FE CashCalc

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# Inheritance Tax in Gross Cashflow

## Release Notes

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# Release summary

| Release | Applies To | Effective Date | Status |
|---|---|---|---|
| Q4 2026 | Gross Cashflow Users (UK) | Tuesday 24 November 2026 | Coming Soon |

This release brings Inheritance Tax (IHT) into Gross Cashflow. You can now take survivor analysis through a second death, calculate IHT on each death and see the result next to your cashflow forecast, in a new IHT Position tab and in your PDF and Word reports.

## In this release

- **IHT in Gross Cashflow.** Calculate IHT on the first and second death of a joint forecast, or on the single death in a single client forecast.
- **Second death in survivor analysis.** Add a second mortality event and choose who receives any main residence asset.
- **Delete a mortality event.** Delete a mortality event and have the forecast return to its previous state allowing any required edits to be made.
- **IHT Position tab and reports.** See the breakdown for each death on screen and in your Word and PDF reports, with a clear warning when the figures are out of date.

## Where to find it

Create a new forecast in Gross Cashflow and add mortality events for all clients, selecting the calculate the Inheritance Tax Position option when adding the last event.  The **IHT Position** in the left-hand menu, between Yearly Breakdown and Create Report, will then be populated with the Inheritance tax position.

## Key points to know

- IHT is available on forecasts created on or after the date survivor analysis went live. On older forecasts a mortality event stays as a marker on the timeline and IHT is not offered.
- IHT is on for all Gross Cashflow users from the effective date. Where it is not available on a forecast, no IHT screens, options or report content appear in its place.
- Calculating IHT is your choice. The option is off by default each time you save the last death.
- IHT due on the first death is added to the forecast as an expense. IHT on the second death is reported but does not create an expense.

# Inheritance Tax in Gross Cashflow

## What's New

You can now calculate Inheritance Tax inside Gross Cashflow. Add the deaths to your client's timeline, confirm who receives each asset and liability, and CashCalc works out the IHT due on each death. The result appears in the new IHT Position tab and in your Word and PDF reports.

## Key Features

### Second death and beneficiaries

- Add a second mortality event to a joint forecast, or a single mortality event to a single client forecast.
- Confirm beneficiaries for liquid assets, non-liquid assets and liabilities on the Update beneficiary screen at each death.
- Choose **Direct descendant** as the recipient of a main residence, so the residence nil rate band can be applied.
- Delete the only mortality event, or the later of two, and CashCalc reverses everything that event produced, allowing any required edits to be made to the forecast.

### Calculating IHT

- Switch on **Also calculate the Inheritance Tax Position** when you save the last death. The switch is off by default.
- Use **Calculate IHT** on the IHT Position tab to run the calculation later.
- In a joint forecast CashCalc calculates the first death and then the second, using the first death result as an input. This includes any transferred nil rate band, or residence nil rate band.

### Seeing the result

- Review a First Death and Second Death breakdown side by side in the IHT Position tab.
- See a banner and a **Recalculate IHT** button when later changes to the forecast make the IHT Position out of date.
- Include an IHT Position section in your Word and PDF reports.

### Effects on the forecast

- IHT due on the first death is added as a one-off expense, funded from your liquid assets in the order set for the forecast.
- Assets are removed from a forecast and any associated savings income stops when a solely owned pot passes to Other at death.

## Why It Matters

Inheritance Tax is often the largest single liability a client's family faces, and the figure depends on the order of deaths, who inherits what, and the allowances that pass between spouses. Previously you had to take the forecast values out of Gross Cashflow and re-key them into a separate tool for each death. Now the calculation uses the same forecast, the same beneficiary choices and the same projected asset values, so the numbers stay consistent and you can discuss IHT planning in the same meeting as the cashflow.

## Use Case

Your married clients own a main residence jointly and have savings and pensions in their own names. You add a mortality event for each client, and on the second death you choose Direct descendant for the residence and Residual estate for the remaining assets. You switch on the IHT calculation, and the IHT Position tab shows the tax due on each death, including the nil rate band and residence nil rate band that pass to the survivor. Later you raise the household expenses. A banner tells you the IHT Position is out of date, and one click on Recalculate IHT brings it up to date.

