

**Neves achieves Legal 500 ranking!**

Neves Solicitors LLP is delighted to announce that it is now recognised for its legal expertise in Legal 500. The firm sees this as a reflection of its growth and development in recent years and this achievement is solely attributed to the outstanding feedback received from clients in both individual and business legal services



Neves has received specific accolades to its employment and family law department. Since the opening of its Milton Keynes office in 2009, both departments have continued to go from strength to strength. The ranking in Legal 500 demonstrates that Neves combines comprehensive and pragmatic legal advice with outstanding client service.

We would like to say a big thank you to all those that have and continue to use Neves for legal matters. Also a big thank you to all that work at Neves for helping achieve this milestone.

**Neves Christmas Appeal**

In previous years we have donated to charities at Christmas, rather than sending Christmas cards. This year we plan to do the same.

Neves will be making a donation to Shelter box a charity helping those who need it most following the earthquake in the Philippines.



The relief Shelter box send is in the form of a large green plastic box

containing a family tent, bedding, a stove, cooking utensils, a water purification kit and much more, sufficient to look after an extended family of 10 people. In the past 2 years the charity has sent 50,000 boxes to various locations around the world where families have lost their homes.

Each box costs £595 which includes the cost of shipping. Neves plan to raise enough money to send four boxes to the Philippines.

To find out more visit [www.shelterbox.org](http://www.shelterbox.org)

**What Our Clients Say About Us**

*"Excellent service, very reassuring and professional with a most supportive and personal approach."*

*"Very polite, helpful, friendly service, with excellent value for money."*

*"Highly organised and efficient. The best solicitors that I have dealt with in the Luton area."*



*"Thanks you for this, you always make it very easy to understand, I have had no hesitations in recommending your services to all my relevant connections"*

*"We very much appreciate the manner in which the business transactions were conducted, efficient and pleasant."*

*"Quick & efficient service and good value for the advice. Well recommended"*

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**Contact Us**

<b>Harpenden</b> Tollgate House 69-71 High Street Harpenden Hertfordshire AL5 4ET T: 01582 715234	<b>Luton</b> 8 George Street West Luton Bedfordshire LU1 2DA T: 01582 725311	<b>Milton Keynes</b> Kingsbridge House 702 South Seventh Street Milton Keynes MK9 2PZ T: 01908 304560	<b>Northampton</b> Independent House Units 1 & 2 Wilks Walk Grange Park Northampton NN4 5DW T: 01604 814500
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E: [info@nevesllp.co.uk](mailto:info@nevesllp.co.uk) W: [www.nevesllp.co.uk](http://www.nevesllp.co.uk)

**Inheritance Tax – How does it affect you ?**

It was Benjamin Franklin who said;

"In this world nothing can be said to be certain, except death and taxes".

He could well have been referring to Inheritance Tax. Many countries today have abolished tax charges on death — including Canada, Australia, New Zealand and even Russia. In the UK however Inheritance Tax brings in a small but significant sum for the Government each year - £3billion in 2012/13 according to latest figures and there seems no prospect of it being abolished in the near future.

Today Inheritance Tax is usually payable when someone dies (though occasionally on lifetime gifts into certain types of trust). It is charged on the assets you own when you die (known as "your estate"), and also on assets you have given away in the last 7 years of your life (and occasionally on assets given away more than 7 years ago where you still have the use or benefit of them)

There are a number of exemptions and reliefs available which can reduce the tax payable. Currently there is a tax free threshold of £325,000 – this is known as the "nil rate band". Assets above this figure are taxed at 40%. The Nil Rate Band is frozen until 2019.



Importantly assets passing to spouses or civil partners are generally not subject to Inheritance Tax so that tax is usually only payable on the second death. Spouses and civil partners can apply to have the nil rate band of the partner who has died first transferred to the survivor's estate so that

currently a couple can pass on £650,000 free of Inheritance Tax to their children.

Planning to minimise Inheritance Tax can be difficult especially if the most valuable asset in an individual's estate is his or her home.

