



Inheritance Tax Act 1984

1984 CHAPTER 51

PART V

MISCELLANEOUS RELIEFS

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MISCELLANEOUS

Pension schemes, etc

[^{F1}151B] Rate or rates of charge under section 151B

- (1) Tax charged under section 151B above shall be charged at the rate or rates at which it would be charged on the death of the member if the amount mentioned in subsection (3) of that section (as reduced under subsection (4) of that section) [^{F2}less the amount of any previously charged income tax (within the meaning of subsection (4A) of section 151A) constituted the relevant amount for the purposes of subsection (2) of that section, but subject as follows.]
- (2) ^{F3}.....
- (3) The rate or rates at which tax is charged [^{F4}is to be determined on the assumption that the references in section 151A(4A) and (5)] to the time when tax is charged on the transfer treated as made by the member on death were to the time when tax is charged under [^{F5}section 151B above].
- (4) Subsection (5) below applies where, before the time when the dependant dies or ceases to be a relevant dependant, there have been one or more reductions of tax by virtue of the coming into force of a substitution of a new Table in Schedule 1 to this Act since the member's death.
- (5) The rate or rates at which tax is charged under section 151B above is to be determined as if the new Table effecting the reduction of tax (or the most recent reduction of tax)

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Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 151BA. (See end of Document for details)

[^{F6} (“the applicable Table”) had been in force at the time of the member's death, but subject to subsections (6) and (9) below.].

[The nil-rate band maximum in the applicable Table is to be treated for the purposes of ^{F7}(6) this section as reduced by the used-up percentage of the difference between—

- (a) that nil-rate band maximum, and
- (b) the nil-rate band maximum which was actually in force at the time of the member's death.

(7) For the purposes of subsection (6) above “the used-up percentage” is—

$$100 - \left(\frac{E}{\text{NRBM}} \times 100 \right)$$

where—

E is the amount by which M is greater than VT under section 8A(2) above in the case of the member; and

NRBM is the nil-rate band maximum at the time of the member's death.]

[The following provisions apply where—

- ^{F8}(8) (a) tax is charged under section 151B above, and
- (b) immediately before the member's death, the member had a spouse or civil partner (“the survivor”).

(9) If the survivor died before the event giving rise to the charge, tax is charged as if the personal nil-rate band maximum of the member were appropriately reduced.

(10) In subsection (9) above—

“the personal nil-rate band maximum of the member” is the nil rate band maximum in the applicable Table, increased in accordance with section 8A above where that section effected an increase in that nil-rate band maximum in the case of the member (as a survivor of another deceased person), and

“appropriately reduced” means reduced by the amount (if any) by which the amount on which tax was charged at the rate of nil per cent. on the death of the survivor was increased by reason of the operation of section 8A above by virtue of the position of the member.

(11) If the survivor did not die before the event giving rise to the charge, tax is to be charged on the death of the survivor as if the percentage referred to in section 8A(3) above in the case of the member were that specified in subsection (12) below.

(12) That percentage is—

$$\frac{\text{AE}}{\text{ANRBM}} \times 100$$

where—

AE is the adjusted excess, that is the amount by which M would be greater than VT under section 8A(2) above in the case of the member if—

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- (a) the taxable amount were included in the value transferred by the chargeable transfer made on the member's death, and
- (b) the nil-rate band maximum at the time of the member's death were ANRBM;
and

ANRBM is the adjusted nil-rate band maximum, that is the nil-rate band maximum in the applicable Table (as reduced under subsection (6) above where that subsection applies).]]

Textual Amendments

- F1** S. 151BA inserted (with effect as mentioned in Sch. 19 para. 29(8) of the amending Act) by Finance Act 2007 (c. 11), s. 69, **Sch. 19 para. 22**
- F2** Words in s. 151BA(1) substituted (with effect as mentioned in Sch. 28 para. 15(3) of the amending Act) by Finance Act 2008 (c. 9), s. 91, **Sch. 28 para. 8(2)**
- F3** S. 151BA(2) omitted (with effect as mentioned in Sch. 28 para. 15(3) of the amending Act) by virtue of Finance Act 2008 (c. 9), s. 91, **Sch. 28 para. 8(3)**
- F4** Words in s. 151BA(3) substituted (with effect as mentioned in Sch. 28 para. 15(3) of the amending Act) by Finance Act 2008 (c. 9), s. 91, **Sch. 28 para. 8(4)(a)**
- F5** Words in s. 151BA(3) substituted (with effect as mentioned in Sch. 28 para. 15(3) of the amending Act) by Finance Act 2008 (c. 9), s. 91, **Sch. 28 para. 8(4)(b)**
- F6** Words in s. 151BA(5) substituted (with effect as mentioned in Sch. 4 para. 9(2) of the amending Act) by Finance Act 2008 (c. 9), s. 91, **Sch. 4 para. 4(2)**
- F7** S. 151BA(6)(7) inserted (with effect as mentioned in Sch. 4 para. 9(2) of the amending Act) by Finance Act 2008 (c. 9), s. 91, **Sch. 4 para. 4(3)**
- F8** S. 151BA(8)-(12) inserted (with effect as mentioned in Sch. 4 para. 9(1) of the amending Act) by Finance Act 2008 (c. 9), s. 91, **Sch. 4 para. 4(4)**

Status:

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Changes to legislation:

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