



Information about Small Estates

Do not use this form for details on or after 1 January 2022.

Use this form only if the person died on or after 1 September 2006 and on or before 31 December 2021. Fill in this form where the person who has died ('the deceased') was domiciled in the United Kingdom (UK) and their estate qualifies as a Small Estate under the Small Estates Acts.

About the person who has died

Surname

First names

Date of death / /
DD MM YYYY

You should read the notes overleaf as you fill in this form.

About the estate

	No	Yes
2. Did the deceased benefit from an alternatively secured pension fund from a registered pension scheme at the time of their death?	<input type="checkbox"/>	<input type="checkbox"/>
3. Did the deceased benefit from an unsecured pension under a registered pension scheme as a relevant dependant of a scheme member who died aged 75 or over?	<input type="checkbox"/>	<input type="checkbox"/>
4. Did the deceased make any gifts over £3,000 in any one or more of the 7 years before they died?	<input type="checkbox"/>	<input type="checkbox"/>
5. Did the deceased give away any asset but keep back an interest in it?	<input type="checkbox"/>	<input type="checkbox"/>
6. Was the deceased entitled to benefit from any assets held in trust?	<input type="checkbox"/>	<input type="checkbox"/>
7. Did the deceased own any assets in joint names with anyone, which passed by survivorship? (If the assets were held with, and passed to, the deceased's surviving husband, wife or civil partner you may answer 'No' – see page 2.)	<input type="checkbox"/>	<input type="checkbox"/>
8. Had the deceased nominated any assets in favour of someone else during their lifetime? (If the assets were nominated in favour of the deceased's surviving husband, wife or civil partner you may answer 'No' – see overleaf.)	<input type="checkbox"/>	<input type="checkbox"/>

We look at the forms that are submitted to us from the Sheriff Clerk's Office or the Commissary Office and may write to you. If you do not hear from us with any questions within 60 days from the date of Confirmation, you may assume that we have no questions about the answers you have given.

If you become aware of any changes to the estate you only need to tell us if the total estate confirmed to plus any assets and/or gifts as above is more than the taxable threshold. (You can find out the current threshold by phoning the helpline on 0300 123 1072.) In that case you must fill in a formal Inheritance Tax Account on form IHT400.

The information I have given on this form is correct and complete to the best of my knowledge and belief. I have read and understand the statements above.

I understand that I may have to pay financial penalties and face prosecution if the answers to the questions or figures that I give in this form are false, or if the estate fails to qualify as an excepted estate and I do not deliver a Corrective Account within 6 months of the failure coming to my notice.

Signature

Date

Notes

2 and 3.

A person must be aged 75 or over to benefit from an Alternatively Secured Pension (ASP). An ASP is an unsecured pension for the benefit of a person who is aged 75 or over.

An unsecured pension is a fund in a registered pension scheme that has been earmarked to provide benefits for a person but has not been used to purchase pension benefits or an annuity.

A registered pension scheme is a pension scheme or arrangement registered under section 153 Finance Act 2004.

Answer 'Yes' to question 3 if the deceased was a relevant dependant of a member of a registered pension scheme and became entitled to the unsecured pension benefit on the death of the scheme member aged 75 or over. A relevant dependant is the scheme member's spouse or civil partner or a person who is financially dependent on them.

4. Gifts

It is not just outright gifts, such as giving a cheque for £10,000 to someone, which are relevant for Inheritance Tax. The law says that there is a gift whenever there is a 'loss to the donor' (the donor is always the person making the gift). This can happen in different ways. For example, an individual may sell a house to a relative for less than they could sell it on the open market. This will be a loss to the donor. A person may hold some shares that give them control of a company. They may give only a small holding to a relative, but losing control of the company reduces the value of their other shares by an amount which is greater than the saleable value of the holding in its own right. The amount of the loss to the donor is the value of the gift for Inheritance Tax purposes. There are other ways of making gifts too, such as giving away rights to a pension which is not yet payable.

You do not need to take into account gifts between husband and wife, civil partners, or that do not exceed £3,000 in any one year, or those that are no more than £250 in any year to any one individual. You need only consider gifts with no reservation of benefit within 7 years of the deceased's death.

5. Gifts with reservation of benefit

Sometimes the person making the gift may keep an interest in the asset being given away, or the person receiving the gift may not take full ownership or possession of the assets. Such a gift is called a 'gift with reservation of benefit'. The most common occurrence of this is where a parent gives the family home to the children but goes on living in it, or where the parent buys a house but puts the title in the name of their children.

Where the person who has died has made a gift with reservation, the Inheritance Tax law says that the asset should be included and valued as part of the deceased's estate at death, although the asset itself may not be in the estate when they died. The rule applies to gifts with reservation of benefit made on or after **18 March 1986**.

6. Assets held in trust

A trust is an obligation on one or more people (the trustees) to deal with the assets for the benefit of another person. A trust may be in the form of a deed or a will. Examples of when a person will benefit from assets held in trust are when they do not own the assets but they have the right to:

- receive income from assets, for example dividends from shares or interest from a bank or building society account but not the assets themselves
- receive payments of a fixed amount each year, often in regular instalments
- live in a house without paying rent

In deciding how to answer this question it does not matter whether the trustees are resident in the UK or abroad. You must take all trusts into account.

7. Assets owned in joint names

The deceased may have owned an asset, such as a house, which is in their name and that of someone else. You may not always need Confirmation to the asset, but we will need to know what the deceased's share was and (if it is a bank or building society account) how much they contributed to it. You need to take the value of this into account when working out the gross estate for Inheritance Tax to put in at box 11 on page 4 of the Inventory form C1(2021), **but**, because there is no Inheritance Tax to pay between spouses or civil partners, you may still answer 'No' if the deceased was survived by a husband, wife or civil partner and the asset passes to him or her.

8. Nominated assets

The deceased may have nominated an asset in favour of someone else during their lifetime. An example would be friendly society funds or payment of a death benefit. The deceased may have done this so that the person who benefits can get access to the funds immediately on the death and the funds may not be listed in the Inventory. The asset must still be taken into account for Inheritance Tax at box 11 on page 4 of the C1(2021), but if it passes to the surviving husband, wife or civil partner, you can still answer 'No', because there is no Inheritance Tax to pay between spouses or civil partners.

Our booklet C3(2006) (2021) has more information.