



## The 1868 Society

### Leaving a Legacy to Monkton Combe School

#### Background

Monkton Combe School was founded in 1868. The Prep School was founded in 1888 and the Pre-Prep in 1929. Thousands of boys and girls have been educated at Monkton over the years. Some have become leaders in the Church, in business, in the military, in academia, the arts and media – in all walks of life. Whether leaders or not, all have been shaped by their formative years at Monkton and the Christian values and virtues that the School tries to instil. Monktonians have had an enormous influence on families, communities and society. Leaving a legacy is a wonderful way to continue this impact and to give back in gratitude and appreciation.

#### What is the money used for?

The school sustains itself from school fees which cover all running costs, bursaries and minor improvements. However, major improvements are only possible with the generosity of donors. In addition, there is always the desire to extend our bursary support. Legacies will be used for these two main areas: new developments and bursaries.

#### Can I choose what my money goes towards?

The School encourages donors not to restrict their donations, since this gives greater flexibility to apply the funds to areas of greatest need or strategic importance. Rest assured the funds will not go into the “general pot”, but be allocated either to the current development project or to bursary support. If you wish to make a bequest for a specific purpose, we encourage you to check with the school first.

#### Are there any tax advantages?

Monkton is a Registered Charity and legacies are exempt from UK Inheritance Tax. Under current arrangements, when making a legacy of at least 10% of your estate, the rate of inheritance tax drops from 40% to 36%. As a result, there are good tax advantages in making a 10% bequest, however you are advised to seek professional advice before making your decision. The table below illustrates a range of scenarios.

	Scenarios		
	A	B	C
Charitable bequest as a percentage	0%	4%	10%
Inheritance tax rate (2014/15 rates)	40%	40%	36%
Value of Estate at death	£1,000,000	£1,000,000	£1,000,000
Tax free allowance (2014/15 rates)	£325,000	£325,000	£325,000
Charitable bequest	0	£40,000	£100,000
Taxable Estate	£675,000	£635,000	£575,000
Tax to pay	£270,000	£254,000	£207,000
Net value of inheritance	£405,000	£381,000	£368,000

#### Notes:

- Under Scenario C, the £100,000 bequest has reduced the inheritance by £37,000 (compared to Option A).
- The extra £60,000 donation from Option B to Option C has only reduced the inheritance by £13,000.



- It is therefore very attractive to make a bequest of 10% of your estate.

### **What is the 1868 Society?**

The 1868 Society comprises all those who have included Monkton in their Will. It is entirely voluntary and names are not published. However, you will be invited to an annual lunch or dinner hosted by the School as a way of thanking you and keeping you informed of developments.

### **What else do I need to know?**

It is best to speak to your solicitor when drawing up or making changes to your Will. Legacies can be arranged in the following ways:

Residual Legacy	Normally a percentage of your taxable estate
Pecuniary Legacy	A specific sum which could be index-linked
Specific Legacy	Specific property, shares ,works of art or objects
Reversionary Legacy	Made payable after the death of another named person, such as your spouse.
Conditional Legacy	Made payable after the conclusion of something else, such as the education of one's grandchildren.

### **Who should I tell?**

Your Will is a personal matter. If you have included Monkton in your Will and you wish to become a member of the 1868 Society please let the Development Office know at the school address or by email on [development@monkton.org.uk](mailto:development@monkton.org.uk) . Thank you.