

myerson

MAGAZINE

ISSUE 5 // SUMMER 2020



myerson

Our Prestige Residential Property Service

'The property market has never previously been restricted, even during World Wars...'

Page 02

Featured in this issue...

A Guide to Gifting and Inheritance Tax
Page 04

Starting a new job? Make sure you know your rights
Page 08

How Myerson can assist you if you wish to separate
Page 10

At Myerson we host a range of different webinars and events. To confirm your interest in our webinars please contact events@myerson.co.uk or visit www.myerson.co.uk



myerson



OUR PRESTIGE RESIDENTIAL PROPERTY SERVICE

The Myerson Residential Team have not allowed a worldwide pandemic and government-imposed lockdown to prevent them from supporting clients in moving home. We have continued to provide our clients with the same elite bespoke service and support that we always have.

The property market has never previously been restricted, even during World Wars, and so being forced into an almost full shutdown was very definitely new and uncharted territory for all involved with property transactions.

The main challenge we have faced as a team has been communication with the parties involved in progressing a transaction to completion. Estate agent offices were closed immediately on the 23rd March 2020 and many staff within those offices furloughed, as were members of other legal firms dealing with conveyancing transactions.

The team at Myerson have been in a fairly unique position of being able to provide our bespoke service with no interruption immediately on the announcement of the

Content within these articles is for general information only and does not constitute legal advice. Specialist legal advice should be taken in relation to specific circumstances. Content within these articles was up to date as of 19/06/2020.

lockdown on the 23rd March 2020. The team have been fully operational, working remotely since the 17th March 2020, with full access to all our IT services and files electronically. You are able to contact the solicitor acting on your behalf directly by phone or email during normal working hours and we can send and receive post in a usual manner.

The restriction on movement in March did result in the postponement of many moves where completion dates had not already been fixed by contract or the parties involved were not able to move safely. As a team, we have progressed and completed many transactions during the stricter lockdown period to the end of May on behalf of our clients both personally and for investment purposes. There were some misleading reports in the media suggesting that nobody could move during any period of lockdown. However, this is not accurate. Parties to any transaction can move provided that it is safe to do so and social distancing is observed so far as it is practical to do so, minimising any potential risk to the individuals or removal companies involved. As members of the Conveyancing Quality Scheme, we were asked to encourage moving to be deferred where possibly unless, for example, the property was empty where any contact with other households would be minimal.

Chains of transactions which involve elderly or vulnerable people have been most affected as it has simply not been safe for those people to move and we have seen a lot of compassion from the other parties where this has occurred. It is possible to agree to complete a sale or purchase at a date in the future when all parties can confirm that it is safe and reasonable to do so, following all government guidance in place as this is being updated regularly.

The partial lifting of restrictions brought in at the end of May and early June allowing estate agents to open their doors once again and recommence property viewings, subject to strict social distancing measures

being in place, have resulted in a welcome boost for the property market, both locally and nationally, with new properties being offered for sale. We have already seen a significant increase in the number of enquiries from existing clients and new potential clients as a consequence of the loosening of restrictions and agents locally have already been commenting in the local news that they have a large number of viewing enquiries to deal with on a daily basis.

Moving house

Moving house is a stressful time under normal conditions, and therefore even more important during this unusual time to instruct a solicitor who is working full-time and effectively so they can assist and progress a transaction in a timely manner.

We have therefore designed a unique Prestige residential property service to suit you. Our team is made up of experienced qualified and accredited solicitors who will guide you every step of the way making the complex clear and providing proactive updates as we move things forward.

'We are different.'

We don't deal in bulk conveyancing and we don't use automated systems to manage your file, unlike other firms. This creates a personal service that is bespoke to you and your needs. You can trust us to deal quickly with any complications that may arise and ensure that your move stays on track, taking away as much stress as we can from you.



Speak with one of our Residential Property Lawyers.

Call us on **0161 941 4000** or email lawyers@myerson.co.uk

Heather Adams

Senior Solicitor
Head of Residential Property



A GUIDE TO GIFTING AND INHERITANCE TAX

Quite often we are asked to advise about gifting and whilst most people are aware of the 7 year rule, they are not clear on when it applies or whether any other exemptions are deducted first.

This article is a brief guide on the exemptions but there are lots of factors to consider for larger gifts as well as personal circumstances as to whether gifting is suitable for an individual.

Potentially Exempt Transfers

- the current inheritance tax-free threshold for lifetime gifts is £325,000 and this is frozen until 2020/21. If you make substantial gifts (to an individual) and these are not covered by any exemptions, the value will use up some or all of your threshold. You must survive for 7 years after any such gift for the value to fall out of your estate on death, otherwise the value is aggregated with all other assets owned at death for inheritance tax purposes.

Tax payable is tapered on a sliding scale if death occurs between 4 and 7 years after the gift but only where the lifetime gift exceeds the tax-free threshold.

