Do you want to avoid Inheritance Tax in a large estate? Well here's how:

When someone dies the survivors are often overwhelmed, not only by the emotional trauma of losing a loved one, but also by the complexity of administering their estate. Often predatory businesses will take advantage of this situation to profit from the lack of knowledge of the bereaved. The government also profits from the death, in the form of various taxes. There are however methods to prevent these loses. Power comes from knowledge: If you understand the underlying mechanisms involved in Probate and Estate Administration these opportunistic thefts can be prevented.

Lets look at Inheritance Tax as an example: How does the government enforce payment of this tax? The executors of an estate in the UK need to get a Grant of Probate in order to administer the estate. Why? What is a Grant of Probate ? Well, the word Probate comes from the Latin verb meaning *to prove*. A Grant of Probate proves something. It proves that the person(s) named on the Grant have the authority to administer the estate. Is the Grant the source of that authority? No! An executor's authority to act comes from the Will. If an executor is named in the Will as an executor, then they are an executor. Period. An executor can only act after the deceased is dead. What document proves death? Well, that would be the death certificate. If the deceased is dead AND the executor is named as an executor in the Will, then they have authority to act. The Grant of Probate merely confirms that all necessary conditions have been met. Perhaps an analogy would help clarify this: A British passport is often presented as proof of British Citizenship. But if one does not have an actual physical passport, can one still be a British Citizen? Of course! When a baby is born in the UK of British parents, does the doctor or midwife ask it to produce a passport? I hope not. But it is a British Citizen. If it obtains a British passport 18 years later when it wants to travel, that does not change the fact that it was already a British Citizen before it obtained a passport. Likewise, an executor is still an executor even before he/she has a Grant of Probate to prove that fact to the world.

Financial Institutions usually require a Grant of Probate before they will allow the executors to control the deceased' accounts. This is just to protect the bank from liability in the even that the executors are not legitimate. Requiring the Grant of Probate is the banks way of covering their ass. The government will only issue a Grant of Probate after the Inheritance Tax Return has been delivered to them, and the tax has been paid. That is the mechanism by which the government enforces the payment of Inheritance Tax. Until the executors pay the Inheritance Tax they cannot have control of the deceased' bank accounts.

Is it possible to gain control of the deceased' accounts without first paying the Inheritance Tax? Yes it is, but it requires the co-operation of the deceased prior to their death. Financial Institutions make the assumption that their customers are still alive until somebody tells them otherwise. So, new executors must resist the temptation to immediately run around to all the deceased' banks telling them of the death. If the bank does not know that the deceased has died, then their accounts will continue to function, just as they did when the deceased was still alive. Prior to death the deceased should sign a large number of blank cheques, and make a list of all their ATM, debit card, and credit card PINS, and the username/password combinations of all their online accounts. This list should be delivered to the executors upon their death. Then the executors can empty the deceased accounts before any bank knows that they are dead. The money can be safely offshore, and nobody knows who did what, before the Inland Revenue knows about the death. Indeed, they will probably never know.