

# INHERITANCE TAX CALCULATOR.

## MARRIED OR REGISTERED CIVIL PARTNERS, ON SECOND DEATH

### JOINT ASSETS (ENTER VALUES AT THEIR CURRENT MARKET VALUE)

|   |   |
|---|---|
| Main residence  | £ |
| Other property  | £ |
| Household contents and personal effects                         | £ |
| Art, jewellery and collectables                                 | £ |
| Cash including bank and building society accounts               | £ |
| Savings (ISAs, National Savings)                                | £ |
| Investments (bonds, endowments, unit trusts, stocks and shares) | £ |
| Life assurance (not under trust), Pension fund lump sums        | £ |
| Other assets (car, boat, caravan etc)                           | £ |
| Non-exempt gifts or transfers made within the last seven years  | £ |
| Assets Sub Total  | £ |

### JOINT LIABILITIES (ENTER VALUES AT THEIR CURRENT MARKET VALUE)

|   |   |
|---|---|
| Value of any outstanding mortgage                                 | £ |
| Debts (other loans, overdraft, hire purchase, credit cards etc.)  | £ |
| Other liabilities (outstanding bills, tax, funeral expenses etc.) | £ |
| Liabilities Sub Total   | £ |

**This is not a consumer advertisement. It is intended for Professional Financial Advisers and should not be relied upon by private investors or any other persons.**

**ESTATE VALUE FOR INHERITANCE TAX PURPOSES ON DEATH OF SECOND SPOUSE OR PARTNER**

|   |          |
|---|----------|
| Total assets                              | £        |
| Total liabilities                         | £        |
| Total assets less total liabilities       | £        |
| Subtract Nil Rate Band                    | £650,000 |
| Taxable amount                            | £        |
| Potential inheritance tax liability @ 40% | £        |
| Amount available for beneficiaries        | £        |

Inheritance tax (IHT) is a tax on the transfer of assets and is commonly paid in respect of a person's estate on death, but can also be applied to certain gifts or transfers during his or her lifetime.

As a married couple or registered civil partners, on the second death, the total value of joint assets less liabilities which, after deduction of any available exemptions and reliefs, exceed their joint nil rate band of £650,000 (£325,000 each for 2012/13) would be taxed at 40%. Included are any non-exempt gifts or transfers made within the previous seven years.

Estate planning to reduce a potential IHT liability can involve the making of lifetime gifts or transfers to utilise exemptions and reliefs. Whether a couple's objectives are to make outright gifts of their capital or retain access to either an income or their original capital, Legal & General International can provide specialist trust documentation and support to achieve these. We've created a range of documents, complete with examples, to illustrate some of the most common trust solutions used for IHT planning.

The following table illustrates how much IHT could be payable on the death of a second spouse or registered civil partner, with no plans in place.

| ESTATE VALUE     | TAXABLE  | IHT PAYABLE @ 40% |
|------------------|----------|-------------------|
| £650,000 or less | Nil      | Nil               |
| £750,000         | £100,000 | £40,000           |
| £1,000,000       | £350,000 | £140,000          |
| £1,250,000       | £600,000 | £240,000          |
| £1,500,000       | £850,000 | £340,000          |

**The information in this document is based on our current understanding and interpretation of current legislation in the UK and Ireland, HMRC and Irish Revenue Commissioners practice, which may change.**



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