

Inheritance Tax (IHT)



Protecting your world

Note for Widows / Widowers

If you have been widowed we would wish to draw to your attention the potential Inheritance Tax savings that could apply to your estate.

The transferable nil rate band which was introduced in 2007 can double up the tax relief for married couples/civil partners. Where one spouse dies after 1975 not having used up all of his/her tax-free allowance ('nil rate band') the unused part can be transferred and added to the allowance of the surviving spouse (or civil partner) when they die and it will apply even though the survivor subsequently remarries.

On current figures the combined allowances of the couple could mean up to £650,000 tax-free, so that their beneficiaries would only have to pay Inheritance Tax if their estate exceeded this sum.

However the transfer of the unused allowance is not automatic and needs to be claimed by the executors acting on the second death. They will need to produce documentation to H M Revenue & Customs showing the unused nil rate band from the first death.

In order to make the process easier for your executors following your death we would therefore recommend that you collect together a pack of the information that they will need to make the claim.

This should include copies of:

Your marriage certificate

Your late spouse's death certificate

Your late spouse's Will (if there was one)

The Grant of Probate (or Letters of Administration) from your late spouse's estate (if any)

The probate tax returns (if any)

Deed of Variation (if any)

This documentation could be very valuable in the future in maximising the tax reliefs available for your beneficiaries and so should be stored somewhere safe, ideally with your own Will.

We would suggest therefore that when storing your signed Will you also enclose the copy documents listed above, so that everything can be stored together.

The information contained in this leaflet is intended as a guide only.

It is not intended to be comprehensive or to provide specific legal advice and should not be relied upon as doing so.

Further detailed advice appropriate to your individual circumstances should be obtained from our Legal Department, telephone us on 01934 836159.



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