

# New form IHT400 Inheritance Tax account

<b>Contents</b>	<b>Page</b>
• Introduction	1
• Timetable	1
• List of new schedules and old 'D' forms	2
• Deleted forms	2
• New schedules	3
• IHT400 and schedule notes	3
• Major changes in the IHT400	3
• How to fill in the forms	4
• Where to get help	6

## **Introduction**

Form IHT400 Inheritance Tax account has been introduced to replace the existing form IHT200. The suite of forms which makes up the Inheritance Tax account has been rebranded in the HM Revenue & Customs (HMRC) style and the old supplementary pages – numbered D1 to D21 have been replaced with schedules numbered IHT401 to IHT423

## **Timetable**

The IHT400 will be available in print from the Probate & Inheritance Tax Helpline from 17 November 2008 on **0845 30 20 900** (select option 1) and in a Portable Document Format (PDF) to view and print out from the website at: [www.hmrc.gov.uk/cto/iht/whatsnew.htm](http://www.hmrc.gov.uk/cto/iht/whatsnew.htm) from the same date.

Completed IHT400 forms will be accepted by HMRC from 17 November 2008, but the IHT200 will remain available from the website up to and including 8 December 2008.

From 9 December 2008 we will publish PDF versions of the IHT400 suite which can be filled in on screen, printed out and, if you have Adobe Acrobat 7 Standard (or similar software); saved to your computer.

Form IHT400 must be used from 9 June 2009 for deaths on or after 18 March 1986 where a full account is required. Completed IHT200 forms will no longer be accepted from that date.

## List of IHT400 schedules and corresponding 'D' forms

Form number	Form title	Previous form Number
IHT400	Inheritance Tax Account IHT400	IHT200
IHT400 Calculation	Inheritance Tax Account IHT400 Calculation	IHT200(WS)
IHT401	Domicile outside the United Kingdom	D2
IHT402	Claim to transfer unused Inheritance Tax nil rate band	IHT216
IHT403	Gifts and other transfers of value	D3
IHT404	Jointly owned assets	D4
IHT405	Houses, land, buildings and interests in land	D12
IHT406	Bank and building society accounts	New form
IHT407	Household and personal goods	D10
IHT408	Household and personal goods given to charity	D10A
IHT409	Pensions	D6
IHT410	Life assurance and annuities	D9
IHT411	Listed stocks and shares	D7
IHT412	Unlisted stocks and shares and control holdings	New form
IHT413	Business or partnership interests and assets	D14
IHT414	Agricultural relief	D13
IHT415	Interest in another estate	D11
IHT416	Debts due to the deceased	D8
IHT417	Foreign assets	D15
IHT418	Assets held in trust	D5
IHT419	Debts owed by the deceased	D16
IHT420	National Heritage assets, conditional exemption and offers in lieu of tax	New
IHT421	Probate summary	D18
IHT422	Application for an Inheritance Tax reference	D21
IHT423	Direct payment scheme bank or building society account	D20
IHT400 Letter	Inheritance Tax forms Quick start guide	New –print only
IHT400 Rates & Tables	Inheritance Tax nil rate bands, limits and rates	IHT210A
IHT400 Notes	Guide to completing your Inheritance Tax account	IHT210
IHT400 Helpsheet	Inheritance Tax Account IHT400 Interest Helpsheet	New
		Deleted form D1
		Deleted form D17
		Deleted form D3a

### Deleted forms

- Form D1 Will has been deleted as the questions on that supplementary page now appear on the form IHT400 on pages 3 and 4.
- Form D17 additional information has been replaced with a new schedule IHT406 for listing bank and building society and National Savings Investments. Additional information space is now on pages 15 and 16 of the form IHT400.
- Form D3a for gifts made as part of normal expenditure out of income now forms page 6 of schedule IHT403 gifts and other transfers of value.

## **New Schedules**

The following new schedules have been introduced:

<b>Schedule number</b>	<b>Purpose</b>
IHT406	Bank and building society accounts and National Savings Investments
IHT412	Unlisted stocks and shares, and control holdings
IHT420	National Heritage assets, conditional exemption and offers in lieu of tax

## **IHT400 and schedule notes**

The IHT400 notes booklet contains all the notes which accompany the forms. Wherever possible, notes, examples and further explanations appear on the IHT400 and the schedules. Where there are additional notes to some of the schedules, these can be found in the booklet IHT400 notes on pages 18 to 42. There are therefore no separate notes for each of the schedules.

All the notes for the IHT400 calculation are on the form except for an explanation of how to calculate interest on payments of Inheritance Tax, which can be found on the IHT400 Helpsheets.

## **Major changes in the IHT400**

As well as changes to the schedules and notes, there are some major changes to the way the forms work.

### **1. Instalment and non-instalment option property**

Pages 6 to 10 of form IHT400 are divided into two columns, column A for non-instalment option property and column B for instalment option property. This is so that the deceased's assets can be listed in a logical order with joint assets first, followed by the most common assets of house, bank accounts, cash, and so on.

Each asset can only be put into one box, with the exception of traded unlisted and unlisted shares which should be put in box 65 unless they (unusually) qualify for instalments, when they should be put in box 66.

