

this will in turn be used to calculate by how much the nil rate band of the survivor can be increased.

- 4.2 This Claim Form is sent to HMRC with the IHT200 but note it must be sent before the end of the month that is 24 months after the date of death of the second spouse/civil partner. In the IHT 200 itself you should copy the figure calculated on the claim form into box WS17 to show the total amount of the Nil Rate Band available on the second death.(see Paragraph 5 on completing the IHT200 form)

The important thing to note about the new scheme is that it is the proportion of the unused amount of the Nil Rate Band on the first death that increases the Nil Rate Band on the second death.

So the amount transferred does not depend on the value of the first spouse or civil partner's estate.

The HMRC web site gives some examples of how the calculation works and The link to these examples is set out below:

<http://www.hmrc.gov.uk/cto/iht/tnrb-guidance.pdf>

The first example given is as follows:

“A dies on the 14th April 2007 with an estate of £400 000 which he leaves entirely to his spouse, B. B dies on the 17th June 2009 leaving an estate of £600000 equally between her two children. When b dies the nil rate band is £325000. As 100% of A's nil rate band was unused the nil rate band on B's death is doubled to £650,000. As B's estate is £600,000 there is no IHT to pay on B's death”.

Task 10

The link to these examples is set out below:

<http://www.hmrc.gov.uk/cto/iht/tnrb-guidance.pdf>

Go to the website and make sure that you understand how the transfer works in different situations

You will see if you look at the Claim Form itself that the HMRC want other details relating to the estate of the first spouse/civil partner. This is because there may be other assets that will eat into this first nil rate band allowance; for example, there may have been gifts in the previous 7 years to death that will now have to be brought into the estate.