CLAUDIA:** Oh the sale.

**BARR:** In this case, it's four years now, yes.

**DUGGLEBY:** Effectively you want to do it as quickly as you can. But it's a slightly different position if you're dealing with shares, for example, because shares have a different timescale.

**PLANT:** It's 12 months.

**DUGGLEBY:** Yeah. So don't get it wrong. It's 12 months for shares, but 3 years for property.

**PLANT:** And there are some traps associated with it as well where you've got other

shares or other property in the estate, so you do have to be slightly careful.

**JOHNSON:** That's quite right. I mean with shares, if some shares have gone up and some shares have gone down, you can't ...

**DUGGLEBY:** Pick and choose.

**JOHNSON:** You know it's the whole thing. Yeah, that's right.

**DUGGLEBY:** Though interestingly enough in the last 6 months the share market of course has rocketed, and I reckon that if you've got an estate say worth a million - in shares - and it's worth a million and a half, essentially the Revenue, while they will allow you to substitute a lower cost, they can't come back at you and say ooh your shares are worth more than when they died. So in actual fact if you sell them in those circumstances, you're pocketing a gain, admittedly, but the good news of course it's taxed at capital gains tax rates of 18% rather than of course the 40% that would otherwise have been payable.

**JOHNSON:** At the moment.

**DUGGLEBY:** At the moment, yeah. It's an interesting point, that. But there is a little bit of a silver lining on that one. Moving onto our next caller who is Belinda in Bracknell. Belinda?

**BELINDA:** Hello, yes. I paid £80,000 tax inheritance when my mother passed away in 2005. My husband's going to be 50 next year and I'm 46 and we've literally just, because we've now purchased two properties, pushed us passed the inheritance tax bracket.

**DUGGLEBY:** Yes.

**BELINDA:** So we've heard a number of people mention some sort of family trust, so

I wanted to know what are the advantages or disadvantages of doing that? And is this the same trust that the government are thinking of removing?

**DUGGLEBY:** Who's the expert on trusts? Can you start this one off, Alan, maybe, just talking generally about trusts?

**BARR:** Yes, it really depends. Family trusts are a very good idea as long as you can afford to give up completely the things you want to give away. So you talked about having some properties. It may be that it would be better to have one of these in the name of a trust for your family, but you would have to stop receiving any rents for them or stop taking any capital gains. In other words, everything would accrue for the benefit of your children. And if you're just in the inheritance tax nil rate band, above the inheritance tax nil rate band, you might be able to do this with a relatively small amount and deal with it that way.

**BELINDA:** Well at the moment our current property is 435 - that's what we're intending to sell it by - and we've just bought a property that can probably be valued at 600, and we've got some ISAs - all of which takes us over 650.

**DUGGLEBY:** You're giving us an awful lot of numbers, which I'm sure our other listeners won't necessarily take in. The fundamental principle of this, Ian, is can you afford to give it away or can't you?

**JOHNSON:** I think that's right, Belinda. And I mean I think you said you're both in your late 40s or your husband's just 50 or something. You know I would say that you're too young to be thinking about making substantial gifts. I think that perhaps you ought to approach this in perhaps a slightly different way by looking at some insurance. You can opt for Joint Life Last Survivor insurance and insure for the eventual liability, assuming, you know, you and your husband both pass away. Now that can be done very modestly, given your ages at the moment, and there's plenty of time to think about substantial gifts a bit further down the line.

**BARR:** Can I just ask, is the property you're talking about your house or is it a let

house?

**BELINDA:** Well the house we're moving into, and the house we're currently moving out of but we're not letting it. But originally heard people put these family trusts up, but you can't sell the house. But now someone said to me no actually you can sell the house and it still comes under the family trust.

**BARR:** If it's the house you're living in, putting it into trust is a pretty extreme thing to do, frankly.

**DUGGLEBY:** Okay, we must move onto some emails now. This is from Simon. I think one for you, Nicola. He says 'My wife recently passed away and I'm the sole beneficiary of her will. It's been suggested that I should pass on a proportion of the family home to my children aged 20 and 22 as part of the probate process to protect the house. What's your view?'

