



**Chartered Certified
Accountants**

**WALSH
WEST
CCA**

ARE THERE THINGS I SHOULD BE DOING NOW TO REDUCE THE INHERITANCE TAX - INFORMATION FOR CLIENTS

Walsh West Certified Chartered Accountants 2021

How can I reduce the inheritance tax payable when I die?

You can reduce the value of your estate in a number of ways:

- You can give away assets up to any value, or put them into trust, during your lifetime. These are called 'potentially exempt transfers' or PETs. If you survive for at least seven years after making a PET, it is not treated as part of your estate for inheritance tax purposes. If you die within seven years it might not reduce inheritance tax payable or might reduce it only partially, depending on how long you survive — so you shouldn't make PETs without taking advice.
- You can give away up to £3,000 in any one tax year (and carry forward any amount you do not give away one tax year into the next tax year) to anyone you like. No inheritance tax is payable on this gift, even if you die immediately afterwards.
- You can also make gifts of up to £250 to as many individuals as you want (except anyone who gets the tax-free £3,000 from you in that tax year).
- You can make gifts to family and friends who are getting married or registering a civil partnership. You can give up to £5,000 to any child of yours, £2,500 to a grandchild and £1,000 to anyone else.
- You can make gifts to charity.
- You can make regular payments out of your income, provided they do not affect your standard of living. For example, you might pay premiums on an insurance policy that will pay out when you die.
- You can make gifts if they are maintenance for dependent relatives (such as children, former spouses or civil partners, and disabled relatives).

You may also want to look into other inheritance tax planning options. For example, there are inheritance tax reliefs for many business assets, including shares in most unquoted



**Chartered Certified
Accountants**

**WALSH
WEST
CCA**

companies. There are also reliefs for agricultural property, farms, and woodland. Tax planning is complex so you should take advice.

For initial advice about Accounting and Taxation; call our team on 0203 488 7503, 01992 236 110 or contact us by email at welcome@walshwestcca.com or via our website www.walshwestcca.com and we will help you.