

Common Issues regarding different assets

Joint accounts

A death certificate is sent to the bank or financial institution so it can update its records. Normally, the surviving joint owner automatically owns the money. The value of the deceased person's share is included when calculating the value of the estate for Inheritance Tax.

Jointly owned property

If the deceased person owned property with another person as 'beneficial joint tenants', their share automatically passes to the surviving joint owner. The property doesn't form part of the estate, but the value of the deceased person's share is included when calculating the value of the estate for Inheritance Tax.

If the deceased person owned property with another person as 'tenants in common', their share (which may be anything from 0% to 100% depending on how the owners agreed to share the property) does **NOT** automatically pass to the surviving joint owner. The property forms part of the estate, and the value of the deceased person's share is included when calculating the value of the estate for Inheritance Tax.

If the deceased person owned property with another person as 'trustees', it does **NOT** automatically pass to the surviving joint trustee. The property does **NOT** form part of the estate, and the value of the trust or the property in it is **NOT** included when calculating the value of the estate for Inheritance Tax (unless the deceased had a 'beneficial' interest in the trust).

Pension schemes

It is usual to send the scheme a death certificate. The scheme will be asked if death benefits are payable and if there is a pension for a spouse, civil or other partner or children. The scheme will be asked whether any money will be paid directly to someone else (in which case the value of it is **NOT** included when calculating the value of the estate for Inheritance Tax), rather than forming part of the estate (when it may). If it does not form part of the estate, check whether the amount needs to be reported in any IHT return.

Life insurance policies

The insurance company will be contacted to find out what needs to be done before it can pay out. Confirmation will be obtained if any money is payable directly to someone else (see above re Pensions), rather than forming part of the estate (see above re Pensions again). If it does not form part of the estate, check whether the amount needs to be reported in any IHT return.

Shares

Again they may be held individually or jointly. In any event all share certificates need to be obtained (and if they have been lost duplicates will need to be obtained which is a slow and

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expensive process) or the electronic shareholding details be obtained. Valuation as at the date of death of each holding needs to be obtained – many companies have this information available electronically but it may not be accurate because the valuations will not show the value of any dividends or other benefits attached to the shares. So usually a professional valuation should be obtained - especially where Inheritance Tax may be payable as the Revenue will want to see this if there is a query.

It is usual to send the registrars of the company (NOT the Company itself) a death certificate and request an update for the correspondence address.

The values of the shareholdings are assessed in the same way as in joint accounts as above.