

## Inheritance Tax (IHT) & Business Succession Planning Checklist

### 1) Assess Your Estate & IHT Exposure

- List all assets (property, business, pensions, investments, valuables).
- Calculate total estate value & deduct liabilities (mortgages, loans, debts).
- Determine if the estate exceeds Nil-Rate Band (£325,000) or qualifies for Residence Nil-Rate Band (£175,000).
- Identify eligible exemptions & reliefs (e.g., spousal exemption, charitable giving, Business & Agricultural Property Relief).
- Estimate potential IHT liability at 40% on taxable amounts.

### 2) Reduce IHT Liability & Preserve Wealth

- Maximise annual gifting allowances (£3,000 per year, wedding gifts, small gifts).
- Use Potentially Exempt Transfers (PETs) & track 7-year rules.
- Transfer assets into tax-efficient trusts for asset protection.
- Ensure pension funds are structured to minimize IHT exposure.
- Consider early asset transfers to heirs & property restructuring.
- Explore charitable donations to reduce IHT rate to 36%.

### 3) Business Succession Planning & IHT Mitigation

- Identify successors & develop a clear transition strategy.
- Structure ownership to qualify for Business Relief (BR) (up to 100% IHT exemption).

- Consider using Family LLP's, Family Investment Companies (FICs) & Trusts.
- Review shareholder/partnership agreements to align with succession goals.
- Plan for liquidity needs (e.g., life insurance in trust to cover IHT).
- Assess impact of latest Budget changes on succession & tax planning.

#### 4. Legal & Administrative Essentials

- Create or update a Will to reflect IHT strategy.
- Appoint a trusted Executor & ensure estate plans are legally sound.
- Keep detailed records of gifts & transfers for HMRC compliance.
- Regularly review & update the plan every 3–5 years or after major life changes.



Important: This checklist is a general guide. Consult a tax specialist or estate planner for personalised advice.