However there are a number of options available. These include taking advantage of all the applicable gift exemptions, re-investing in assets that receive favourable IHT treatment and funding for tax through insurance. The best planning options depend on an individual's circumstances so it is worth undertaking a review to see if savings can be made.

**Gail Donaldson**

*We can assist you in writing a detailed and accurate Will Please contact Gail Donaldson by email on:*



*[gail.donaldson@nevesllp.co.uk](mailto:gail.donaldson@nevesllp.co.uk) or by telephone on 01582 715234*

**The importance of wording in a Will**

When the wording of a will is clear, the likelihood of a successful challenge is much reduced. A recent dispute over a woman's will illustrates the point.

The will in question gave the testator's (the legal term for the person who makes a will) estate to her three daughters, but contained the words 'as shall survive me and if more than one in equal shares absolutely'.



children of one of the daughters who had predeceased her mother. They argued that their mother's estate should receive a one-third share of their grandmother's estate.

Because the woman's will did not contain any provisions relating to her daughters' children, it meant that the children of the deceased daughter had no right to inherit their own mother's 'share'.

This is legal terminology meaning that the estate was to be distributed to the children who survived her and, if more than one child survived her, it was to be distributed equally between them.

The case was brought on behalf of the

The court will interpret your will to mean what it says, even if the result may appear 'unfair'. It is therefore essential to make sure that your will is up to date and professionally drafted to give precise effect to your wishes.

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**Help to Buy**



**The Government has now improved the scheme aimed at helping people purchase their own home.**

The Help to Buy – Mortgage Guarantee scheme, due to be introduced on 1 January 2014, will run alongside the current Help to Buy – Equity Loan scheme, which assists those wishing to purchase a newly built home.

Both schemes apply to the purchase of property up to the value of £600,000 and are only available to those who live in England. Different schemes apply in Wales and Scotland.

**Help to Buy – Mortgage Guarantee**

Although the new scheme is set to commence in January 2014, applications are now being accepted, so properties purchased between now and January that are the subject of successful applications will be within the scheme. The scheme applies to any property valued at £600,000 or less which is not a shared ownership or shared equity property, a second home, or rented out.

In order to qualify for the scheme, you must be able to put down at least a 5 per cent deposit. The main purpose of the scheme is to reduce the risk to the lender, so that a substantial deposit will not be required. Currently, lenders require deposits of up to 20 per cent, which means that only those with substantial savings can contemplate entering the housing market.

Under the Mortgage Guarantee scheme, the Government will guarantee the mortgage up to 15 per cent of the value of the property. Interest-only mortgages are not allowed under the scheme.



**Help to Buy – Equity Loan**

The Equity Loan scheme is available to anyone who can put down a 5 per cent deposit and is able to secure mortgage finance. It applies where the property being purchased is new build and is worth up to £600,000. The property must also be built by a registered 'Help to Buy' builder. The Government will provide up to 20 per cent of the purchase price by way of a loan, which reduces the risk to the commercial lender. When the property is sold, the loan from the Government is repaid. The Government will also take 20 per cent of any profit on the sale. For example, if a property is sold for £40,000 more than the purchase price, the Government will receive £8,000 with the balance of the profit (£32,000) going to the homeowner.

The loan can be repaid without the necessity to sell your home.

No fees are charged on the loan during the first five years. In year six, a fee of 1.75 per cent of the loan is charged. After that, the fee increases annually, based on the Retail Prices Index plus 1 per cent, the applicable rate being decided annually in September.

The Mortgage Guarantee scheme ends on 31 March 2016.

In addition, there are two further schemes aimed at helping people get a foot on the property ladder.

**Shared Ownership**

Shared ownership schemes are made available by housing associations. They allow tenants to buy a share in their rented property of between 25 per cent and 75 per cent of its value. They pay rent on the proportion not owned. There is a similar scheme for people aged 55 or more.

You can buy more shares in the property if you wish. The price payable will depend on the current market value of the property. Once you own 100 per cent of the property, you can sell it yourself, but the housing association will have the right of first refusal for 21 years from the date when you own the property outright.

