

ASSESSMENT BASIS FOR MAY 2026 APS IHTTE PAPER

Structure

A simple pass or fail will be awarded.

Identification and Application

The following are the relevant topics for assessment with their weightings:

1	10%	Identify overall IHT exposure of Jean's estate and relevant reliefs.
2	20%	Identify that living with Emma will attract a POAT charge and give an estimate of the liability to tax based on the information provided.
3	10%	Identify that living with James is unlikely to attract a POAT charge as the PET should not qualify as an acquisition of land for the purposes of the POAT rules.
4	30%	Identify that BPR is likely to be available in relation to 3A Turney Road at a rate of 50%. Identify the IHT and CGT implications of a gift of 3A Turney Road to James including the potential for clawback of BPR in the event of Jean's death within seven years. Identify the CGT and IHT implications of retaining the property until death and gifting the property to James by Will.
5	20%	Explain the tax implications of the Will Trusts for Jean's grandchildren. Identify that the age-contingent gifts will not enable Jean's estate to benefit from the residence nil rate band.
6	10%	Identify alternative tax efficient Will structures that would enable Jean's overall aims to be achieved.

A grade of 0,1,2,3, or 4 is awarded to each topic. The weighting is applied to that grade to produce a weighted average grade. This is then converted to a final absolute grade by rounding up or down to the nearest grade. Scores in the range 2.5 to 3.49 will be a grade 3.

Relevant Advice and Substantiated Recommendations

The following are the topics for assessment with their weightings:

1	35%	Advice and recommendations on whether it is preferable to live with Emma or James from a tax perspective.
2	40%	Advice and recommendations on how to structure the gift of 3A Turney Road to James.
3	25%	Advice on the tax effectiveness of Jean's Will and recommendations in relation to retaining the current structure or amending the residuary gifts.

The final grade will be determined for this skill in the same way as for Identification and Application.