

Inheritance Tax review

Inheritance Tax (IHT) in the UK has been largely unchanged for decades, and typically only affects a small amount of people. Significant changes are now being made that will bring record numbers of people into paying the tax in the future.

The Autumn Budget 2024 announced several significant changes which are reshaping IHT and the tax planning that needs to be considered, over the coming years. These include:



Domicile reforms

From April 2025, the remittance basis of taxation no longer exists for non-UK domiciled individuals. A new regime is now in place for all UK taxes, and for Inheritance Tax the test of domicile has changed.



Major changes to Agricultural Property Relief (APR) and Business Property Relief (BPR)

Currently qualifying agricultural and business assets may not be subject to IHT with no overall limit on how much relief can be claimed. From April 2026, a restriction is introduced which will limit the relief available to many, meaning these types of assets will be subject to IHT for the first time.



IHT on unused pension funds

Currently, unused pension funds are not subject to IHT. From April 2027, this will no longer be the case and unused funds will be included in an individual's taxable estate on death.

As a result of these changes, traditional IHT planning may no longer be as tax-efficient, particularly if you own a business, agricultural land, or have significant pension savings.

Strategies that once allowed certain assets to pass to beneficiaries with minimal or no IHT liability, may need to be reconsidered.

Now is the best time to review IHT exposure and Will arrangements to ensure they remain aligned with overall estate planning goals.

How can Price Bailey help you?

With so many changes taking place over successive tax years, it is recommended that every person considers their current IHT exposure to understand what liabilities will arise in the future, and to understand what planning opportunities are available to help.

Despite the various changes, it remains true that IHT can be mitigated if action is taken during lifetime, maximising the inheritance that the next generation, or your intended beneficiaries, will receive.



High level review

At Price Bailey we are offering a high level review of your current exposure to Inheritance Tax.

Many will never have considered how IHT is charged on their assets before, or may have taken advice previously that will no longer be effective due to the changes being announced.

The high level review will help you understand what your total estate is worth currently and the IHT that arises on that. It will then explain the methods under which IHT may be saved, and areas of risk or difficulty that we foresee in the way your assets are currently held, and any Will arrangements that you have in place.

What our review will do:

- ✓ **Help you understand your current exposure to IHT.**
What is Inheritance Tax and when is it paid?
- ✓ **Quantify the tax going to HMRC instead of your beneficiaries.**
How much tax will be due? How is my IHT liability worked out?
- ✓ **Introduce you to the concepts involved in IHT, such as nil rate bands and key reliefs.**
What reliefs are available to me and how are they applied to my assets?
- ✓ **Help you identify assets that you may wish to give away during your lifetime.**
What can I do to reduce my IHT exposure?
- ✓ **Identify assets currently attracting relief which may not in future years.**
How do the changes announced in the most recent Budgets affect me?
- ✓ **Help you understand how changes in the future, such as to asset values, impact on IHT exposure, to help put in place a long-term strategy.**
How will my IHT exposure change in future?

Speak to Price Bailey

Price Bailey specialises in providing accountancy, financial and taxation advice to secure the financial future for you and your business.

Founded in 1938, we have grown to become an award winning practice with offices in London, Cambridgeshire, Hertfordshire, Norfolk, Dubai and the Caribbean.

The Price Bailey difference

You'll find what makes us special is the strong personal connections and relationships we have with our clients.

We listen and gain a deep understanding of you, your business, your objectives and any obstacles. We don't charge for this time. It's just what we need to do, to ensure our advice really works for you. We make it our business to stay in touch with you, keeping up to date with your aims and ambitions as you work towards them.

This personalised approach underpins all our services. You'll see we offer an extensive range, which ensures you have access to highly relevant knowledge and resources, wherever your objectives and challenges lie.



Updates and insights that matter to you

We'll keep you informed about important changes and share helpful guidance so you can stay on top of what's relevant.

Our online [Insights Page](#) is regularly updated with useful information. We also share reports, newsletters, and email alerts, and we'll be in touch directly when something comes up that could affect you.

Get in touch to see how we can help

If you have any questions regarding your IHT exposure or any other matters, personal or business, please contact a member of our team below.



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