



Wanstall Consulting

Wills & Estate Planning

A brief insight into Inheritance Tax their own NRB and the first's unused NRB. Following my December article regarding gifting, this is my initial brief insight into Inheritance Tax (IHT). This "transferable allowance" can provide a joint NRB of £650,000, saving up to £260,000 IHT. (£650,000 x 40%).

What is IHT?

It is mainly a post death tax. Because of house prices especially, IHT affects many people.

How does IHT operate?

IHT is calculated (mainly) after someone has died. We look at the value of their estate and deduct any liabilities. If the total value is less than the Nil Rate Band (NRB), there is no IHT. The NRB is the element of an estate charged at 0% for IHT (ie "free of" IHT). This is currently £325,000.

If the value exceeds the NRB, the balance is currently taxed at 40%.

Some IHT reliefs

Married and civil partnership allowance. If you leave all your assets to, or for, your spouse or civil partner in your Will, it is normally free of IHT. When the second party dies, their estate can benefit from

The Residence NRB. If married couples or civil partners leave a property to their adult children, a further £175,000 relief each is currently potentially available. Therefore, they potentially have up to £1 million "free of" IHT.

(NB, these reliefs are currently only available for married couples and civil partners. The Residence NRB is only available if there are adult children).

Summary

IHT is complex and specialist advice is recommended to carry out IHT planning, which should normally include Will planning.

If you would like to discuss matters, please contact me on iain@wanstallconsulting.co.uk or 01296 415700. You can also find more information on my website: www.wanstallconsulting.co.uk.

"Keep busy, keep well and keep smiling"!