## Implementation Detail

### When IHT is available

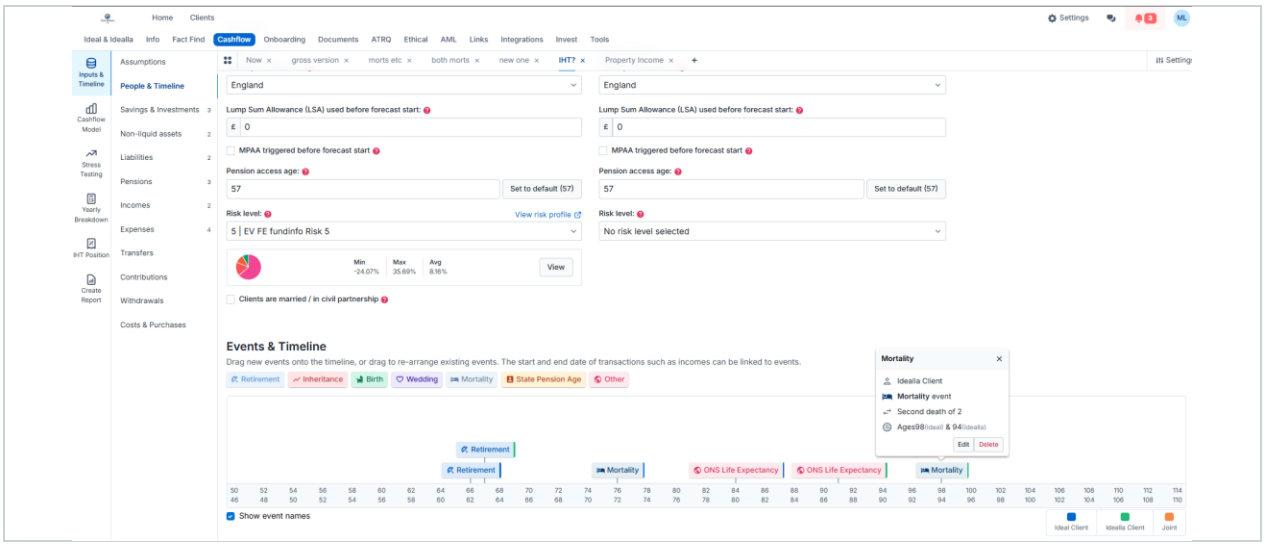
IHT is available on a forecast only when all three of the following are true.

- Your firm has IHT release 1 switched on, which applies to all users from 24 November 2026.
- The forecast was created on or after the date survivor analysis went live for your firm. Saving an older forecast again does not change this, however the forecast can be cloned in order to remove the need for re-keying the inputs.

### Adding the second death

Add a Mortality event from the timeline on the People & Timeline page. A joint forecast now accepts two events, and a single client forecast accepts one. Restriction messages name the client concerned, so you can see which pots, incomes or transactions are locked. Dates and ownership are worked out for each owner, and ownership carries forward from the first death to the second.

