

Region's war veterans could be missing out on tax savings

Hundreds of families of war veterans across the South West could be missing out on large inheritance tax savings, because they're not aware of a little-used tax exemption.

Philip Reed, partner with Stephen Scown's private client team in St Austell, recently used the 'death in active service' exemption in the estate of an 85 year old former soldier who sustained injuries in Burma in 1944 and died in 2006. The man's family saved more than £250,000. The firm successfully used the same exemption in 2007 saving over £1 million for another Cornish estate.

Philip said: "Second World War veterans are not the only possible claimants. The rules apply to anyone who dies from wounds, accident or disease contracted while on active service with the armed forces.

"There will be dozens of families throughout the South West with relatives who have served in other conflicts such as Korea, the Falklands, Northern Ireland, Iraq or Afghanistan who could be eligible for the complete exemption from inheritance tax."

Executors of the will had previously tried and failed in their initial claim for exemption and sought advice from Stephens Scown for a second opinion, as the death certificate made no mention of injuries sustained by the veteran.

Commenting on this case, Philip explained: "We were able to change the cause of death recorded to include the severe ulceration of the veteran's legs, which he'd suffered almost continuously since leaving the armed forces. We obtained medical evidence to show how those injuries had affected his daily life for years."

Eventually the amendment to the death certificate was confirmed and a fresh application made to the Veterans Agency, which agreed the cause of death was linked to those injuries and full exemption was granted by the Ministry of Defence (MoD).

He said: "I'm sure that many families are not aware of it. In this case, a lifetime of pain was overlooked when death was certified. It's really important for veterans to record how they sustained injuries by talking to their solicitor when making their will. If we have the information in advance, we can present a much better case to the MoD."

Philip Reed heads up the Private Client Team in St Austell and is an inheritance tax specialist, dealing with taxable estates and trusts. He deals with all aspects of Wills, administration of estates, trusts and elderly client issues.

Stephens Scown has offices in Exeter, Truro and St Austell. For more information visit www.stephens-scown.co.uk or call 01726 74433.

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