Chargeable Lifetime Transfers

- the same rules apply to gifts to trusts, however, there can be further tax charges for gifts over £325,000 into trust which is usually 20%, but if the person making the gift fails to survive 7 years, they may have to pay an additional 20% of Inheritance Tax.

Please note that Capital Gains Tax may also be payable on lifetime gifts of assets other than cash and relief may be available in certain circumstances, but this is outside the scope of this article.

Spouse Exemption - gifts between spouses or civil partners are free of Inheritance Tax. There is no limit to what can be gifted to your spouse/civil partner during your lifetime provided they are permanently resident in the UK.

Annual Exemption - in addition, individuals can give away £3,000 to other individuals each tax year free of Inheritance Tax. If you have not used your annual exemption for the previous year you can roll it forward to the current tax year, after using the current tax year's allowance. Any gifts which exceed the value of your Annual Exemption will use up some of your tax threshold.

Small gifts - are any gifts up to the value of £250. You can make as many as these gifts as you like within one tax year provided that each recipient does not receive more than £250 in one tax year. Gifts for birthdays and Christmas will be exempt if they fall within the value of the small gift of £250 or if they are made from income and not from savings. Otherwise, these gifts will use up your annual exemption.

Gifts on Marriage - each of the parents of a party to the marriage can gift £5,000 free of Inheritance Tax. Grandparents can gift £2,500 each and unconnected parties can gift £1,000.

Regular gifts out of surplus income - Inheritance Tax is a tax on capital. Accordingly, gifts made from surplus income are not taxable, whatever the amount. You do not have to survive 7 years.

The payments can stop at any time without invalidating the exemption for the payments which have already been made.

There are many reasons why a person would want to gift however, the method and timing of the gift will depend on your personal circumstances and the effects it has on your family and estate which will include tax.

Your Quick Guide to Gifting and Inheritance Tax

- The current inheritance tax-free threshold for lifetime gifts is £325,000.
- There can be further tax charges for gifts over £325,000 into a trust which is usually 20%.
- Gifts between spouses or civil partners are free of Inheritance Tax.
- Each of the parents of a party to the marriage can gift £5,000 free of Inheritance Tax.
- Grandparents can gift £2,500 each.
- Unconnected parties can gift £1,000.



Speak with one of our Wills, Trusts and Probate Lawyers

Call us on **0161 941 4000** or email lawyers@myerson.co.uk

Bik-ki Wong

Partner
Head of Wills, Trusts and Probate

Signed, sealed, delivered...

It's time to take control.

Our contentious trusts and probate team has the skill and experience to guide you with sensible and sensitive advice.

The sooner you contact the experts, the better.

Call 0161 941 4000
www.myerson.co.uk



Helen Thompson

Partner and Head of Contentious Trusts and Probate

Helen has over 20 years of litigation experience and is a Full Member of the Association of Contentious Trusts and Probate Solicitors.

"The legal team have the rare ability to combine strong legal knowledge, procedural and strategic acumen but delivered with client care and overwhelming compassion in what are often difficult or testing circumstances".

- The Legal 500



Jennifer McGuinness

Senior Solicitor

Jennifer is an approachable and pragmatic litigator with over 15 years qualified. Jennifer has recently joined Myerson to expand the probate litigation team to 10, specialising in wills and probate disputes, inheritance claims, trust disputes and contested Court of Protection cases.

"From our first telephone conversation, Myerson dispelled any doubts. With a warm and friendly approach, they handled my case with expertise and efficiency".

- Probate Litigation Client





STARTING A NEW JOB?

MAKE SURE YOU KNOW YOUR RIGHTS

Being offered a new job is very exciting and something that you should be very proud of.

When being provided with a contract of employment, many of us consider it as simply a formality and it can often be overlooked and full of confusing legalese.

It's important to remember, however, that the employment contract governs the rights and obligations of both you and your employer during (and after) your employment.

You need to make sure that the terms therefore work for you and you're aware of how this may affect you in the future.

When do I review my employment contract?

The time to negotiate or clarify the terms of the contract is prior to accepting and starting your new job. It's therefore advisable to review your contract as soon as possible to ensure that it delivers everything you've been promised and to make sure that you're not bound by particularly onerous terms.

What should I consider?

Within your employment contract you should consider:

- 1 Are there any bonuses or commission to be paid during your employment and are the terms surrounding these sufficiently clear?
- 2 Are there any restrictive covenants and are these enforceable?
- 3 Are your duties accurate or are they particularly onerous?
- 4 Does it allow the employer to re-locate you?
- 5 Does it permit you to continue with outside interests?
- 6 Does it allow the employer to terminate the employment on short notice?
- 7 Does it allow the employer to pay you in lieu of notice and can this be paid in instalments?
- 8 Does it account for a golden handshake in the event of termination of your employment?
- 9 Does it allow the employer to provide you with a period of no work and no pay?
- 10 Does it allow the employer to vary your hours of work or pay?

As exciting as a new job is, there is always going to be a level of uncertainty. We recommend taking the uncertainty away from your contract; allowing you to start your job with peace of mind, protecting your long-term interests so you can focus on your career.

