

INHERITANCE TAX CALCULATOR.

WIDOWED

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	£

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	£

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ESTATE VALUE FOR INHERITANCE TAX PURPOSES ON DEATH

Total assets	£
Total liabilities	£
Total assets less total liabilities	£
Subtract Nil Rate Band	£650,000 (see below)
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 widow(er), on his or her death, the total value of their assets less their liabilities which, after deduction of any available exemptions and reliefs, exceed their available nil rate band, would be taxed at 40%. For 2012/13, the available nil rate band could be as high as £650,000, representing their own £325,000 and up to a possible £325,000 transferred from their deceased partner, provided that their nil rate band had not been fully utilised on their death. 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 his or her 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 widow(er), 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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Legal & General International (Ireland) Limited
Registered in Ireland number: 440141
Registered office: Beaux Lane House, Lower Mercer Street, Dublin 2, Ireland

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