

The Essential IHT400 Checklist



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IHT400 introduction

IHT400 is an official tax form which needs to be completed by the person dealing with a deceased person's finances, to report the value of the estate to HMRC before applying for probate. The IHT400 needs to be submitted to HMRC within 12 months of the person dying.

The purpose of the IHT400 form is to:

- Report the value of a deceased person's estate to HMRC.
- Work out if Inheritance Tax is payable.

You'll need to complete IHT400 where any of the following situations apply to the person who has just died:

- The deceased person was single or divorced and the value of the estate is over the current Inheritance Tax threshold (£325,000)
- The deceased person was a widow or widower, the value of the estate is over £325,000, and the estate of the first spouse to die did not pass 100% to the surviving spouse (the person whose estate is being handled now)
- The deceased person was a widow or widower and the value of the estate is over £650,000
- The deceased was married and left everything to a spouse or civil partner living in the UK or to a qualifying charity and the estate is worth more than £3 million (search the charity register for registered UK charities)
- Was living permanently outside the UK (a 'foreign domiciliary') when they died and the value of their UK assets is over £150,000.
- Gave away over £250,000 in the 7 years before they died (£150,000 if the person died on or before 31 December 2021)
- Gave gifts then continued to benefit from them in the 7 years before they died.
- Had foreign assets worth more than £100,000.
- Was living permanently outside the UK when they died but had previously lived in the UK.
- Had a life insurance policy that paid out to someone other than their spouse or civil partner and also had an annuity.
- Had increased the value of a lump sum from a personal pension to be paid after their death, while they were terminally ill or in poor health.
- Had agreed that property they'd given away during their lifetime would be part of their estate rather than pay a pre-owned asset charge.

If the estate includes trusts

You'll need to complete a full account if the deceased:

- Gave gifts that were paid into trusts
- Held assets worth over £250,000 in trust (£150,000 if the person died on or before 31 December 2021)
- Held more than one trust

You'll also need to complete a full account if the deceased died on or after 1 January 2022 and assets held in trust passed to a surviving spouse, civil partner or charity and the trust was worth:

- £1 million or more
- £250,000 or more after the amount passing to the surviving spouse, civil partner or charity has been deducted

If you are unsure whether you need to complete IHT400 then use the checker tool below to get a personalised answer delivered to your email inbox within the next 5 minutes:

Take our instant test to see if you need to complete an IHT 400 now ➤

Checklist IHT400 actions to take:

1. Identify who is responsible for completing IHT400. This will be either:

- IHT400 is an official tax form which needs to be completed by the person dealing with deceased.
- The legal next of kin if there is no Will.

2. Notify interested parties of the death

- ☐ The family doctor.
- ☐ The deceased's employer or pension provider.
- ☐ Department of Work and Pensions, if the deceased received a state pension or any other state benefits. You can now do this online at the following website:
<https://www.gov.uk/tell-us-once>
- ☐ Anybody to whom the deceased had power of attorney and any deputy appointed by the Court of Protection.
- ☐ Financial companies that the deceased had a relationship with e.g. bank and building societies, share registrars, insurance companies, ISA providers and National Savings & Investments.
- ☐ Creditors such as mortgage provider, credit cards, loans etc.
- ☐ Local Authority.
- ☐ Council Tax department.
- ☐ Utility suppliers.
- ☐ Vehicle & home insurers. Ensure any conditions imposed by them are strictly observed.
- ☐ Any other interested parties such as Social Services, Care Providers and HM Revenue & Customs.

3. Value the deceased person's estate

- The values need to be at the date of death.
- Assets owned by the deceased person solely in his/her sole name and assets owned jointly with someone else need to be valued and recorded.
- The same applies for debts or liabilities owed by the deceased person such as outstanding income tax, utility bills, care fees, credit cards, loans, mortgage etc. Do not include bills that accrue post death such as ongoing utility bills, house clearance, probate fees etc.
- Do include the cost of the funeral, wake, headstone, flowers etc.

Checklist of assets to value:

- ☐ Bank and building society accounts
- ☐ Shares
- ☐ Life insurance
- ☐ Endowment policies
- ☐ Employer benefits, e.g. death in service benefit
- ☐ Pension lump sums
- ☐ Property and land owned by the deceased
- ☐ Furniture and other personal effects
- ☐ Investments such as ISAs and unit trusts Investment bonds
- ☐ Motor vehicles
- ☐ Art
- ☐ Jewellery
- ☐ Business assets
- ☐ National Savings & Investments products, e.g. Premium Bonds interest in trusts

4. Complete IHT400 form

- The IHT400 forms accompany this checklist for you to download.
- Refer to pages 5-6 of the IHT400 to work out which IHT schedules you need to complete to accompany the IHT400.

5. Work out if inheritance tax is payable

- Start off by using the simple inheritance tax calculator on page 12 of the IHT400 form.
- If the simple inheritance tax calculator doesn't apply (e.g. if you want to pay the tax due on a property by annual instalments) you'll need to complete the 'IHT 400 calculation' form.

6. If inheritance tax is payable, arrange payment directly to HMRC

- The tax needs to be paid within 6 months of the month of death e.g. if the death occurred 20th October 2022 then the tax has to be paid by 30th April 2023. If you miss the deadline a penalty and interest will be charged by HMRC.
- If you have funds available to pay the inheritance tax you can do this online:
<https://www.gov.uk/paying-inheritance-tax>
- If you don't have funds available but there are funds in the deceased's bank or building society accounts you can instruct the bank/building society to make a direct payment of the tax to HMRC. You'll need to complete form IHT423 and forward this to the bank/building society. This can be performed before probate has been obtained. complete form IHT423 and forward this to the bank/building society. This can be performed before probate has been obtained.

7. Submit IHT400 to HMRC

- You must also complete form IHT421 and any schedules that HMRC require – see pages 5-6 of the IHT400 form.
- Include supporting documents as per the checklist on page 15 of the IHT400
- Post to:
INHERITANCE TAX
HM REVENUE & CUSTOMS
BX9 1HT

8. Complete the probate application paperwork

- Wait 15 days after submitting IHT400 to HMRC, then:
- Complete form PA1P if there is a Will, or PA1A if there isn't a Will.
- Send to the Probate Registry together with supporting documents + the probate application fee (currently £273)
- Note that the probate application won't be actioned by the probate Registry until they receive official confirmation from HMRC that the inheritance tax due has been paid.

Need help completing IHT400 or inheritance tax?

Help is available with your IHT400, inheritance tax and probate requirements from Berkeley Weston Ltd www.berkeleyweston.co.uk

Berkeley Weston Ltd has been helping clients complete their IHT400, inheritance tax and probate requirements for over 11 years and has helped more than 18,000 clients.

Berkeley Weston Ltd offer a unique IHT400 Done For You Service to complete numbered steps 4-8 above on behalf of clients.

If you would like further details or have any questions please call **0116 2795044** or email phil.weston@berkeleyweston.co.uk