

IT41

Bereavement – Tax Related Information

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REVENUE GUIDELINES FOR PERSONAL REPRESENTATIVES

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GLOSSARY

Administrator:	Person responsible for finalising a deceased person's affairs.
Beneficiary:	Person entitled to benefit, i.e. gift or inheritance.
Codicil:	An instrument executed by a testator for adding to, altering, explaining or confirming a will previously made by him/her.
Death benefit:	Monies payable on death e.g. superannuation, insurance policy, lump sum.
Disponer:	Person who provided the gift or inheritance.
Estate:	All assets, e.g. house, land, bank accounts, stocks & shares, livestock, jewellery, car, etc. of a deceased person.
Executor:	Person authorised by a will to finalise a deceased person's affairs and distribute his/her estate. The executor has authority to act from the date of death. Any other Personal Representative has authority to act only when a Grant of Administration is obtained.
Grant of Probate:	Grant of representation where there is a will.
Grant of Representation:	In order to get legal confirmation of his or her appointment, the Personal Representative must apply to the Probate Office of the High Court for a document known as a Grant of Representation. The Grant of Representation acts as an assurance to financial institutions (e.g. banks, building societies, credit unions, etc.) that they can safely place the deceased's assets in the hands of the person named as Personal Representative in the grant.
Inland Revenue Affidavit:	An account of the deceased person's assets, liabilities, beneficiaries, etc.
Intestacy:	Dying without leaving a will.
Legacy:	Personal property passing under a will.
Letters of Administration:	A grant of representation where no will exists.
Nomination:	Nominated property is any property which the deceased placed in the name of another person for their benefit on his/her death. Nominated property passes directly to that person in accordance with the rules/regulations under which it was invested and it does not pass to the deceased person's Personal Representative to be distributed according to the will/intestacy.
Personal Representative:	The person responsible for finalising the deceased person's affairs.

Power of Attorney:	A formal instrument by which one person empowers another to represent him/her to act on his/her behalf.
Probate Office:	An office within the Court Service under the jurisdiction of the High Court whose function it is to issue Grants of Representation
Survivorship:	The right of a person to property by reason of having survived another person who had an interest in it, e.g. on the death of a joint tenant the survivor inherits the property.
Strangers in blood:	Persons who have no tie between them by blood or valid marriage or civil partnership.
Testator:	Person who makes a will.
Trustee:	Person who holds property on trust for another.
Will:	A declaration by which the person (testator) making it provides for the distribution of his/her property after his/her death.

What to do about tax when someone dies

While tax is not the foremost consideration when someone dies, it is nevertheless one of the areas that must be addressed before a deceased person's financial affairs can be finalised.

INTRODUCTION

This booklet will explain...

- Section 1:** Some general terms and procedures relating to the passing on of property following a death (pages 4 to 5).
- Section 2:** Personal Representative's duties regarding:
- Settling any of the deceased person's outstanding tax matters up to the date of death (pages 6 to 7),
 - Paying tax(es) on any Income or Capital Gains arising during the period when the estate is being administered (pages 7 to 8).
- Section 3:** Beneficiary's duties regarding the deceased person's estate and possible Inheritance Tax implications (pages 8 to 9).
- Section 4:** The special tax exemptions and reliefs that apply to Surviving Spouses or Surviving Civil Partners (pages 9 to 11).
- Section 5:** If there are trustees appointed under a deceased person's will or during their lifetime, their duties regarding Income Tax, Capital Gains Tax and Discretionary Trust Tax (pages 11 and 12).

SECTION 1 - SOME GENERAL TERMS AND PROCEDURES

Before looking at the tax consequences arising on a death (sections 2-5), it might be helpful to look briefly at some key terms, at the ways in which property passes on a death to the beneficiaries and at certain procedures that must be gone through before assets are handed over to the beneficiaries.

1.1 What is an “Estate”?

A deceased person’s estate consists of whatever assets (e.g. bank accounts, stocks and shares, house, land, livestock, jewellery, car, etc.) can be passed on to beneficiaries following the deceased person’s death.

1.2 How does the estate pass on to the beneficiaries?

The assets which make up the deceased person’s estate can pass on death in a number of ways. Assets left by will pass to the beneficiaries in accordance with the terms of the will. If there is no will (a situation known as intestacy), assets that would otherwise have passed by will pass instead under special rules laid down by law. In addition (as illustrated at 1.2.2), assets can also pass outside of the will or intestacy.

