CHURCH LEGACY
A lasting gift to your church

A Guide for Advocates:
Leaving a Legacy to the Church in the Isle of Man

Leaving a Legacy to the Church

The Church of England receives around £44.2 million per year through charitable gifts in Wills, and over 5,000 people each year leave a gift in their Will to support the work of their church. This Guide is intended to assist advocates in advising clients who wish to make such a gift.

The support of the legal profession in promoting legacies is vital to all charities, and you can directly increase the likelihood of a gift being left simply by asking the question.

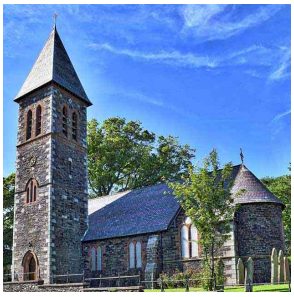
Highlighting the opportunity of making charitable gifts in Wills when speaking with clients can have a significant effect on the levels of gifts pledged and ultimately the work charities and churches are able to deliver. Thank you for all your help and support.

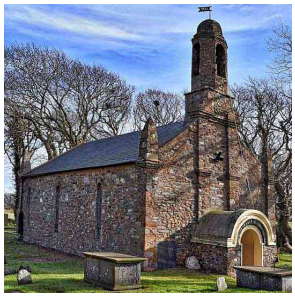
This Guide is published by the Sodor and Man Diocesan Board of Finance, and is based on Solicitors Guide: Leaving a Legacy to the Church, *issued by the Church Legacy Service of the Church of England, with adaptations to take account of the special circumstances of the Isle of Man.*

Further material may be obtained from www.churchlegacy.org.uk *or from the National Legacy Officer, Church House, Great Smith Street, London SW1P 3AZ. However, some of the advice in such material is based on United Kingdom law, and should be read subject to this Guide.*

The Established Church is a complex set of legal entities, and identifying the proper recipient for your client's gift, and the way to give it to the best advantage, will require careful consideration.

This booklet provides information and guidance for advocates on these matters, and we hope you find it useful. Any request for further advice should be addressed to the Diocesan Registrar, Sodor and Man Diocesan Registry, Stamford House, Piccadilly, York YO1 9PP (registrar@sodorandman.im).





Inheritance tax

UK inheritance tax is not normally payable on the estate in the Isle of Man of a person who was domiciled in the Isle of Man (or elsewhere outside the United Kingdom). Making a gift to the Church out of such an estate will therefore not usually involve any tax considerations.

However, inheritance tax may be payable —

- on the estate anywhere of a deceased person who was domiciled in the United Kingdom
- on the estate in the United Kingdom of a deceased person who was domiciled elsewhere.

Parochial Church Councils and other parochial bodies in the Isle of Man, and the Sodor and Man Diocesan Board of Finance, are not recognised as charities by HM Revenue and Customs.

Therefore a simple gift to any of those bodies is NOT exempt from inheritance tax.

If either of the above conditions applies, care must be taken to ensure that the gift is exempt from inheritance tax. This can be achieved through a gift to a UK charity.

A gift to a parish in the Isle of Man or to the Diocese out of an estate which may be liable to inheritance tax should therefore be made to the **Sodor and Man Diocesan Association**, a charity registered in England and Wales (no. 507933), accompanied by a letter of wishes indicating how the gift is to be applied. Forms of Will clause and letter of wishes are in **Appendix 1**. If the gift is for the benefit of a particular parish, see **Appendix 2** for the correct names of the ecclesiastical parishes.

Leaving a Legacy to a Parish Church

Most clients who wish to leave a gift to the Church of England are likely to want to leave it to the work of their local church. The proper receiving body in this case is the **Parochial Church Council** (PCC) of the parish. (in the case of the Cathedral, the proper recipient is the **Chapter of the Cathedral Church**.)

This is the *preferred* recipient of any gift. Previously common variants include the incumbent (rector or vicar), churchwardens, or incumbent and church-wardens. However the PCC is the governing body of parish churches (other than the Cathedral), and a PCC is —

- a body corporate under the Parochial Church Councils (Powers) Measure 1956
- a charity in Manx law (but exempted from registration by the Religious Charities Regulations 1999)

Here is an example of a clause in a Will making a gift to a parish (but see above in relation to inheritance tax).

Example of a Will Clause making a gift to a Parish Church

I give _____% of my residuary estate **or** I give the sum of £_____ (_____ pounds) free of all taxes to the Parochial Church Council of the parish of _____ in the Diocese of Sodor and Man for its general purposes, and I declare that the receipt of an officer of the Parochial Church Council shall be a sufficient discharge to my executors and trustees.

The name of the Parish

In order to avoid uncertainty, a gift should refer to the parish by its correct name. A list of the ecclesiastical parishes is in **Appendix 2** to this Guide.

