INHERITANCE TAX –PLANNING TIPS
Oct 2015
Lexis Webinar

Charles Holbech

GIFTS

- PETs
- Annual exemption and small gifts
- Spouse exemption
  - Equalising estates
- No intention to confer gratuitous benefit
- Dispositions for maintenance of family
- Gifts in consideration of marriage

NEW SQUARE CHAMBERS

RESERVATION OF BENEFIT

- Gift with reservation of benefit
- Gift of interest in land
- POAT charge
- Cash gifts
- Change of circumstances

FAMILY HOME

- Occupation for full consideration
- Gift of share to joint occupier
  - FA 1986, s. 102B
- Gift of part
- Sale for full consideration

NEW SQUARE CHAMBERS

MISCELLANEOUS ASSETS

- Second homes
- Rented property
  - Gift of share retaining rent
  - Grant of reversionary lease
- Chattels
- Business property

NEW SQUARE CHAMBERS

TRUSTS

- Nil rate band trusts
  - recycled every 7 years
  - exit at nil rate in first 10 years
- Normal expenditure out of income
- Business and agricultural property
- Discounted gift trust
- Life policies

WILL TRUSTS

- IPDI trusts
  - exempt for surviving spouse
  - outside relevant property regime
  - Termination by PET

- Nil rate band trust
  - versus TNRB
  - multiple nil rate bands
  - agricultural and business property

- 2-year discretionary trust

CHARITIES/VARIATIONS

- Charitable gifts
  - reduced rate
  - grossing up

- Post-death variations
  - requirements
  - freezer legacies
  - redirection to exempt beneficiaries

CHARLES HOLBECH

charles.holbech@newsquarechambers.co.uk

020 7419 8000

New Square Chambers