If you need any assistance regarding your rights and obligations under the employment contract, please contact our employment team.



Speak with one of our Employment Lawyers.

Call us on **0161 941 4000** or email lawyers@myerson.co.uk

Vicki Fagan

Solicitor
Employment Department

HOW MYERSON CAN ASSIST YOU IF YOU WISH TO SEPARATE DURING LOCKDOWN

Financial and emotional stresses caused by the Coronavirus pandemic are placing intolerable strains on many relationships.

For some, this period will be a catalyst for change. The lockdown restrictions may have wreaked havoc on the value of businesses, properties, pensions & earning capacities.

Everyone considering separation will be worrying whether this is an appropriate time to separate, given the economy is in such a state of flux and there is so much uncertainty.

Whilst the President of the Family Division has indicated that Family Courts are “open for business as usual”, many cases are being adjourned or hearings are being dealt with remotely by telephone or Skype.

Mediations can take place via Zoom, which may suit those who are anxious about meeting their estranged partner face to face.

The use of privately funded negotiation hearings, known as Private FDRs, and arbitration hearings can be used effectively to progress cases involving children and finances to circumvent delays caused by the court process. Both private FDRs and arbitration involve hiring a judge for the day who is dedicated to resolving your case. Private FDRs have a high success rate for achieving a settlement. Decisions made in arbitration can be made into court orders and enforced as such.

Adjournment of court applications may be used appropriately to provide time to obtain reliable indications of values of businesses, properties and pensions. RICS surveyors are now able to conduct internal inspections to value properties. Letting & estate agents are also open for business.

Forensic accountants and pension actuaries are mindful of the effects of the pandemic on the value of businesses and pensions.

In relation to orders which have already been approved and sealed by The Court before lockdown, it may be possible for you to either apply to vary the court order or to seek advice as to whether you could apply to appeal out of time and set aside the original order if your financial circumstances are radically altered.

The Court has the power pursuant to section 31 of the Matrimonial Causes Act 1973 to vary the following orders:

- Maintenance pending suit and any interim order for maintenance for a spouse.
- Any maintenance order.
- Any secured maintenance order.
- Any provision for payment of a lump sum by instalments.
- Any deferred order for a lump sum by instalments.
- An order for sale of property.
- A pension sharing order.

When exercising its powers to vary, The Court will look at all the circumstances of the case, first consideration being given to the welfare of any child of the family under the age of 18, and the circumstances of the case shall include any change in circumstances in any matters to which The Court was required to have regard when making the order to which the application relates.

Spousal maintenance payments may no longer be affordable for the payer who might have lost employment or might have been placed on furlough. Equally, the payee may have encountered financial hardship as a result of losing a job. The Court has the power to temporarily suspend spousal maintenance payments or increase payments to meet needs.

The Court may reduce spousal payments to a nominal amount, with increased maintenance payments to become effective once the paying party returns to work.

There is no statutory power to vary a lump sum order, only to vary the timing of payment of a lump sum. However, The Court does have the power to vary a lump sum order payable by way of instalments. If the lockdown has made it difficult for a payer under a court order to pay a lump sum ordered, the payer could potentially apply for permission to appeal out of time to set aside the order upon the basis that the Coronavirus outbreak is an unforeseen event which has fundamentally changed the premise upon which agreement was reached. It could be argued that the Coronavirus outbreak represents a Barder event.

It is not known to what extent such applications will be successful, as previous cases brought on the basis of a Barder event have rarely succeeded. However, we have never had a Coronavirus pandemic before, and this event may have affected the values of the assets to such an extent that an appeal may well succeed.

The Court may be more willing to accept temporary variations to Orders and will be hesitant to make permanent variations when the long-term economic effect of the pandemic remains so uncertain.

As with every case, the costs of a court application must not outweigh the benefit which is sought. Litigation finance may assist you in financing the cost of your case if you do not have funds to pay for a solicitor.



Speak to one of our Family Lawyers.

Call us on **0161 941 4000** or email lawyers@myerson.co.uk

Jane Tenquist

Partner
Head of Family Law



Because life is rarely **black and white.**

Protect your wealth with a lawyer you can trust.

Call us today or visit our website
0161 941 4000
www.myerson.co.uk

Myerson Solicitors award winning law firm proudly ranked 'Top Tier' by The Legal 500.



Myerson Solicitors LLP

Grosvenor House, 20 Barrington Road, Altrincham WA14 1HB

Tel: 0161 941 4000 | lawyers@myerson.co.uk

www.myerson.co.uk | [@myersonllp](https://twitter.com/myersonllp)



Myerson is the trading style of Myerson Solicitors LLP, a limited liability partnership registered in England & Wales number OC347078, whose registered office is as above. This firm is authorised and regulated by the Solicitors Regulation Authority number 515754. VAT Registration number 380 4208 70. Any reference to a partner means a member of Myerson Solicitors LLP. A list of members is available for inspection at our registered office.