1.2.1 Examples of assets which pass under the will or intestacy

- Assets owned in the deceased person’s sole name.
- Assets owned by the deceased person but placed in the name of another for convenience or some similar reason.
- Assets placed by the deceased person in the joint names of the deceased person and another without the intention of benefiting that other person.

1.2.2 Examples of assets which pass outside the will or intestacy

- Assets passing by nomination, e.g. the deceased person may have instructed An Post to pay saving certificates on his or her death to a particular person called the nominee.
- Death benefits passing under a life insurance policy or pension scheme where the beneficiaries are particular family members named in the policy or scheme.
- Assets passing in which the deceased person had an interest for his or her life only.
- Assets placed by the deceased person in the joint names of the deceased person and another with the intention of benefiting that other person on the deceased person’s death.

1.3 The Personal Representative

The **Personal Representative** is the person who is responsible for finalising the deceased person’s affairs. He or she must, within a reasonable time, collect the assets passing under the **will** or **intestacy**, pay any debts and distribute the surplus assets to the beneficiaries entitled to them.

If there is a will, it is likely that the Personal Representative has been appointed by being named in the will as its **executor** and has taken on the responsibility for that reason. If there is an intestacy (no will), the Personal Representative will probably have taken on the responsibility simply because he or she is the deceased person’s spouse or civil partner or one of the next-of-kin. A Personal Representative who has not been appointed by will is known as an **administrator**.

1.4 Beneficiary

A beneficiary is a person who inherits either the whole or part of the deceased person's estate whether passing under the will or intestacy or outside of the will or intestacy.

1.5 Trustee

Instead of providing for property to be given directly to the beneficiary, the deceased person's will may provide that, for a specified period, the property is to be held on trust on behalf of a beneficiary by trustees named in the will. The trustees will take over the management of the trust property only after the estate has been administered by the Personal Representative. The trust will then continue until the time specified in the will for the ultimate handing over of the property.

Alternatively, the deceased may have placed property on trust during his/her lifetime. This property does not form part of the estate of the deceased but is held by the trustees for the beneficiary.

Note: The same person can have more than one role; for example, a Personal Representative can also be a Trustee and/or a Beneficiary.

1.6 Before assets are handed over to the beneficiaries

Before assets are handed over to the beneficiaries certain procedures must be gone through. Broadly, these are as follows:

1.6.1 Assets passing outside of the will or intestacy

In the case of an asset passing outside of the will or intestacy, production of a death certificate by the beneficiary is often all that is required to establish the beneficiary's entitlement to receive the asset in question.

1.6.2 Assets passing under the will or intestacy

In order to get legal confirmation of his or her appointment, the Personal Representative must apply to the **Probate Office** of the High Court for a document known as a **Grant of Representation**. The Grant of Representation acts as an assurance to financial institutions (e.g. banks, building societies, credit unions, etc.) and to others that they can safely place the deceased person's assets in the hands of the person named as Personal Representative in the grant. The Grant of Representation is also known as a **Grant of Probate** (where there is a will) or **Letters of Administration** (where there is no will).

A solicitor acting on behalf of the Personal Representative will normally make the application for the Grant of Representation. In straightforward cases, it may be possible to make a personal application for the grant through the Personal Application Section of the Probate Office.

1.6.3 Special additional procedure relating to money in joint names

In the absence of a letter of clearance from the Revenue Commissioners, banks, building societies and other financial institutions are prohibited by law from releasing monies (other than current accounts) lodged or deposited in the joint names of the deceased and another person or persons. This applies if, at the date of death, the total of all the amounts standing with the institution in the joint names of the deceased person and another or others exceeds €50,000. It does not apply, however, to monies which have only been held in the joint names of the deceased person and his or her surviving spouse or surviving civil partner. Applications for letters of clearance for production to financial institutions should be made to the deceased person's Revenue office using form CA4 which is available to complete and print out on our website.

SECTION 2 - IF YOU ARE A PERSONAL REPRESENTATIVE

In summary this is what you should do about tax – and when you should do it.