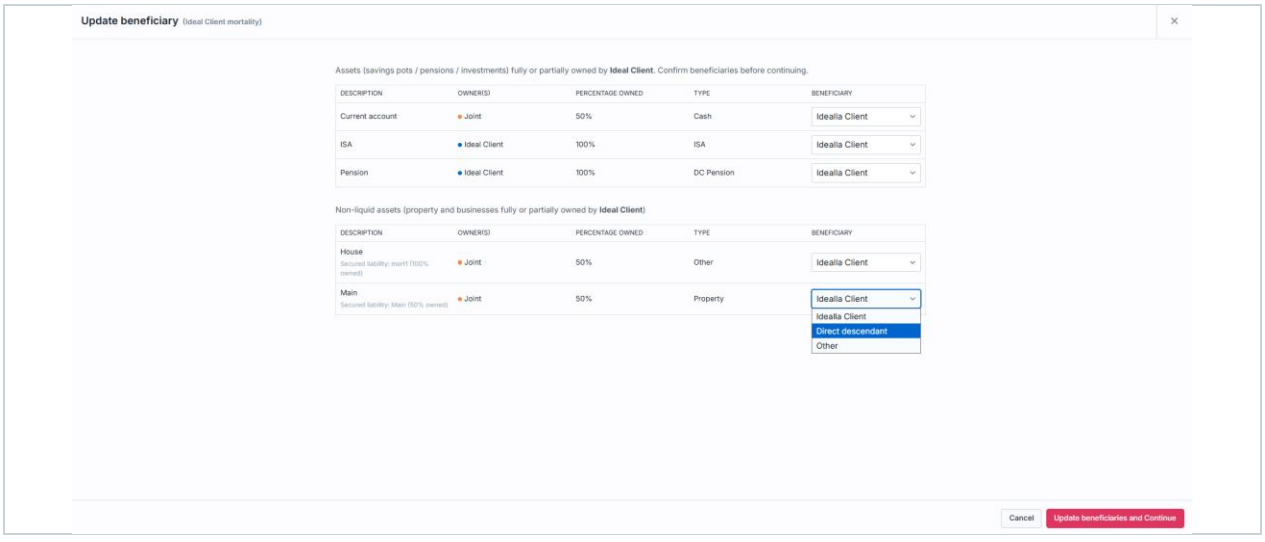
Select a mortality event on the timeline to open its details. The pop-up shows the client, whether it is the first or second death, and the assumed ages of both clients, with Edit and Delete options.




*A mortality event on the timeline, shown as the second death of two with the assumed ages of both clients.*

## Update beneficiary at the first death

When you save a mortality event, the Update beneficiary screen lists the liquid assets, non-liquid assets and liabilities that the client owns in whole or in part. For each row, choose who receives it. Liabilities are shown under the asset they secure, with a note that the debt is removed with the asset and repayments stop at the date of death.




*The Update beneficiary screen at the first death, with the beneficiary list open on the main residence.*

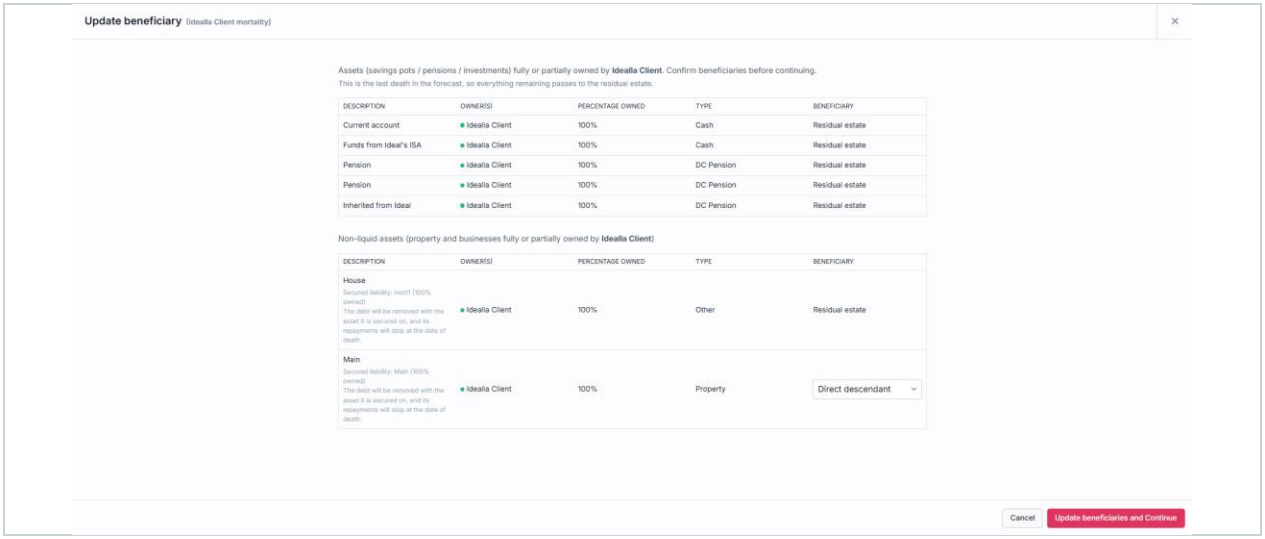
## Direct descendant

The main residence has a third recipient option, **Direct descendant**, alongside the surviving client and Other. The option appears on every asset flagged as a main residence that the deceased client owns in whole or in part. It does not appear on other properties, investments or

businesses, because no extra allowance exists for them. Choosing it makes no difference to the cashflow, which treats the residence the same way as Other. It is used only in the IHT calculation to apply the residence nil rate band.

