

LEGACY10

Legacy10 is an independent campaign, launched in November 2011, to encourage charitable giving in the United Kingdom. Specifically, it is aimed at increasing the number of people across the UK who leave money to a charity in their will.

Our findings show that the UK is made up of incredibly generous people. Three quarters of us give something to charity every year. Yet only 7% of those same people leave a gift to charity in their will. In the United States the figure is three times higher. Our campaign is attempting to make legacy giving a convention rather than the exception.

As part of our campaign, we are recruiting 'pledge ambassadors' from the worlds of business, philanthropy, sport, arts and entertainment, across the UK to focus attention on legacy giving as another way of supporting charitable organisations. Legacy10 is in the process of becoming a registered charity, its sole purpose is to raise the profile of legacy giving as a means of supporting charitable causes; it will not collect or distribute funds directly.

The latest information, supporters and events can be found at our website: legacy10.com

Changes to Inheritance Tax

The Legacy10 campaign dovetails with the Government's change in Inheritance Tax (IHT) which came into force on 6 April 2012. In fact, the genesis of the campaign was the result of discussions between Roland Rudd and Jeremy Hunt, the Secretary of State for Culture, Media & Sport on supporting philanthropy; following these discussions, Roland Rudd established the Legacy10 campaign.

In the 2011 budget the Chancellor announced that any estate which leaves at least 10% to a charitable cause will be able to take advantage of a reduced rate in IHT, from its current level of 40% down to 36%. The Government hopes this reform will encourage donations and Legacy10 aims to leverage this change to increase the level of legacy giving in the UK.

We have been encouraged by a recent Populus poll which found that over 80% of people in the UK were unaware of the impending changes to IHT, but that over 70% of those would now either make a legacy or were undecided.

How it works

The table below illustrates how this change in IHT will work in practice on a gross estate of £1m. The net result of a 10% donation under this new system means the estate's beneficiary foregoes **£16,200** but the charity benefits by **£67,500**. Therefore, the benefit to a charitable cause is four times greater than the cost to an estates beneficiary.

Without a Donation		With a 10% Legacy Donation	
Gross Estate	£1,000,000	Gross Estate	£1,000,000
Less: nil rate band	- £325,000	Less: nil rate band	- £325,000
Net estate on which the legacy donation is calculated	£675,000	Net estate on which the legacy donation is calculated	£675,000
No charitable donation	£0	Less: donation of 10%	- £67,500
Taxable estate	£675,000	Taxable estate	£607,500
Less: inheritance tax @ 40%	- £270,000	Less: inheritance tax @ 36%	- £218,700
Remaining Estate (inc. nil rate band)	£730,000	Remaining Estate (inc. nil rate band)	£713,800

Next steps

To publicise these changes across the UK, the campaign is focused on recruiting regional ‘pledge ambassadors’, building links with charities, institutions and engaging with professional bodies such as Society of Trust and Estate Practitioners (STEP) and the Law Society.

However, now the change has been formally implemented, we are embarking on a more visible campaign to drive awareness of the new IHT rule and its potential benefits for the sector. We would be very grateful if you would consider join the growing list of public figures and charities that have publically supported the Legacy10 campaign.

Campaign Supporters Include:

Sir Victor Blank

Senior Advisor, TPG Capital

Sir Richard Branson

Founder and Chairman, Virgin Group

Damon Buffini

Partner, Permira

Rt. Hon David Cameron MP

The Prime Minister

Sir Roger Carr

Chairman, Centrica

Rt. Hon Nick Clegg MP

The Deputy Prime Minister

Lord Sebastian Coe

Chairman, LOCOG

Alan Davey

Chief Executive, The Arts Council

Lord Mervyn Davies

Senior Advisor, Corsair Capital

Nick Denton

Founder, Gawker Media

Dr Michael Dixon

Director, Natural History Museum

Charles Dunstone

Chairman, Carphone Warehouse

Tracey Emin

Artist, The Royal Academy

Douglas Flint

Chairman, HSBC plc

Lord Michael Glendonbrook

Former Chairman, BMI

Robert Gillespie

Director General, The Take-over Panel

John Griffiths-Jones

Chairman, KPMG

Kate Grigg

Founder, Untapit

Lord Tony Hall

Chief Executive, The Royal Opera House

Thomas Hughes-Hallett

Chief Executive, Marie Curie Cancer Care

Rt. Hon Jeremy Hunt MP

Secretary of State for Culture, Olympics, Media & Sport

Simon Jackman

Chief Executive, Hope for Children

Boris Johnson

Mayor of London

Lady Barbara Thomas Judge

Chairman, The Pension Protection Fund

Martyn Lewis

Chairman, NCVO

Ken Livingstone

Former Mayor of London

Lord Peter Mandelson

Chairman, Global Council LLP

Rt. Hon Ed Miliband MP

The Leader of the Opposition

Sir Keith Mills

Deputy Chairman, LOCOG

Rt. Hon Lord Myners

Chairman and Partner, Cevian Capital (UK) LLP

Brian Paddick

London Mayoral Candidate

Sir Mike Rake

Chairman, BT Group

Richard Reed

Co-Founder, Innocent

Dame Fiona Reynolds

Director, National Trust

Sir John Ritblat

Chairman of Trustees, The Wallace Collection

Lord Richard Rogers

Founder, Rogers Stirk Harbour & Partners

Professor Martin Roth

Director, V&A Museum

Lord Jacob Rothschild

Chairman, RIT Capital Partners

Sir Nigel Rudd

Chairman, BAA

Charles Saumarez-Smith

Director, The Royal Academy

Sir Nicholas Serota

Director, Tate Galleries

Lord Colin Sharman

Chairman, Aviva

Lord Dennis Stevenson

Chairman, Aldeburgh Music

Peter Stewart

Director, The Eden Project