Gifts for general purposes

Since circumstances change over the years, donors are encouraged to leave gifts in their Wills for the general purposes of their parish. If a donor wishes to restrict the purposes of a gift, for example 'to repair the church tower', it cannot be used for any other purpose.

If the donor desires to impose such a restriction, it is most helpful if it is kept reasonably open, eg. 'for general maintenance' of churches in the parish, or of a named church building. In the latter case the building should be precisely identified (some parishes have more than one parish church).

Alternatively a compromise can be achieved by a legacy for general purposes in the Will and a letter of wishes alongside the Will. This should be referred to in the Will to provide certainty of intention. Forms of Will clause and letter of wishes are in **Appendix 1**.

Leaving a Legacy to the Diocese of Sodor and Man

Clients may wish to leave a gift to the wider Church in the Isle of Man. In that case the appropriate recipient body is the **Sodor and Man Diocesan Board of Finance**. The Board is a charity in Manx law, but is exempted from registration by the Religious Charities Regulations 2023.

Here is an example of a clause in a Will making a gift to the Diocese (but see above in relation to inheritance tax).

Example of a Will Clause making a gift to the Diocese

I give _____% of my residuary estate **or** I give the sum of £_____ (_____ pounds) free of all taxes to the Sodor and Man Diocesan Board of Finance for its general purposes, and I declare that the receipt of an officer of the Board shall be a sufficient discharge to my executors and trustees.

If the donor wishes the gift to be used for particular purposes, eg. 'to support the provision of ministry across the diocese', this could be achieved either in the Will itself or by a legacy for general purposes in the Will and a letter of wishes alongside the Will. The forms of gift in **Appendix 1** may be adapted for this purpose.

Leaving a Legacy to the wider Church of England

Clients may wish to leave a gift to the national Church of England, of which there are a number of different bodies: the Archbishops' Council, the Church and Community Fund, or the Church of England Pensions Board. For more information please visit *www.churchlegacy.org.uk*

Appendix 1
Letters of Wishes

Will clause (PCC)

I give _____% of my residuary estate **or** £_____ (_____ pounds) free of all taxes to the Parochial Church Council of the parish of _____ in the Diocese of Sodor and Man and I request (without creating any binding trust or legal obligation) that in applying the same the Council give effect to any written expression of wishes left by me relating to the gift and I declare that the receipt of an officer of the Council shall be a sufficient discharge to my executors and trustees.

Letter of wishes (PCC)

To: The Secretary
Parochial Church Council of the Parish of _____

From: _____ *[full name]*

_____ *[address]*

I have included a gift to the Parochial Church Council in my will.

I wish my gift to be used:

- for mission and community outreach projects in the parish **or**
- for work on the fabric of _____ church **or**
- for the purpose of _____

Delete and complete as appropriate

_____ *[date]* _____ *[signature]*

Will clause (Sodor and Man Diocesan Association — see note on inheritance tax above)

I give _____% of my residuary estate **or** £_____ (_____ pounds) free of all taxes to the Sodor and Man Diocesan Association (507933), and I request (without creating any binding trust or legal obligation) that in applying the same the Association give effect to any written expression of wishes left by me relating to the gift and I declare that the receipt of an officer of the Association shall be a sufficient discharge to my executors and trustees.

Letter of wishes (Sodor and Man Diocesan Association)

To: Sodor and Man Diocesan Association
c/o Bishop's House
4 The Falls
Tromode Road
Douglas
Isle of Man IM4 4PZ

From: _____ *[full name]*

_____ *[address]*

I have included a gift to the Sodor and Man Diocesan Association in my will.

For the work of the Church at local parish level

I wish my gift **or** _____% of my gift **or** £_____ to be passed to the Parochial Church Council of the parish of _____ in the diocese of Sodor and Man, to be used:

- for the general purposes of the Council **or**
- for mission and community outreach projects in the parish or
- for work on the fabric of _____ church or
- for the purpose of _____

Delete and complete as appropriate

For the work of the Church in the Diocese

I wish my gift **or** _____ % of my gift **or** £_____ to be passed to the Sodor and Man Diocesan Board of Finance, to be used:

- to support the provision of ministry across the diocese **or**
- for the following fund of the diocese *[specify the fund here]* _____ **or**
- for the purpose of _____

Delete and complete as appropriate

_____ *[date]* _____ *[signature]*

Appendix 2
Ecclesiastical Parishes in the Isle of Man

Arbory and Castletown
Braddan
Cathedral
Lonan and Laxey
Malew and Santan
Marown, Foxdale and Baldwin
The Northern Plain
Onchan
Ramsey and the North-East
Rushen
St George and All Saints, Douglas
St Matthew, Douglas
St Ninian, Douglas
St Thomas, Douglas
The West Coast

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