**PLANT:** Well certainly that might be sensible to do, but if you're going to continue living in property then you need to be aware of your children's positions, the situations beyond their control - i.e if they died or they divorced or they got into debt - that might actually put him in a vulnerable position, enabling him to continue living in the property.

**DUGGLEBY:** And the deed of variation can work here. You can just simply pass it across to the children with no tax consequences.

**PLANT:** He could do. He could do it ...

**DUGGLEBY:** That's alright.

**PLANT:** Yes, that's right. But I think it would be worth, in this situation, if he wants to continue living in the property and have that security, it might be better to look at some kind of trust structure which would give him the right to live in the property but

do some inheritance tax planning at the same time.

**DUGGLEBY:** How would that work?

**PLANT:** Well it's possible through a deed of variation to set up a discretionary trust. And then after a period of time, normally 2 years, one could give him a right to live in the property, so securing his interests but actually taking a proportion out of his estate.

**DUGGLEBY:** But there's no question here, Ian, that this would be a gift with reservation because it's coming via a will. What we have to warn people against is trying to do it inter vivos when people are living because therein you would create perhaps the necessity of paying rent to your children to live there.

**JOHNSON:** Correct. I mean if you're doing this by in effect rewriting the will and making the necessary election, then the creation of the trust is deemed to have been taken place by the deceased.

**DUGGLEBY:** Okay. Alan, this is one I think for you. This is a couple who are saying, 'We're married with a toddler and another baby on the way. We haven't yet made our wills. We're concerned about the legal guardian's position. We don't know who to appoint as a legal guardian and as a result we're delaying making a will.' They're asking for help.

**BARR:** Well the first thing to say is that as long as they weren't both killed together - which of course does tragically happen sometimes - then the other would continue in the position of guardian, so the children would continue to have a guardian. What they need to think about is that if that were to happen, or alternatively if they wanted somebody to act along with the survivor as guardian, who's the appropriate person to do that? And usually a brother or sister who've got children of their own - it's that kind of person that is appropriate if that's available.

**DUGGLEBY:** So don't delay making a will?

**BARR:** Definitely not.

**PLANT:** Absolutely not.

**BARR:** That's no reason to delay.

**PLANT:** Yuh. And, as you say, you can appoint more than one individual. And I think something people often forget as well is that the people that you appoint as guardians, the children don't necessarily have to live with them. They are the people appointed to make the health and welfare decisions. So you could always leave them directions about where they want to live, and it's better that you make the decision than a court has to make a decision if there's a dispute.

**DUGGLEBY:** And two more quick questions on emails before we go back to the calls. Vicky in Blackstock says, 'If two names are on the deed of a house and one person dies and does not state specifically the other person is to receive the remainder of the house in a will, who receives the house?' This is the joint versus tenants in common thing. It depends what they ... They don't unfortunately tell us what they mean by two names on the deeds. But let's explain.

**PLANT:** Well there are two ways that you can own property jointly. If you're joint tenants, then it would pass to the survivor automatically irrespective of what you have in wills. If you're tenants in common, then it would pass under the terms of your wills or intestacy. And there are very good reasons why you might hold it one way or the other. The only way of checking is to actually check the title documents with the land registry.

**DUGGLEBY:** And John in Oxford says, 'Does the only sibling of an unmarried person living alone who dies intestate automatically inherit the estate?' Not necessarily, I think is the answer to that. Alan, can you enlighten us on that one?

**BARR:** In Scotland, if that's the only relative or the closest relative, then they would.

But notably if there are parents surviving of the person who's died, then the parents would share with that sibling.

**DUGGLEBY:** And the same in England and Wales?

**PLANT:** Same here, yeah.

**DUGGLEBY:** Yeah. You just have to look up the percentages because people forget that there's quite a long list of beneficiaries going right down to cousins and children of children and all sorts of things can get in. And there's set amounts applied to each group, isn't it?

**PLANT:** That's right. But there's very few cases where it actually passes what we call bona vacantia - i.e. to the crown.