What you should do	When
Notify the deceased person's Revenue office of the death (2.1)	As soon as possible after death
Sort out any of the deceased person's outstanding tax issues (e.g. file outstanding tax returns) up to the date of death (2.2)	As soon as possible after death
Ensure tax is paid on any income or capital gains arising during the period when the estate is being administered (2.4)	During the administration period

2.1 Notifying the Revenue office

The deceased person's Revenue office should be advised as soon as possible of the date of death and the name and address of the Personal Representative. This will ensure that correspondence will be addressed to the Personal Representative until such time as the administration of the estate is finalised. The address of the deceased person's Revenue office can be found on any correspondence from that office to the deceased person. If you are in any doubt as to which Revenue office to contact, get in touch with your local Revenue office.

2.2 Sorting out the deceased person's pre-death affairs

As Personal Representative, you are responsible for settling any outstanding tax matters for the period up to the date of death. Depending on the circumstances, you may need to pay additional taxes or claim a repayment.

Remember that:

- If you distribute the estate without paying any outstanding tax liabilities, you may have to pay the tax out of your own pocket.
- If you fail to claim a tax rebate due to the estate, you may have to make good the loss to the estate.

If the deceased person was self-employed, you will most likely get their accountant to file any outstanding Income Tax returns and business accounts with their Revenue office. As well as Income Tax, you will also need to ensure that any outstanding VAT, employer's PAYE/USC/ PRSI, or other taxes and levies in respect of the period up to the date of death are fully paid.

If the deceased person was an employee, there may be a PAYE tax rebate due, as their standard rate band and tax credits for the year of death may not have been fully utilised. The deceased person's employer will send Form P45 to the Revenue office that dealt with their tax affairs. Any tax rebate will form part of the deceased person's estate. As Personal Representative, it is your responsibility to file any outstanding tax return on behalf of the deceased person.

2.3 Completing the Inland Revenue Affidavit

The Inland Revenue Affidavit is an account of the deceased person's estate that has to be completed and sworn by the Personal Representative in order to get a Grant of Representation from the Probate Office.

2.3.1 What information is looked for in the Affidavit?

The Inland Revenue Affidavit looks for:

- a full account of the deceased person's assets and liabilities at the date of death,
- information on, among other things, assets passing outside of the will or intestacy, and
- details of the beneficiaries and of the value of the benefits taken.

To complete the Affidavit, you will need to establish whether the beneficiaries have received any other gifts or inheritances from within the same group threshold as that of the disponer at any time on or after 5 December 1991.

2.3.2 What happens to the Affidavit?

The Inland Revenue Affidavit is submitted directly to the Probate Office together with all other necessary documentation for the Grant of Representation in the deceased's estate. When the Grant of Representation has issued, the Probate Office will send a copy of the documentation to Revenue, together with details of the Grant of Representation.

Please see booklet **A Guide to Changes to Probate & Capital Gains Acquisitions Tax** on our website.

2.4 Income and Capital Gains during the administration period

It may take the Personal Representative some time to administer the estate during which time income may be earned or capital gains may be made. Broadly the position is as follows.

2.4.1 Income Tax

The Personal Representative is liable to pay Income Tax at the standard rate on income earned during the administration period. There is no entitlement to tax credits or to any of the reliefs otherwise available to individual taxpayers.

In certain circumstances, the Revenue office may concessionally agree to treat the beneficiary as succeeding to the inheritance from the date of death. In such circumstances, the beneficiary will take full responsibility for paying Income Tax on the post-death income as if he or she had been entitled to the asset - and the income - from the date of death.

2.4.2 Capital Gains Tax

Death does not give rise to a Capital Gains Tax liability. For example, if the deceased person bought shares for €12,700 and they were worth €19,050 at the date of death, the €6,350 capital gain is ignored.

If the Personal Representative sells, or otherwise disposes, of any asset during the administration period, there may be a liability to Capital Gains Tax - but only to the extent that the value of the asset in question has increased between the date of death and the date of sale. Following on from the example above, if the Personal Representative sells the shares during the administration period for €21,590, the relevant capital gain is only €2,540.

No chargeable gain accrues to the Personal Representative(s) on the transfer to a legatee of an asset bequeathed to him/her by the deceased.

Please note that the due date for the payment of Capital Gains Tax depends on the date of disposal. For disposals made from 1 January to 30 November, the tax is due by 15 December of that year, if the disposal takes place in December, the payment is due by 31 January of the following year.

