



## Inheritance Tax Information

Inheritance Tax is the tax that is paid on your 'estate'. Broadly speaking this is everything you own at the time of your death, less what you owe. It's also sometimes payable on assets you may have given away during your lifetime. Assets include things like property, possessions, money and investments.

Every April the Treasury sets an amount known as the Nil Rate Band or Inheritance Tax Threshold (IHT). You can check the current IHT by calling the Probate and Inheritance Tax Helpline on 0845 302 0900.

The value of your estate up to that threshold is NOT liable for Inheritance Tax. Anything over that threshold is taxed at 40%, even if you only paid basic rate income tax before!

This would mean that for every £10,000 that your estate is worth over the threshold, your beneficiaries only stand to receive £6,000. Rising property values over the past few years means that more and more people are finding themselves liable for Inheritance Tax.

However with a carefully planned Will, it is sometimes possible to reduce the Inheritance Tax you have to pay. One way of doing this is by leaving a legacy to a charity, as all gifts to registered charities are free from tax. If this gift reduces the overall value of your estate to below the threshold, your estate should no longer be liable for any Inheritance Tax.

Everyone's financial situation is different however, so this is only intended as a general outline of how inheritance tax might affect you. There are other issues that could affect your level of inheritance tax, so you should ask your solicitor about your particular circumstances.