### **2. Jointly owned assets**

The deceased's share of jointly owned assets should be listed on schedule IHT404. It does not matter for the purposes of the IHT calculation whether they are held as tenants in common or joint tenants. Box 49 form IHT400 is for the net value of the deceased's share of jointly owned instalment option property (copied from box 5, form IHT404) and box 50 form IHT400 is for the net value of the deceased's share of jointly owned non-instalment option property (copied from box 10, form IHT404).

The probate value of the deceased's estate does not include jointly owned assets passing by survivorship and this is dealt with by listing such assets in box 11 form IHT404. The total is then deducted from the probate summary, form IHT421.

### **3. Transfer of unused nil rate band**

The claim form for claiming a transfer of unused nil rate band, form IHT402 is now a schedule to the IHT400 and the declaration on page 12 of the IHT400 includes a clause relating to the claim, if one has been made.

The number of documents which we need to see with the IHT402 has been reduced to *photocopies* of the following:

- Grant of representation (or Confirmation) to the estate of the first spouse or civil partner. If no grant was taken out, a copy of the death certificate.
- Spouse or civil partner's Will, if there was one.
- Deed of variation or similar document, if one was executed on the first estate.

### **4. Household and personal goods**

We have reduced the amount of detail we require for most household and personal goods on form IHT407. The only household and personal goods that need to be listed individually are:

- items of jewellery valued at over £500
- vehicles, boats and aircraft
- antiques, works of art or collections

All other household and personal goods such as general furniture, white goods, and jewellery valued at less than £500 should be totalled up and the total value of such items entered at box 4 form IHT407.

### **5. Stocks and shares – schedules IHT411 and IHT412**

There are now two schedules for stocks and shares:

- IHT411 for listed stocks and shares, including UK Government and municipal securities
- IHT412 for unlisted, traded unlisted and control holdings of stocks and shares.

If business relief is being deducted from qualifying holdings of unlisted, traded unlisted and control holdings of stocks and shares, this should be shown on schedule IHT412 and not on schedule IHT413 Business and partnership interests and assets.

### **6. Questions on the schedules IHT401 to IHT419**

The new schedules appear to ask more questions than the old 'D' forms. However, the questions and details of the information we require have been moved from the 'D' notes onto the schedules themselves to make it clear what information we are looking for.

#### **How to fill in the forms**

The form IHT400 should be filled in together with any necessary schedules. The IHT400 notes booklet is a comprehensive guide to filling in the IHT400, but the following points may help:

1. Answer all the relevant questions on pages 1 to 4 (boxes 1 to 28).
2. Identify which schedules you need by answering the questions on pages 4 and 5 (boxes 29 to 48)

3. Fill in the schedules *before* going on the page 6. This is because you will need to transfer the figures from the schedules to the boxes.
4. Fill in page 6 by transferring the figures from schedules IHT404 to IHT410 (if relevant) and/or following the instructions on the form.
5. Add up the totals of column A and column B in boxes 58 and 59 at the bottom of page 6 and carry the figures to boxes 60 and 61 at the top of page 7.
6. Fill in page 7 by transferring the figures from schedules IHT411 to IHT416 (if relevant) and/or following the instructions on the form.
7. Add up the totals of column A and column B in boxes 77 and 78. Box 77 is the total non-instalment option property in the UK before liabilities and exemptions or reliefs. Box 78 is the total instalment option property in the UK before liabilities and exemptions or reliefs.
8. Add together box 77 and 78. This is the gross total estate in the UK.
9. If you do not have enough space in the boxes on pages 8 to 10 to give full details, put a summary and total in the boxes and give full details in the additional information space on pages 15 and 16 of the form.
10. Fill in pages 8 and 9 with liabilities deducted from the estate. Box 80 is for liabilities to set against instalment option property such as mortgages and secured loans. Box 82 is for any other liabilities such as household bills. These will be deducted from the non-instalment option property. **Do not use these boxes for deductions from jointly owned assets. They should be shown on form IHT404.**
11. Boxes 83 to 91 need to be completed by following the instructions. If you have to deal with a deficit read the instructions on page 50 of the IHT400 notes.
12. Boxes 92 and 93 are for exemptions and reliefs. 92 is for exemptions and reliefs deducted from non-instalment option property and 93 is for exemptions and reliefs deducted from instalment option property. **Do not use these boxes for exemptions and reliefs deducted from jointly owned assets. They should be shown on form IHT404.**
13. Fill in boxes 97 to 108 by copying the totals from the schedules and/or following the instructions on the form.
14. Box 109 deals with paying tax by instalments. Box 110 is for unrepresented taxpayers.
15. There are two options for working out the tax. In a straightforward estate where none of the tax is being paid by instalments and no interest is due you can use the simple calculation on page 11 to work out the tax payable. If this calculation does not apply, you should work out the tax by following the working sheet on the form IHT400 calculation. When you have finished working out the tax you should continue to fill in form IHT400 from page 12 box 118.
16. The personal representatives should carefully read the declaration on page 12, indicate in the box the type of grant being taken out and tick the boxes to show which schedules they have filled in. The signatures and addresses go on page 13.
17. Page 14 is a checklist to help you to remember what to include with the form and any further actions you should take.

## Where to get help

- For comprehensive notes which accompany the form – IHT400 notes
- From our website at: [www.hmrc.gov.uk/inheritancetax/](http://www.hmrc.gov.uk/inheritancetax/)
- If you have read the notes and tried the website, our helpline staff on **0845 30 20 900** will be able to help you with queries about filling in the form.