SECTION 3 - IF YOU ARE A BENEFICIARY

In summary this is what you should do about Inheritance Tax - and when you should do it.

All inheritances with a valuation date in the twelve month period ending on the previous 31 August should be included in your return to be filed by 30 September. This means that where the valuation date arises between 1 January and 31 August, the pay and file date is 30 September in that year. Where the valuation date arises between 1 September and 31 December, the pay and file date is 30 September in the following year.

Example:-

Valuation Date is 21 February 2011 – pay and file by 30 September 2011.

Valuation Date is 6 November 2011 – pay and file by 30 September 2012.

The valuation date is the date at which the assets are valued for Inheritance Tax purposes. The valuation date for assets passing under the will or intestacy is usually the date on which the Grant of Representation issues from the Probate Office or District Probate Registry. If assets are passing outside of the will or intestacy, the valuation date will normally be the deceased person's date of death.

For further information about filing your return and paying your Inheritance Tax, please see **IT39 - Guide to completing the IT38 return (Pay and File)** which is available on our website.

3.1 What is Inheritance Tax?

Inheritance Tax is a tax which can arise where a beneficiary receives an inheritance as a result of someone dying. The beneficiary is responsible for paying the tax. As outlined earlier, an inheritance can be taken under a will or intestacy - or in some other way, for example, where an asset in the joint names of the deceased person and another is taken, upon death, by that other person as survivor.

3.2 How will I know if I have to pay Inheritance Tax?

In this regard a distinction is made between surviving spouses or surviving civil partners and other beneficiaries.

3.2.1 Surviving spouse or surviving civil partner

If you are a surviving spouse or surviving civil partner taking an inheritance from your deceased spouse or civil partner, the inheritance, regardless of value, is completely exempt from Inheritance Tax.

3.2.2 Other Beneficiaries

In the case of other beneficiaries, whether or not Inheritance Tax may be payable depends on whether:

- the total value of all gifts and inheritances,
- received by you - the beneficiary,
- from the deceased person and from anybody else to whom the same group threshold applies,
- in the period from 5 December 1991 up to (and including) the date of the inheritance exceeds a tax-free element called the “tax-free amount”.

Appendix B, page 15, shows you how to work out the tax-free amount.

3.3 What rates of tax apply?

The following rates of Inheritance Tax apply to gifts and inheritances taken on or after 1 December 1999.

Up to the “tax-free” amount	NIL
Remainder	25% since 8 April 2009
	30% since 7 December 2011

3.4 Are there any reliefs/exemptions?

In addition to the exemption for a surviving spouse or surviving civil partner, there are a number of other important exemptions and reliefs available, including reliefs for agricultural and business property and exemption for certain dwelling-houses. Where agricultural or business relief applies, the market value of the property for Inheritance Tax purposes is substantially reduced by 90%. Where the dwelling-house exemption applies, the market value of the dwelling-house is completely exempt.

3.5 What assets are liable to Irish Inheritance Tax?

An asset will be liable to Irish inheritance tax:

- if the asset is located in Ireland,
or
- if the asset is located abroad, and the deceased person or beneficiary is resident or ordinarily resident in Ireland.

SECTION 4 - IF YOU ARE A SURVIVING SPOUSE OR SURVIVING CIVIL PARTNER

This section gives an outline of the main tax exemptions and reliefs specifically for surviving spouses or surviving civil partners.

4.1 Main tax exemptions and reliefs for surviving spouses or surviving civil partners

In summary these are:

- a total exemption from Inheritance Tax for benefits taken by the surviving spouse or surviving civil partner,
- the special Income Tax rules that apply for the year of death,
- if you have dependent children, the Widowed Person or Surviving Civil Partner with

qualifying child tax credit available for the 5 years after death. These are explained in more detail below.

Note: As well as being a surviving spouse or surviving civil partner you may be a Personal Representative, a beneficiary, or a trustee of your late spouse's or late civil partner's estate, in which case you should consult sections 2, 3 or 5 of this booklet as appropriate.

4.1.1 Surviving spouse or surviving civil partner exemption from Inheritance Tax

If you take an inheritance from your late spouse or late civil partner you don't have to pay Inheritance Tax on that inheritance. The exemption is unlimited - regardless of the value of the inheritance, it is entirely exempt. There is no necessity to claim this exemption and you are not required to submit any Inheritance Tax forms.

