

Help Our County – Support the Society: Giving Made Simple



“It’s a wonderful organisation, and very stretched”. This recent message from a long time Suffolk Preservation Society supporter puts it in a nutshell. As we approach SPS’s centenary in 1929, it’s right to recall its role as Suffolk’s leading heritage charity, working to protect and preserve the natural and built environment. Wonderful indeed, but also stretched. Self-funding, it is dependent on the continued support of its members and the generosity of its supporters. This article is addressed to you, whether you are a member, or a donor/supporter or if the Society is new to you.

We often moan about our taxes without reflecting on the extent and generosity of the fiscal incentives to give to charity. “Give all you can” was the final limb of John Wesley’s sermon on the Use of Money. “Give all you can to charity” is the message to be taken from the tax system. It is a win-win for the donor and the charity, as explained below.

I Lifetime giving; Gift Aid

This has major advantages:

A. *Immediate impact*. Your money is put to work at once.

B. *Gift Aid*, available to UK registered taxpayers, enables you to boost the value of your gift by 25%: for every £100 donated, SPS reclaims £25 in tax. On top of that, if you pay higher rate tax, you secure tax relief. A 40% taxpayer, who donates £100, reclaims £25 in tax relief and so spends just £75 to give SPS £125. A 45% rate taxpayer reclaims £31.25, spending just £68.75 to give SPS £125.

C. It gets even better for the donor, if you are in the income tax bracket from £100,000 to £125,140. Your effective tax rate on that slice is 60%¹ because for each £2 earned over £100,000 you lose £1 of personal allowance. Charitable giving via Gift Aid reduces your net income by £1.25 and saves you money. To illustrate:

1 You earn £125,140 and give £20,112 to charity via Gift Aid.

2 Charity reclaims £5,028 (20%) **boosting your gift to £25,140**. You reclaim £5,028 (20%)² on your tax return.

3 Your net income is reduced to £100,000, recouping your personal allowance of £12,570 and **saving you £15,084 in tax**³.

D. *Other assets*. If you prefer to donate land, buildings, shares or possessions, Gift Aid does not apply, but the gift is fully exempt from Capital Gains and Inheritance Tax, so the charity receives the full value of the gift.

NB. As you will be aware, the forthcoming 40% Inheritance Tax charge on pension funds on death, taking effect from 6 April 2027, entails double taxation (IHT on the fund, then income tax on withdrawals by beneficiaries) and is causing many with private pension schemes to consider drawing more out during their lifetime in order to avoid such double taxation. That could be a perfect opportunity to make a tax-effective gift to SPS, especially given the facility to arrange how much income you receive in any given year and use it to best effect (see C above).

II Giving by a gift in your Will

In recent years the two most significant legacies SPS received (of the order of £120-£150,000) were, curiously enough, from two Suffolk residents who were neither members nor previous supporters. They had heard of the Society and knew of the valuable work it carried out. We very much hope that whether a member, supporter or newcomer reading this article, you will give serious consideration to benefitting the Society in your Will. A gift

¹ 62% if you pay National Insurance.

² Or £6,285 if you are a 45% rate tax payer.

³ Sources. Accountancy firm Blick Rothenberg, cited in Money, Times December 14, 2024 p.63.

or donation of any size is a valued contribution to our work. If you are interested, please contact the Society (by letter, [email](#) or telephone) to arrange a confidential, non-committal conversation.

Two key points to note are these:

- A. As SPS is a registered charity, the value of any gift left in a Will is deducted from the value of the estate before it is assessed for inheritance tax, reducing the tax liability.
- B. **IHT saving where 10% or more of estate is bequeathed to charity.** Since 2012, tax legislation in the UK provides for reduction in inheritance tax **from 40% to 36%** where 10% or more of the assessable value of an estate is left to charity. This applies if the value of your legacy to the Society together with any other legacies to charity equals 10% or more of the total value of your estate. It is well worth looking into this if you are minded to benefit charity at all, as it is a means of maximising your net estate and paying less tax.

Ways of giving by Will

The main options to consider are:

A Cash Legacy. To ensure the gift is not eaten up by inflation between the date of the Will and death, it makes sense for the Will to provide that that it is increased in line with inflation based on a specified index (RPI or CPI); failing that, it is best to review the sum from time to time to see if you want to vary it.

B Gift of residue/share of residue.

This is considered the most effective way of giving. A percentage of the residuary estate is specified rather than a fixed cash figure. There is no inflation issue.

C Possessions

Specific possessions can be left to the Suffolk Preservation Society (property, works of art, stocks and shares).

D Substitutional

Your estate, or a percentage of it, is left to a particular person or persons but if they predecease you the bequest goes to the Suffolk Preservation Society.

NB If you want to benefit from the 36% Inheritance Tax rate (see above) you will need to ensure you get proper advice – preferably from an experienced solicitor – in making your Will.

Passing on a legacy you receive

As a footnote, it is worth noting that, should you become a beneficiary under a Will, you can transfer all or any part of that inheritance to charity, using a deed of variation made within two years of the death. The Inheritance Tax exemption for charity is carried back into the estate. As a taxpayer, you can claim Gift Aid relief from income tax on any income arising.

Please help support the Suffolk Preservation Society, and enable it to continue protecting and sustaining the county you love. Your gift will be a lasting legacy of your care for our county, which will be carefully stewarded and dedicated to our cause.

Thomas Seymour

Suffolk Preservation Society Trustee

[Thomas has practised as a barrister for over 40 years at the Chancery Bar with significant experience of advising on charity law, probate and Wills].