

## Grandparents awarded right to see grandchildren

**In a landmark decision, divorcing couples will now be legally obliged to let their children's grandparents stay in contact with their offspring, even after divorce.**

Such reforms have been discussed for Britain's legal system for some time now, but this week the Government made it official. Parenting Agreements will be drawn up explicitly setting out contact arrangements for grandparents, which can then be used as evidence in court if either parent goes back on the agreement.

The reforms were announced by Deputy Prime Minister Nick Clegg last year as part of a more wholesale review of the country's family justice regime. Mr Clegg claimed last year that grandparents play a vital role in young children's lives and should not be ostracised if their own children separate.

The problems of the current system are evident in up-to-date research which found that one in three couples divorce before their 15th anniversary, with almost half of grandparents never seeing their grandchildren again.

"Mediators will encourage parents to speak to grandparents and engage with them, while grandparents will be encouraged to contribute to the arrangements and engage with their grandchildren," said a Whitehall source.

In 1989, the introduction of the Children Act gave contact powers to step-parents but neglected the needs of grandparents, despite the fact that they are increasingly relied upon for childcare and financial support in modern society.

Following the Government's decision this week, a Whitehall spokesperson added: "This is putting children at the heart of the system and making sure parents going through divorce think about how their children can be best cared for".

## Consequences of dying without a Will

**Stieg Larsson, the Swedish author famous for his series of novels including 'The Girl with the Dragon Tattoo', did not make a Will before he died. Subsequently, the series rose to great acclaim, resulting in large royalties passing into his estate. However, because he did not have a Will, none of this fortune could revert to his long-term partner.**

Swedish intestacy laws do not recognise unmarried, cohabiting couples in their provisions for the sharing of the estate so the author's hard-earned fortune was instead awarded to his estranged family.

The situation is currently the same in the UK, highlighting the importance of making a Will. To do otherwise can be to leave the destination of an individual's fortune to chance. Although the Government is considering amending various laws to extend property rights to unmarried couples, it is not clear whether this will include amending the intestacy rules in this regard.

Therefore, unmarried couples in particular should seek professional advice as to what documentation they should have in place to protect their interests. Cohabitation Agreements and Wills are nearly always recommended and if you need further advice in this regard please speak to one of us as we will be able to draft both of these documents as well as advising on inheritance and tax planning.

## Covered in this newsletter:

New Divorce Laws

Consequences of dying without a Will

Changes in state pension rules

Tax reduction for charitable donations



## Changes in state pension rules

**The rules on state pensions have changed along with those on retirement age. This article is a reminder of some of the changes that have occurred.**

The current State Pension age is 65 for men born before 6 April 1959 and 60 for women born before 5 April 1950. For women born after the date, the age is due to increase to 65 between 2010 and 2020. However, after April, it will not be obligatory to retire at these ages. So people reaching this age have the additional options of continuing to work and claim their State Pension or continuing to work and delay claiming their Pension which can then be claimed as a lump sum or higher monthly amount on retirement.

The number of qualifying years of National Insurance contributions needed to qualify for a full basis State Pension is 30 for both men and women. Any gaps in contributions in certain circumstances will soon be able to be filled by credits. For example, for those receiving child benefit for children under twelve, for approved foster carers, or for some certified carers of sick or disabled people. Those who have missed out on years because of being away with a spouse or civil partner in the armed forces may also be entitled to credits. It is also possible to buy back up to six or twelve years of contributions.

The rule entitling some women to an increased State Pension based on their spouse's National Insurance contributions is also extended to certain husbands and civil partners. This will apply to married men and female civil partners from May 2010 and for male civil partners from April 2015.

## Contact us



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## Smith Law Events



### Business seminar

#### 'Protecting your Business and Saving you Money'

11th May 2011: 09.00am – 10.30am

**Venue:** Crossing Temple, Witham Road,  
Crossing, Braintree, CM77 8PD

It will be a good opportunity to promote your business, meet like-minded professionals and you will come away with good tips on how to better protect your business.

Can you afford not to join us? **Please contact Gemma on 01376 321311**

### Lunch

**SLP Lets Talk Lunch** – Wednesday  
25th May at 12.30 – La Piazza, Rayne  
Road, Braintree, CM7 2QP

The purpose of the lunch is an informal get together of local professionals in the town and is a great opportunity for each individual firm to catch up on local gossip, a chance to relax and socialise and share ideas.

**If you would like to attend please contact Gemma on 01376 321311**



## Tax reduction for charitable donations

**The Government has included in its budget, provisions specifically designed to encourage charitable donations.**

As from April 2012, the inheritance payable on an estate will be reduced from forty per cent to thirty six percent for those leaving ten per cent or more of their estate to charity. This will not benefit family or friends who are provided for in the Will but is designed to ensure that charities are better off.

There will also be a simplified system for administering Gift Aid so that it can be automatically claimed on small donations without the need for forms and the limit will be increased from £500 to £2,500. Gift Aid enables charities to reclaim the basic tax rate on donations.

However, the proposals will only work to increase charitable donations if people make Wills with specific provision for such gifts as the default rules of intestacy do not provide for gifts to charities but only certain family members and dependants.

For further information on making a Will or charity law, please speak to a member of the Lifetime Planning Team on 01376 321311.