4.1.2 Income Tax for the year in which your spouse or civil partner has died

Your Income Tax treatment for the tax year (i.e. the year to 31 December) in which your spouse or civil partner has died will depend on how you and your spouse or civil partner were taxed before your spouse's or civil partner's death. Your Revenue office will help you to do the calculations and make sure you have the right tax credits. Broadly, the position is as follows:

- If your late spouse or late civil partner was the "assessable spouse" or "nominated civil partner", i.e. the person responsible for making a joint tax return on behalf of both of you, then you will be entitled to an increased widowed person or surviving civil partner with qualifying child tax credit from the date of your spouse's or civil partner's death up to the following 31 December. The widowed person's or surviving civil partner's standard rate band (or increased rate band if you have dependent children - see 4.1.3) will apply for this period.
- If you were the "assessable spouse" or "nominated civil partner", you will continue to get the married person's or civil partner's tax credit and appropriate married person's or civil partner's standard rate band for the remainder of the tax year. You will be taxable on your own income for the full tax year in which your spouse or civil partner died plus your late spouse's or late civil partner's income from 1 January to the date of death.
- If you were both taxed as single persons, you will get the increased widowed person's or surviving civil partner's allowance and single person's standard rate band for the year.

4.1.3 Special allowance for surviving spouse or surviving civil partner with a qualifying child

If you have any qualifying children you may be entitled to an Income Tax credit (called "widowed person" or "surviving civil partner with qualifying child" tax credit) for the 5 tax years after the year of your spouse's or civil partner's death. You may also be entitled to the "one-parent family tax credit" for as long as you have any qualifying children (for further details see Information Leaflet IT9).

REMEMBER

Let the Revenue office know of your spouse's or civil partner's death as soon as you can. They will ask you for certain information - including the date of death, your late spouse's or late civil partner's Personal Public Service (PPS) number and the name of the Personal Representative. They will also need to make sure you are given your correct tax-credits and standard rate band. To do this they will need to know if you have any qualifying children and if you will be receiving a pension (either from The Department of Social Protection or from your late spouse's or late civil partner's employer).

DON'T WORRY

If you do not have all the information when you are contacting the Revenue office, advise them of the details you do know. The Revenue office will request any outstanding details in due course.

SECTION 5 - IF YOU ARE A TRUSTEE

In summary this is what you should do about tax - and when you should do it.

What you should do	When
Ensure that the deceased person's Revenue office knows about the trust (5.1)	As soon as you take over the trust property
Make sure that tax is paid on any income or capital gains arising and file Tax Returns (Form 1) during the period when the trust is being administered (5.2/5.3)	By the appropriate dates
Pay any Capital Gains Tax arising on the appointment of trust assets to the beneficiaries	By the appropriate dates
If there is a Discretionary Trust, pay Discretionary Trust Tax as follows: <ul style="list-style-type: none">● the immediate once-off 6% charge (5.4)● the annual 1 % charge (5.4)	<ul style="list-style-type: none">● Within 4 months of the Chargeable Date● By 30 April each year (during the lifetime of the trust)

You should be aware that, in addition, the trustees have secondary liability for the payment of any Inheritance Tax due by a beneficiary as a result of the appointment of trust property to him or her. This means that if a beneficiary should fail to pay, the trustees will have to do so.

5.1 Notifying the Revenue Office

You should inform the deceased person's Revenue office about the trust in case the Personal Representative has not already done so. This should be done when the Personal Representative passes the assets to be held on trust by you, as trustee under the terms of the will of the deceased person.

5.2 Paying Income Tax

The income generated by assets left on trust is liable to Income Tax at the standard rate. Beneficiaries are taxed on income which is appointed to them and are entitled to a credit for the Income Tax paid by the trustees in respect of this income. Trustees should return income and charges on Form 1. Where income is not distributed by the trustees within 18 months of the end of the year of assessment there is a surcharge at the rate of 20% on this income.

5.3 Paying Capital Gains Tax

No Capital Gains Tax arises when assets left on trust are transferred by the Personal Representative to the trustees. However, a subsequent sale of these assets by the trustees

or their appointment to a beneficiary may give rise to a Capital Gains Tax liability. The tax is calculated by reference to the increase in the value of the asset between the date of death and the date of sale or appointment. Trustees should return Capital Gains on **Form 1**.

