

## Inheritance Tax

### Wills and Probate: The Basics

A **“Will”** is a document that expresses the instructions to an executor (a person who acts for the benefactor upon their death), as to whom and how their estate is to be dispersed when they die. If a person does not make a will, they are said to have died “Intestate”

To make a simple will, this can be prepared at any time by the benefactor before their death, from either self entering kits or have a professional draw up a will.

A will that requires more detail or specific instructions, will need to be prepared by an experienced will maker to ensure that the wishes of the benefactor are carried out as instructed. If possible use the services of a friend or relative to act as executor as professional services of Solicitors, Banks etc can be expensive.

The signature of the benefactor to a will has to be witnessed by two independent persons who must not be close relatives. Future amendments to a will can be done by means of a “Codicil” which must have been prepared and the signature validated and witnessed again by two witnesses.

If a person dies intestate then their estate is managed by an Administrator and it is then divided according to a legal formula between spouse, children, parents and other close relatives.

**Probate** is the legal procedure to ensure that a Will is validated

The main reason to establish a Grant of Probate (a document issued by the Probate Registrar that the will is validated) is for the Government to ensure that the will and estate valuation gives as near as possible the correct assessment for Inheritance Tax.

When a person dies their estate is virtually frozen, and apart from a few expenses such as Funeral costs, no action can be taken on the estate until Grant of Probate is obtained.

For the executor or administrator to obtain a grant of Probate they have to complete certain documents issued by the Probate Office to establish the extent and valuation of the estate. They have to swear an oath that the information provided is as accurate as possible. They are also responsible to ensure that the Inheritance Tax is paid on due time (6 months after the end of the month death occurred) and that the rest of the will instructions are carried out.

More details can be found at

<http://www.hmrc.gov.uk/cto/pa.htm>

Forms for England and Wales are available at

<http://www.hmrc.gov.uk/cto/pa1.htm>

Forms for Scotland are available at

<http://www.hmrc.gov.uk/cto/pa2.htm>

And additional information and services can be found at

<http://www.courtservice.gov.uk>

There are also forms for Northern Ireland and Deaths occurring abroad.

The Probate and Inheritance tax Helpline is **0845 3020 900**.

There are leaflets available

You can get them free

- on the internet at [www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk)
- by e-mailing [ir.purchasing@gt.net](mailto:ir.purchasing@gt.net)
- by calling the Order line on 0845 234 1000
- By fax on 0845 234 1010.

For a Glossary of terms go to

<http://www.hmrc.gov.uk/cto/glossary.htm>

Inheritance tax (IHT) is administered by Inland Revenue Capital Taxes from three branches that deal with IHT and their addresses are:

**Nottingham**

Inland Revenue Capital Taxes  
Ferrers House  
PO Box 38  
Nottingham  
NG2 1BB

**Edinburgh**

Inland Revenue Capital Taxes  
Meldrum House  
15 Drumsheugh Gardens  
Edinburgh  
EH3 7UG

**Belfast**

Inland Revenue Capital Taxes  
Level 3, Dorchester House  
52-58 Great Victoria Street  
Belfast  
BT2 7QL

**Deed of variation** is a means to enable a revision to a will when the term or condition is agreed by all parties to be changed then this can be obtained within two years.