## Update beneficiary at the last death

At the last death, the second death of a joint forecast or the only death of a single client forecast, no survivor remains. Everything left passes to the residual estate, except that you can still choose Direct descendant on a main residence.




*The Update beneficiary screen at the last death, with the main residence set to Direct descendant.*

Bonds follow their structure at the last death. If the deceased is the life assured, or completes a joint pairing, the bond encashes and a chargeable event arises. The proceeds are recorded as owned by the deceased. If the life assured is a third party who is still alive, the bond does not encash. It passes to the residual estate at its current value like other non-liquid assets.

## Deleting a mortality event

Delete a mortality event from its timeline pop-up. You can delete the only event, or the later of two. Everything the event produced is reversed. Restrictions on the client are lifted, ownership and beneficiary transactions are restored, and the main residence flag is unlocked. If you add the event again, ordering and beneficiary choices are worked out afresh. To remove the earlier of two events, delete the later one first.

## Triggering the IHT calculation

Saving the last death opens the Trigger Survivor Analysis? dialog. What it shows depends on whether an IHT Position already exists.

- **No IHT Position yet.** The dialog includes a switch to also calculate the IHT Position now, off by default. An information icon explains the effect. For a joint forecast, it explains that both deaths are calculated together, that IHT on the first death creates an expense that can affect assets at the second death, and that transferred allowances feed into the second death. For a single client forecast, it explains that the calculation covers that client’s estate only.

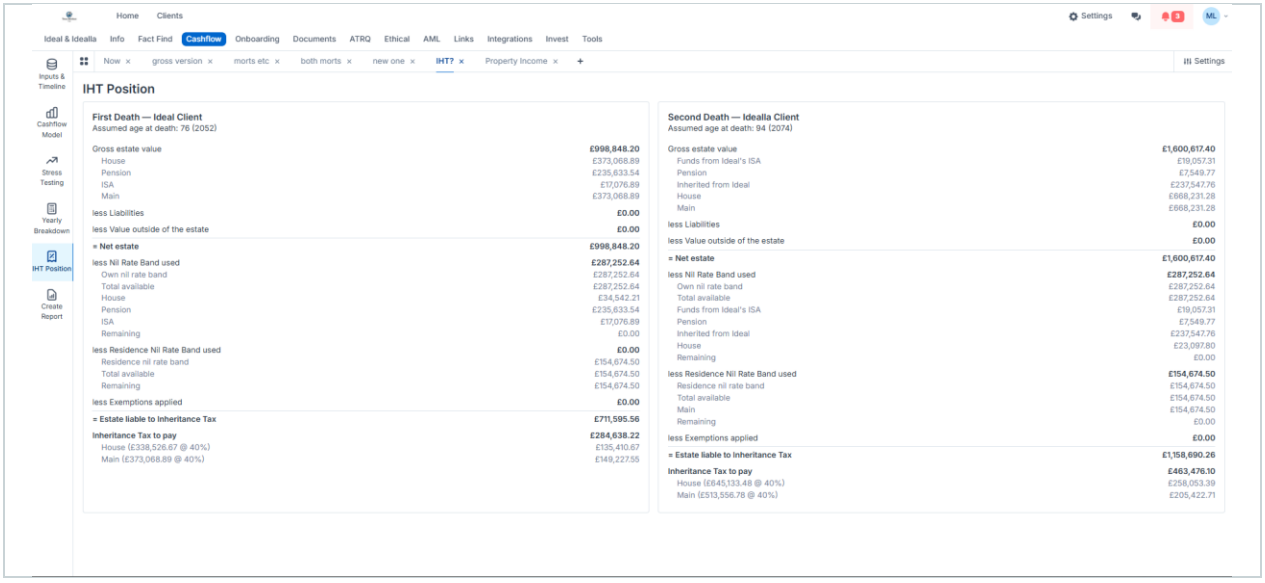
- **IHT Position already exists.** The dialog has no switch. It tells you which client positions are updated when you continue.
- **Switch off.** Survivor analysis runs and no IHT is calculated. You can calculate later from the IHT Position tab.
- **Cancel.** Nothing is saved and nothing is calculated.