5.4 Paying Discretionary Trust Tax

In the case of a discretionary trust, where there is no immediate benefit under the trust, the trust assets are subject to the following Discretionary Trust Tax charges:

- an immediate once-off 6% charge,
- an annual 1% charge arising on 31 December in each year - to be paid by 30 April in the following year (other than the 31 December occurring in the twelve months immediately following the date on which the 6% charge arose).

However, where the deceased left young children as potential beneficiaries of the trust, the 6% and 1% charges will not arise until the youngest of these children reaches the age of 21 years.

There are a number of exemptions from the Discretionary Trust Tax charges - trusts set up exclusively for incapacitated persons, for public or charitable purposes or approved superannuation schemes.

Self-Assessment returns for the 6% and 1% Discretionary Trust Tax charges must be completed and sent, together with the tax due, to **The Revenue Commissioners, Capital Acquisitions Tax Unit, Block F, Athy Business Campus, Castlecomer Road, Athy, Co. Kildare** where all Discretionary Trust Cases are dealt with. If this is done within the time-limits specified above, no interest will be charged.

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APPENDIX A

GROUP THRESHOLDS FOR CAPITAL ACQUISITIONS TAX

Note: (Date of death indicates the relevant year for the correct threshold amount).

Group Thresholds Applicable for Capital Acquisitions Tax			
YEAR	Group A (Son/Daughter) (after indexation)	Group B (Parent*/Brother/Sister/ Niece/Nephew/Grandchild) (after indexation)	Group C (Relationship other than at A/B) (after indexation)
On or after 07/12/2011	€250,000	€33,208	€16,604
01/01/2011 - 06/12/2011	€332,084	€33,208	€16,604
08/12/2010 - 31/12/2010	€332,084	€33,208	€16,604
01/01/2010 - 07/12/2010	€414,799	€41,481	€20,740
08/04/2009 - 31/12/2009	€434,000	€43,400	€21,700
01/01/2009 - 07/04/2009	€542,544	€54,254	€27,127
2008	€521,208	€52,121	€26,060
2007	€496,824	€49,682	€24,841
2006	€478,155	€47,815	€23,908
2005	€466,725	€46,673	€23,336
2004	€456,438	€45,644	€22,822
2003	€441,198	€44,120	€22,060
2002	€422,148	€42,215	€21,108
2001	€402,253	€40,225	€20,113
2000	€380,921	€38,092	€19,046
1999	€244,932	€32,658	€16,329
1998	€239,219	€31,896	€15,948
1997	€235,600	€31,413	€15,707
1996	€231,791	€30,905	€15,453
1995	€226,267	€30,169	€15,084
1994	€220,934	€29,458	€14,729
1993	€218,078	€29,077	€14,538
1992	€211,221	€28,163	€14,081
1991	€204,936	€27,325	€13,662
1990	€198,079	€26,411	€13,205
1984 to 1989	€190,461	€25,395	€12,697

* Exception: A parent qualifies for the GROUP A tax-free amount when he/she takes an immediate, absolute inheritance on the death of a child.

APPENDIX B

CALCULATION OF THE TAX-FREE AMOUNT

This appendix/section shows how to work out the tax-free amount referred to in 3.2.2. Essentially two situations are possible.

Note: Changes to the thresholds and rules for calculating the tax were introduced with effect from 5 December 1991 onwards.

(i) Where no other benefits have been taken by the beneficiary

This is a very straightforward situation. It arises where the beneficiary takes an inheritance and no other gifts or inheritances have been taken by the beneficiary from the deceased person or any other from 5 December 1991 onwards. In these cases, the tax-free amount that applies to the inheritance is arrived at by a simple application of the Table on page 14.

In the Table, beneficiaries are divided into three groups, A, B and C, according to their relationship to the person who provided the inheritance. The Table shows a separate tax-free amount for each of the three groups of relationship and that the amounts vary according to the year in which the inheritance is taken. Opposite the year in which the inheritance was taken, you will see three tax-free amounts, one for relationships in group A, one for those in group B and one for those in group C. The tax-free amount you require is the one that is under the appropriate relationship heading.

For instance, provided no other gift or inheritance is involved, a quick glance at the table will show that the tax-free amount for an inheritance taken by a child from a parent in 2011 is €332,084.

