

Since publication of the Bereavement Advice Centre
“A step by step guide to completing probate” in April 2007
there have been some changes in legislation.

Please see notes below for amendments and for further
clarification in selected areas.

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Introduction

For simple estates 30% of applicants for a Grant of Representation do so without the help of a professional.

Pages 3, 4, 8, 13, 23, 24, 31, 33

At the time of original publication the IHT threshold was £300,000. The IHT threshold was increased to **£312,000** with effect from 6th April 2008.

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You should seek professional advice if:

The estate is of a widow or widower and may be liable to IHT as in some circumstances it is now possible to use some of the previously deceased spouse's unused allowance.

Bullet Point 8 should read “there is no will and the value of the estate is over £125,000 and there is a spouse or civil partner and the deceased had children”

Bullet Point 9 should read “there is no will and the value of the estate is over £200,000 and there is a spouse or civil partner and the deceased had no children”

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An overview of what needs to be done

Bullet Point 21 should now read “A clearance certificate (Form 30) is no longer issued. The Inland Revenue now forward a closure letter to confirm their enquiries are complete”

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The will

Note: A valid will must be signed by the deceased in the presence of two witnesses.

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Property valuation

An open market valuation (which does not need to be professional) is required in all cases even if the estate is non taxpaying. A reasonable estimate of the value of the property should be submitted. A professional valuation may be helpful if there is no other way of establishing the open market value.

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Estates over £300,000 (currently £312,000)

Form IHT200 may not need to be completed in all cases particularly where there is no inheritance tax to pay, for example, because the estate passes to the surviving spouse, civil partner or charity.

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Inheritance tax (IHT)

A change announced in October 2007 enables unused tax allowance of a previously deceased spouse to be carried forward and used on the death of the survivor.

Married couples and civil partners

If the deceased was married or in a registered civil partnership at the time of death, anything passing to the surviving spouse or civil partner is exempt from IHT.

Exempt transfers

Bullet Point 1 Transfers covered by the nil rate band are not exempt from IHT but are charged to tax at nil percent

Bullet Point 4 should now read "Gifts to UK registered charities"

Bullet Point 8 should now read "The annual allowance can be made up of a number of gifts up to a total of £3,000 in any tax year"

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Excepted Estates

Please note the limits change from time to time and the limit in force at the date of death should be used.

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Form IHT 200 - The Inland Revenue Account for Inheritance Tax

If the estate is liable to IHT and you do not wish to calculate the tax, HM Revenue and Customs will do it for you.

Any claims for exemptions and reliefs are made within the IHT200 and not on a separate form.

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The Inland Revenue of inheritance tax after probate

Should read "The Inland Revenue review of inheritance tax after probate"

Appealing against inheritance tax after probate

A tax calculation can be questioned at any time and not within a 30 day time limit.

You can claim inheritance tax relief if you sell quoted shares at a loss within one year of the deceased's death.

Form IHT30 - The Discharge

A discharge certificate is no longer issued. When the Inland Revenue are satisfied that the IHT due on a case has been paid (or no tax is payable) they will write to confirm their enquiries are complete. This letter will be signed and stamped and have the same effect as a formal clearance certificate.

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Useful Contacts, England and Wales

Her Majesty's Revenue and Customs (HMRC):

<http://www.hmrc.gov.uk/cto/pa1.htm> For probate enquiries and forms to download.

<http://www.hmrc.gov.uk/enq/index.htm> To find your local office for tax enquiries.