If the IHT calculation cannot be completed, CashCalc shows a message saying the position could not be calculated and your change has not been saved.

## The IHT Position tab

IHT Position sits in the left hand menu between Yearly Breakdown and Create Report and is always reachable on forecasts where IHT is available. Before a calculation, the tab shows a message that no IHT calculation has been performed and a **Calculate IHT** button. The button is enabled once the last mortality event exists and no calculation has been requested. Otherwise, it is disabled with a tooltip explaining that the relevant mortality events must be added first.

After a calculation, two columns show the First Death and Second Death, each headed with the client's name and assumed age at death.




*The IHT Position tab with First Death and Second Death shown side by side.*

Each column shows the following lines, in order.

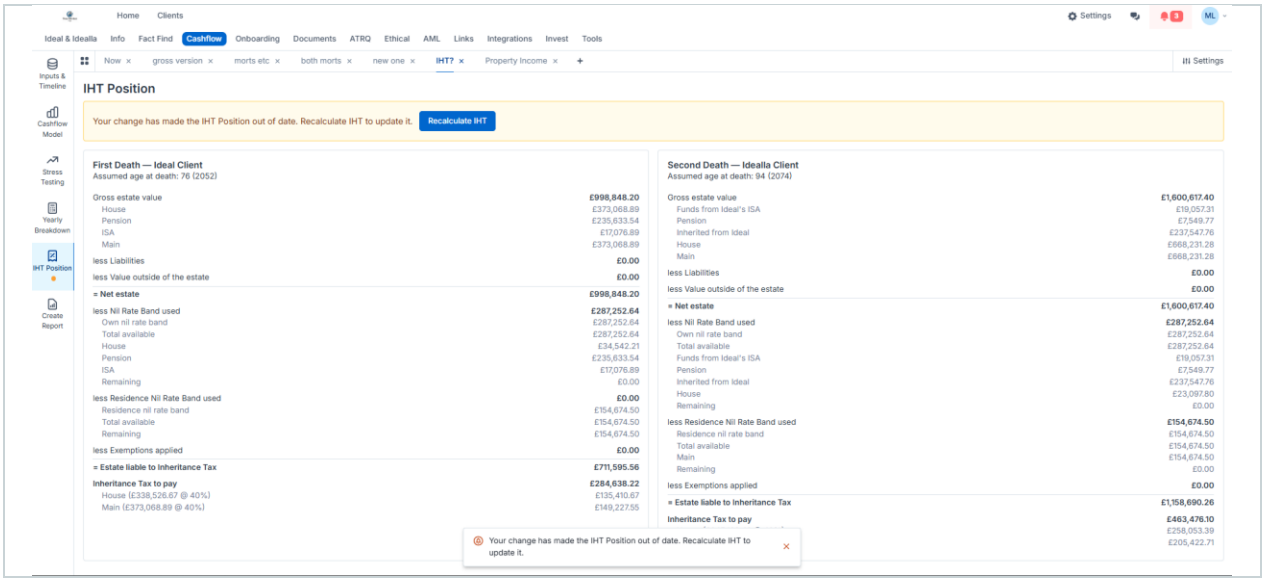
| Line | What it shows |
|---|---|
| Gross estate value | Each asset with its value. A tooltip appears on an asset shown net of a linked liability. |
| less Liabilities | Each liability with its value. A tooltip notes where linked liabilities were deducted from asset values instead. |
| less Value outside of the estate | Each item with its value. |
| = Net estate | Gross estate less liabilities and value outside of the estate. |

| Line | What it shows |
|---|---|
| less Nil Rate Band used | Own, transferred and total nil rate band, which assets used it, and what remains. |
| less Residence Nil Rate Band used | Residence nil rate band, any tapering and transfer, and what remains. |
| less Exemptions applied | Each exemption with its beneficiary and amount. Always shown, even at £0. |
| = Estate liable to Inheritance Tax | The estate remaining after allowances and exemptions. |
| Inheritance Tax to pay | Each taxable asset with its value, rate and tax due. |

Deleting the mortality event behind a calculation returns the tab to its not calculated state.