**DUGGLEBY:** Okay. Right we've got a call now from Andrew in Berkhamstead.

**ANDREW:** Yes hello, good afternoon to you.

**DUGGLEBY:** Good afternoon.

**ANDREW:** My question is on taper relief on gifts for inheritance tax purposes. When I trained as an accountant a few years ago, I understood that the relief was about 20% each year for the third, fourth, fifth and sixth years, I suppose, to reduce the liability. Is that no longer the case?

**DUGGLEBY:** Ian?

**JOHNSON:** No, taper relief is still there and, you're quite right, it kicks in after the third year and then increases by 20%. The key thing to remember is it's the tax that is tapered and it's not the quantum of the gift, and that's a very common mistake. So it's the tax that's tapered.

**DUGGLEBY:** Indeed. And the other thing of course is to remember that the nil rate band has to be taken out of the equation when you're giving inter vivos. That's important.

**BARR:** You've got to be looking at some really pretty big lifetime gifts before taper relief is actually relevant.

**JOHNSON:** Absolutely.

**DUGGLEBY:** Okay. Now here's a question from John on email in Tadworth. He says, 'There was a time when it was advantageous to leave a bequest to your spouse provided he or she survives me by 30 days to provide that double whammy on inheritance tax. Is this still the case?'

**PLANT:** Yes it is, yeah.

**DUGGLEBY:** So you still use the 30 day ...

**PLANT:** It's to avoid a double administration applying and the costs of a double administration.

**DUGGLEBY:** Okay. Same in Scotland, is it, Alan?

**BARR:** Yes, there's no particular magic about the 30 days. It's any period less than 6 months in fact, but the 30 day period is commonly used.

**DUGGLEBY:** Okay, Poppy your call now.

**POPPY:** Hello. I run a B&B, and under John Major I think small businesses were exempted from death duties. Is that still the position?

**DUGGLEBY:** Ian?

**JOHNSON:** Well there are certainly reliefs for businesses, business property relief, which can exempt up to 100% of the value of relevant business property as it's defined. You say you run a B&B. Is that run from home?

**POPPY:** Yes and it's totally devoted to the guests.

**JOHNSON:** Right. So there's no element of the property which is occupied by you or your family?

**POPPY:** Well I live there, but I move around from bedroom to bedroom according to ... you know every bedroom is used by a guest.

**JOHNSON:** Right.

**POPPY:** And the sitting room is obviously used and the dining room and the kitchen. So it's all used by guests.

**JOHNSON:** Yeah. I suspect it's going to be a bit of a complicated one to get agreed with the Revenue because I think the Revenue are going to expect that a part at least of the property is used for personal purposes rather than for business purposes, and I suspect you might have some difficulty.

**DUGGLEBY:** And one final quick email. It's from Alan in London. He says, 'I'm thinking of a deed of variation. How do you actually do this?' He says, 'Can I vary the thing to say dad's gold watch or £1,000, or is there any magic about this?'

**PLANT:** Well you can vary it up to whatever your share was. You can't vary more than you had. But it is a deed and therefore it must be drawn up by a solicitor, so go and take some advice.

**DUGGLEBY:** And final word from you, Alan?

**BARR:** Yeah that's true in Scotland as well, so technically it could be done yourself but I certainly wouldn't advise it.

**DUGGLEBY:** So a chattel that says you know I'm inheriting dad's gold watch but I want it to go to his grandson - no problem, you just specify it and that's it?

**BARR:** That can be done in the deed of variation, yes.

**DUGGLEBY:** Jolly good. Thank you much, panel. If you want to listen again, download a podcast, check the answers from a transcript, our website, [bbc.co.uk/moneybox](http://bbc.co.uk/moneybox) is your first port of call. And you can also phone the information line on 0800 044 044. My thanks to Ian Johnson, tax partner with accountants Grant Thornton; Nicola Plant, partner with solicitors Thomas Eggar; and Alan Barr, Director of Legal Practice at the University of Edinburgh and a partner with Brodies. Don't forget Will Aid month, free wills for a donation to charity. Make a note to join Paul Lewis for the next Money Box at noon on Saturday, and I'll be back same time next Wednesday [Editors correction] afternoon to take more of your calls on Money Box Live.