**NewBuy**

NewBuy is a scheme which allows people to purchase a newly built property with a 5 per cent deposit. The property must cost £500,000 or less and be built by a builder who is taking part in the scheme. To take part, you do not need to be a first-time buyer but the property must be your main home and owned fully by you.



**Caroline Hume**  
Partner  
Head of Residential  
Property



**Jane Joseph**  
Partner  
Commercial &  
Residential Property

*If you need help or assistance with any conveyancing matter contact our team.  
Email:  
[conveyancing@nevesllp.co.uk](mailto:conveyancing@nevesllp.co.uk)*

**Retirement Justified at 65**

In the long-running case of *Seldon v Clarkson, Wright and Jakes*, the Employment Tribunal (ET) has ruled that the inclusion in a law firm's partnership agreement of a clause that required partners to retire at 65 was justified in the circumstances.

A former senior partner of the firm claimed that the provision, which had been agreed by all the partners, constituted direct discrimination under the Employment Equality (Age) Regulations 2006 – now replaced by the Equality Act 2010.

He pursued his case as far as the Supreme Court, which held that the

test for justifying discrimination on the ground of age is narrower for direct discrimination than for indirect discrimination. To defeat a claim of direct discrimination, the employer must show that the treatment stems from an aim that can be objectively and reasonably justified as pursuing a legitimate social policy derived from the EC Equal Treatment Directive.



The Supreme Court dismissed the former partner's appeal. Whilst his retirement at age 65 was, on the face of it, direct discrimination, the firm's reason for having in place a mandatory retirement age for all partners was capable of justification.

The ET had identified three objectives – staff retention, workforce planning and limiting the need to expel partners by way of performance management – which met the test of being based on legitimate social policy aims.

The case was remitted back to the ET, however, to consider whether the choice of 65 as the specific age at which partners were required to retire was a proportionate means of achieving the aims in this case.

The ET found that the retirement age of 65 was fair and proportionate in the circumstances. However, the case was decided on the law as it stood when the former partner retired in 2006, when there was still a default retirement age of 65. The ET was clear that, based on the law as it stands today, it might well have reached a different decision.



**Peter Kelly**  
Partner  
Head of Employment Law  
and Disputes  
[Peter.Kelly@nevesllp.co.uk](mailto:Peter.Kelly@nevesllp.co.uk)



**Elizabeth McGlone**  
Solicitor  
Employment Law  
[Elizabeth.McGlone@nevesllp.co.uk](mailto:Elizabeth.McGlone@nevesllp.co.uk)

**Same-Sex Marriages Latest**

The Marriage (Same Sex Couples) Act 2013 received Royal Assent on 17 July 2013 and is expected to come into force in 2014.

The legislation enjoyed a complex passage through the legislature, largely due to the need to accommodate varying religious views. Technical complexities still remain – for example regarding the extension of 'spouse's rights' over pensions and death-in-service benefits, as the life expectancies of the sexes are significantly different.

In essence, the Act will make same-sex marriage the legal equivalent of heterosexual marriage.

Among other important legal issues dealt with by the Act are:

Same-sex marriages solemnised in foreign jurisdictions before the passage of the Act will be recognised as marriages in England and Wales; It does not change the effect of any 'private instrument' made before it comes into force. So, for example,

the definition of 'spouse' in an existing Trust providing for children and spouses would not include same-sex spouses; and It does not extend the common-law presumption that a child born to a married woman is also the child of her spouse to the circumstance in which the spouse is also female.



A consultation is to be held on civil partnerships and it is thought probable that these will be able to be converted into marriages.



**Mary McEvoy**  
Partner  
Head of Divorce & Family  
Law, Collaborative Lawyer &  
Notary Public



**Beth Woodward**  
Partner  
Divorce & Family Law,  
Collaborative Lawyer



**Joanne Norris**  
Solicitor  
Family and Litigation



**Pui Uro**  
Solicitor  
Divorce and Family Law

*If you need help or assistance with any family law issues then contact our family team.  
Email:  
[family@nevesllp.co.uk](mailto:family@nevesllp.co.uk)*