(ii) Where other benefits have been taken by the beneficiary but they are not within the same group threshold

This situation is similar to that outlined above. It arises where the prior gift/inheritance, although taken on or after 5 December 1991, falls into a different group threshold to the current inheritance.

A separate threshold applies for each group and prior gifts/inheritances to which a different threshold applies are not taken into account when calculating the tax on the current inheritance.

Example

Individual takes the following benefits:

- Gift of €50,800 from his or her brother in 2005,
- Inheritance of €508,000 from his or her father in 2011.

The tax on the inheritance is calculated using the group A threshold and the prior gift is not taken into account

(iii) Where other benefits including benefits to which the same group threshold apply have been taken by the beneficiary

It arises where the prior gift/inheritance, taken on or after 5 December 1991, falls within the same group threshold as the current inheritance. The method of calculating the tax-free amount for the group of benefits in this situation is set out in the following example.

Example

Assume individual takes the following benefits:

- a gift of €31,750 from his or her aunt (group B) in 2002,
- an inheritance of €17,780 from his or her uncle (group B) in 2003,
- a gift of €20,320 from his or her cousin (group C) in 2005,
- an inheritance of €95,250 from his or her father (group A) in 2008,
- an inheritance of €25,400 from his or her sister (group B) in 2011.

Only the gifts / inheritances in the same group are taken into account for the purpose of calculating the tax payable on the latest inheritance. The total taxable value of all gifts / inheritances to which the group B threshold applies is €74,930 (i.e. €31,750 + €17,780 + €25,400).

The relevant tax-free amount to be used for this inheritance in the Table is the group B amount in 2011, i.e. €33,208. (See Table on page 14).

As the tax-free amount (€33,208) for the group B benefits is exceeded by the total value (€74,930) of the benefits in the group, tax may be due.

When you file your return on ROS the Revenue Online Service, your Inheritance Tax will be calculated for you.

For more information about filing your return and paying your inheritance tax, please refer to the leaflet **Guide to Pay & File** which is available on our website.

APPENDIX C

EXAMPLES OF INCOME TAX CALCULATIONS FOR THE YEAR OF DEATH

Example 1

Joint assessment where the deceased was the “Assessable Spouse or Nominated Civil Partner”

A married couple or civil partners are both working. They are taxed under joint assessment and the assessable spouse or nominated civil partner died on 12 June 2011 and has earned €25,000 between 1 January 2011 and the date of death. The non assessable spouse or civil partner has earned €10,000 between 1 January 2011 and the date of the assessable spouse's or nominated civil partner's death. He or she is expected to earn a further €9,000 between then and 31 December 2011.

Tax liability up to the date of assessable spouse's or nominated civil partner's death:

Assessable spouse's or nominated civil partner's income	€25,000	
Non assessable spouse's or civil partner's income	<u>€10,000</u>	
 Total	 €35,000 @ 20% = €7,000	
Less:		
Married Person or Civil Partner's Tax Credit	€3,300	
PAYE Tax Credit (1,650 x 2)	€3,300	
		<u>€6,600</u>
Tax liability		€ 400

Universal Social Charge:

Gross Income of assessable spouse or nominated civil partner	€25,000	
€10,036 @ 2% = 200.72		
€5,980 @ 4% = 239.20		
€8,984 @ 7% = 628.88		€1,068.80
 Gross Income of spouse or civil partner	 €10,000	
€10,000 @ 2% = 200.00		€200.00

The married couple or civil partners may have paid more tax than this under the PAYE system. Whatever they paid over and above €400 will be refunded, provided there are no other arrears of tax outstanding.

The non assessable spouse or civil partner is entitled to the increased widowed person's or surviving civil partner's tax credit (€3,300) for the period 13 June 2011 to 31 December 2011 against the tax due on his or her expected earnings of €9,000 for the remainder of the tax year. He or she will also get the widowed person's or surviving civil partner's rate band.

Example 2

Joint assessment where the Surviving Spouse or Surviving Civil Partner is the “Assessable Spouse or Nominated Civil Partner”

A married couple or civil partners are taxed under joint assessment. The non assessable spouse or civil partner died on 12 June 2011, having earned €9,600 from 1 January 2011 to the date of his or her death. The assessable spouse or nominated civil partner earns €25,400 for the year to 31 December 2011. The assessable spouse or nominated civil partner, is taxed on his or her own income for the tax year plus the non assessable spouse’s or civil partner’s income for the period to the date of his or her death.