## Out of date IHT Position

Changing other forecast inputs after IHT has been calculated, such as a pot value, an expense, inflation or retirement age, updates your cashflow but not the IHT Position. When that happens, a banner appears at the top of the IHT Position tab, a message appears on screen and a marker appears on the tab in the menu. Select **Recalculate IHT** to bring the position up to date. Until you recalculate, the tab and your reports show the figures from the last calculation.




*The IHT Position tab after a change, with the out of date banner and Recalculate IHT button.*

## IHT due on the first death

When the first death produces IHT, CashCalc adds a one-off expense of that amount, described as IHT due on death of the client and dated at the first mortality event. It is funded from your liquid assets in the forecast's pot liquidation order. You cannot edit the expense directly. It is visible in the Yearly Breakdown and the expenses screen, and it is removed if you delete the mortality event or change the beneficiary choices behind it. The expense is created before the second death is calculated, so the second death always sees the estate after tax. If liquid assets

cannot cover it, the current account goes negative as with any other large expense, and the survivor inherits that balance. IHT on the second death appears in the IHT Position but does not create an expense.

### IHT Position in reports

Your Word and PDF reports include an IHT Position section after the Taxes chart and before the Yearly Breakdown. It is left out when no IHT Position has been calculated. A joint forecast shows two tables, one for each death, and a single client forecast shows one. Each table lists the following lines.

| Line | Detail |
|---|---|
| Gross Assets | Sum of the client's asset values. |
| Liabilities | Sum of the client's liabilities. |
| Value Outside of the Estate | Sum of items outside the estate. |
| Net Estate | Estate value after liabilities and items outside the estate. |
| Residential NRB Used | Residence nil rate band applied. |
| NRB Transferred from deceased spouse | Shown as its own line. |
| RNRB Transferred from deceased spouse | Shown as its own line, not combined with the NRB transfer. |
| NRB Used | Nil rate band applied. |
| Net Estate Exempt from IHT | One combined figure for spousal exemption, nil rate band and residence nil rate band. |
| Remaining Estate Liable to IHT | The amount taxed. |
| IHT To Pay | Tax due on that death. |

### Savings income and solely owned pots

When you add a mortality event and a solely owned savings pot passes to Other, any savings income contributions linked to that pot now end at the mortality event. They stop at the new age if you move the event, so contributions do not continue after the money has left the forecast.

### Restrictions and limitations

> **Forecast date.** IHT is available only on forecasts created on or after the survivor analysis live date. Older forecasts keep their mortality events as markers only.

> **Deleting events.** You cannot delete the earlier of two mortality events while the later one exists. Delete the later one first.

**Allowances not yet covered.** Gifts, trusts and charitable legacies are not included in the IHT Position in Gross Cashflow at this stage.

**Recalculation.** The IHT Position is not updated automatically when you change other inputs. Select Recalculate IHT.

**Reports.** Reports show headline figures only. They do not list per-asset detail or exemptions by beneficiary.

# Frequently asked questions

**Q: Can I calculate Inheritance Tax in Gross Cashflow?**

A: Yes. Add the mortality events to your client's timeline, confirm the beneficiaries, then switch on the IHT calculation when you save the last death. You can also use Calculate IHT on the IHT Position tab later.

**Q: Why can I not see the IHT Position tab on my forecast?**

A: IHT is available only on forecasts created on or after the date survivor analysis went live for your firm, and only when survivor analysis is switched on. Older forecasts keep their mortality events as timeline markers.

**Q: What does Direct descendant do on the Update beneficiary screen?**

A: It tells CashCalc that a main residence passes to your client's children or other direct descendants, so the residence nil rate band can apply. It does not change the cashflow. It appears only on a main residence.

**Q: Why does the IHT Position show an out of date banner?**

A: You changed an input after IHT was calculated, so the figures no longer match the forecast. Select Recalculate IHT to update them. Until you do, the tab and your reports show the last calculated figures.

**Q: Does IHT on the first death change my client's forecast?**

A: Yes. IHT due on the first death is added as an expense on the date of the first mortality event and funded from liquid assets. IHT on the second death is reported in the IHT Position but does not create an expense.

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