Inheritance Tax



A legacy to the RSPCA saves and protects animals

Inheritance Tax is a tax on the value of a person's estate (i.e. everything you own) on their death and on certain gifts made during their lifetime. The "Nil Rate Band" or "Inheritance Tax threshold" is the value of your estate that is exempt from Inheritance Tax. This is currently £325,000 (Inheritance Tax threshold for the tax years 2009/2014) and the portion of your estate over this amount will be subject to 40% Inheritance Tax. The 40% Inheritance Tax rate will be reduced for those people who leave a gift to charity in their Will.

£325,000 may sound like a large sum of money but if you own property, have savings or investments, you may find that your estate is worth more than you thought. There are ways to minimise the tax you have to pay on your estate but for more information, please seek professional advice.

However, one way to reduce the amount of Inheritance Tax you may have to pay, or eliminate the tax altogether, is to leave a gift in your Will to charity. Generally, gifts to charity are 100% Inheritance Tax free and are taken out of your estate before any tax is calculated, so it may well mean that leaving a gift to charity reduces, or may possibly eliminate, your estate's liability to Inheritance Tax

Please note: The Inheritance Tax threshold, and all other figures and facts above, were correct at the time of printing. For more information on Inheritance Tax please go to www.hmrc.gov.uk/inheritancetax. Please seek professional advice when planning your estate.