The assessable spouse’s or nominated civil partner’s Liability	2011		
The assessable spouse’s or nominated civil partner’s Income	€25,400		
Non assessable spouse’s or civil partner’s Income to date of death	<u>€9,600</u>		
Total	€35,000		
	x 20%	=	€7,000
Less:			
Married Person’s or Civil Partner’s Tax Credit	€3,300		
PAYE Tax Credit (1,650 x 2)	€3,300	=	<u>€6,600</u>
Tax Liability			€400

Universal Social Charge

Gross Income of assessable spouse or nominated civil partner	€25,400	
€10,036 @ 2% = 200.72		
€5,980 @ 4% = 239.20		
€9,384 @ 7% = 656.88		€1,096.80
Gross Income of Spouse or Civil Partner	€9,600	
€9,600 @ 2% = 192.00		€192.00

Details on calculation of Universal Social Charge can be found on www.revenue.ie

APPENDIX D

SOME USEFUL INFORMATION LEAFLETS AND BOOKLETS

Capital Acquisitions Tax

Gift Tax	CAT1
Inheritance Tax	CAT2
Probate Tax	CAT3
Capital Acquisitions Tax Business Relief	CAT4
Agricultural Relief	CAT5
Capital Acquisitions Tax - Heritage Property Relief	CAT8
Gift/Inheritance Tax Exemption for Dwellinghouse	CAT10
A Guide to completing the Inland Revenue Affidavit	CA25
A Guide to Pay & File	IT39

Capital Gains Tax

Guide to Capital Gains Tax	CGT1
Capital Gains Tax, a summary of the main features	CGT2

Income Tax

Tax Credits, Reliefs and Rates	IT1
Taxation of Married Persons or Civil Partners	IT2
Health / Medical Expenses Relief	IT6
Tax Exemption and Marginal Relief	IT8
One Parent Family Tax Credit	IT9
A Guide to Self Assessment	IT10
Employee's Guide to PAYE	IT11
Tax Treatment of Widowed Persons or Surviving Civil Partners	IT40
Tax Credits and Reliefs for over 65's	IT45
Dependent Relative Tax Credit	IT46
First Job - A Guide for First Time Entrants to the PAYE Tax System	IT67

Revenue Offices

Our tax and customs operations are primarily built around clearly defined regions each comprising a county or counties. Each region in turn is made up of a number of districts. Business customers have all of their tax and duty affairs dealt with in the district where the business is managed and controlled. PAYE customers are dealt with in the district where they reside. Company directors are assigned to the same district as the company in which the main directorship is held. Addresses for all Revenue offices are available at www.revenue.ie/cont_main.htm

Capital Acquisitions Tax

Email addresses for all Revenue offices are available at www.revenue.ie/cont_main.htm

National Service: (General CAT enquiries)

CAT Unit,
National Taxpayer Information Unit,
Dublin Region,
LoCall **1890 20 11 04**
01 - 865 5000
LoCall phone service for general CAT queries

Forms and Leaflets Telephone service

(24 hours a day, 7 days a week) 1890 306 706 or +353 1 674 4050. Please note that rates charged for the use of 1980 (LoCall) numbers may vary among different service providers.

Revenue's website www.revenue.ie

4 Year Time Limit

A claim for tax relief must be made within 4 years after the end of the tax year to which the claim relates.

Where can I get further information?

Further information concerning our rules, procedures and precedents can be found on our website in our Freedom of Information pages. You should also refer to the Forms section where relevant Tax Return Forms are available for downloading. In the Leaflets & Guides section you will find our leaflets and guides which will explain different aspects of tax in more detail. If you cannot find what you are looking for, we recommend that you use the Site Map or Search function. In the Contact Details section you will find a full up to date list of Revenue's offices throughout the country together with addresses, telephone numbers, e-mail addresses and fax numbers.

This Guide is intended to deal with tax related issues regarding bereavement in general terms. As such, it does not attempt to cover every issue which may arise on the subject. It does not purport to be a legal interpretation of the statutory provisions and consequently, responsibility cannot be accepted for any liability incurred or loss suffered as a result of relying on any matter published in it.

Accessibility

If you are a person with a disability and require this leaflet in an alternative format, the Revenue Access Officer can be contacted at accessofficer@revenue.ie