

IHT Workbook 2021/2022.

Question 1

Jim made a £600,000 gift into a discretionary trust having made no previous gifts.

Calculate the amount of tax if:

- i. The trustees pay**
- ii. The settlor pays**

Question2

Sam died in February 2008 when the NRB was £300,000

He had given his son £50,000 in May 2002 having made no previous gifts.

In his will he left £130,000 split equally between his children and left everything else to his wife June.

In October 2021 June died.

Calculate the amount of NRB available to June's estate.

Question 3

In April 2017 Dan gifted £100,000 to Adam having made no previous gifts

In May 2018 he gifted £100,000 to Shula

In September 2018 he gifted £200,000 to David.

In October 2021 Dan died. His estate was £500,000 and his will left £100,000 to a UK charity with the balance being paid to his unmarried partner.

Calculate the amount of IHT that will be payable and who is responsible for paying it

Amended 12 August 2021 to change the dates to give the correct answer.

Question 4

Simon made a gift of £600,000 to a Discretionary trust on November 1 2017. No previous gifts had been made. The trustees paid the tax which amounted to £53,800

Simon died on May 1 2021. His executors were able to claim 25% of his wife's unused NRB.

Calculate the amount of tax the trustees would have to pay on the CLT

Question 5

Sandie died on August 1 2021 with an estate of £600,000. She was a widow and was the sole beneficiary of her late husband's estate when he died 15 years ago.

Sandie always used her annual exemption. On February 1 2009 she set up a discretionary trust with a gift of £200,000.

On October 1 2015 she gave her nephew property to the value of £250,000 as an outright gift.

Calculate the IHT liability on the estate and on her nephew. (Assume there is no RNRB)

Question 6

Helen and Jennifer are sisters. They each received 50% of their father's net estate. The gross estate was £800,000. He was divorced at the time of his death.

Three and a half years after their father's death they were both killed in a car accident.

Helen's estate was £700,000 and she left everything to her husband.

Jennifer's estate was £600,000 and she left everything to her unmarried partner.

Calculate the amount of IHT on each sister's estate.

Question 7

Jack is a widower. His late wife Annie left her entire estate to him. The value of their home at the time of her death in 1998 was £600,000 and other assets were £100,000. Jack died in September 2021 and left his entire estate to his two children

His estate consisted of the following assets

Residential home	£1,200,000
Other assets	£900,000

Calculate, showing all your workings, the IHT liability