

## **WILL MY ESTATE BE LIABLE FOR INHERITANCE TAX?**

Inheritance Tax (IHT) is payable on death where the value of an estate (including chargeable lifetime gifts) is over £325,000 ('the Nil Rate Band'). Tax is payable on the excess above the Nil Rate Band at 40%.

There are several exemptions available to you during your lifetime which can be used to reduce the IHT payable on your estate such as certain types of lifetime gifts. In addition, further exemptions may be available following your death and your Will should be professionally drafted to make best use of these exemptions.

In addition to the Nil Rate Band, for anyone dying after 5th April 2017 who owns a property and leaves their estate to their children or grandchildren "Residence Nil-Rate Band" which is an additional £175,000 per person. The rules on when the Residence Nil Rate Band are complex, but we can advise you on how best to take advantage of the options available to your individual situation.

### **Exemptions**

Inheritance Tax is not charged on assets given to your spouse or civil partner ("the spouse exemption").

To the extent that the first spouse has not used up their nil-rate band (by giving part of their estate to someone other than their spouse or a charity) or Residence Nil Rate Band the estate of the second spouse to die can claim the benefit of it. In this way a married couple may claim twice the Nil Rate Band tax-free and may benefit from twice the Residence Nil Rate Band.

### **Business and Agricultural property reliefs**

There are two principal reliefs from IHT, namely Business Property Relief and Agricultural Property Relief. Both reliefs, subject to certain ownership conditions, can offer up to 100% relief from Inheritance Tax in relation to your business or agricultural property

These reliefs offer great scope for tax-planning and we can advise you how to take full advantage.

### **I have received an inheritance which increases my potential tax liability. Is there anything I can do?**

If you have received an inheritance from someone's estate, you may be concerned that the value of your inheritance will increase the potential IHT liability on your own estate. This can be avoided by transferring some or all of your inheritance to someone else or even by retaining use of it yourself via a trust by way of a Deed of Variation. Any benefit redirected under the Deed is treated for IHT purposes as having been redirected by the deceased, and therefore never becomes part of your taxable estate.

A Deed of Variation must be made within two years of the date of death so advice should be taken as quickly as possible if you think this might apply to you.

### **How can GL Law help you?**

We have specialist lawyers who will take time to get to know you in order to provide you with advice tailored to your specific needs and wishes.

Full and transparent information about our fees structure will be provided at the outset, and the basis of our charging agreed before we begin work.

**For more information or to speak to a solicitor please contact us by calling 0117 906 9400 or email [hello@gl.law](mailto:hello@gl.law)**

*The content of this guide is intended for general information purposes only and shall not be deemed to be or constitute legal advice.*