

# RNRB scenarios

*(spouse 1 and spouse 2 also represents civil partner~ relationships since 2005) all scenarios are about transferring the RNRB for second death.*

These scenarios and answers are only a broad guideline to how a residential nil rate band may be inherited and there are further articles that can be found [here](#). Some examples of how the RNRB can be brought forward can be found in the IHT manual [here](#). This is not a comprehensive list of all scenarios.

**This is not intended to be a comprehensive or detailed guide and we would always recommend you seek more in-depth guidance.**

Scenario	Event	
	Spouse 1 dies first	Spouse 2 dies first
<i>Couple are long term partners but have never married or entered into a civil partnership</i>	RNRB can be used by spouse 1 to pass a qualifying residential interest to their own direct decedents in their Will but unused RNRB cannot be transferred to spouse 2.	RNRB can be used by spouse 2 to pass a qualifying residential interest to their own direct decedents in their Will but unused RNRB cannot be transferred to spouse 1.
<i>Spouse dies and gifts funds to non-direct descendants.</i>	Spouse 2 can inherit the remaining NRB, if any, and also the RNRB as had not been used.	Spouse 1 can inherit the remaining NRB, if any, and also the RNRB as had not been used.
<i>Spouse dies and gifts some or all assets to direct descendants</i>	The remaining RNRB, if any, is transferred to spouse 2 as spouse 1 can use these allowances within their Will.	The remaining RNRB, if any, is transferred to spouse 1 as spouse 2 can use these allowances within their Will.
<i>Spouses both on second marriages through death and both inherited previous spouses NRB and RNRB*</i>	Left to spouse 2 and transfers under inter spousal transfer so spouse 2 gets RNRB from spouse 1 but cannot inherit anything from spouse 1's previous marriage. (but can only leave to their direct descendants so please see leaving a life interest below).	Left to spouse 1 and transfers under inter spousal transfer so spouse 1 gets RNRB from spouse 2 but cannot inherit anything from spouse 2's previous marriage (but can only leave to their direct descendants so please see leaving a life interest below).
<i>One spouse or both spouses on second marriages through divorce – so no inherited RNRB</i>	Left to spouse 2 and inherits under inter spousal transfer so spouse 2 gets RNRB (but can only leave to their direct descendants so please see leaving a life interest below).	Left to spouse 1 and inherits under inter spousal transfer so spouse 1 gets RNRB (but can only leave to their direct descendants so please see leaving a life interest below).
<i>One spouse on second marriage through death and inherited previous spouses NRB and RNRB*</i>	Spouse 2 will have RNRB from spouse 1 through inter spousal transfer but cannot inherit anything from spouse 1's previous marriage. (but can only leave to their direct descendants so please see leaving a life interest below).	Spouse 1 will have RNRB from spouse 2 through inter spousal transfer but cannot inherit anything from spouse 2's previous marriage (but can only leave to their direct descendants so please see leaving a life interest below).
<i>One spouse dies before 2017</i>	The surviving spouse inherits house and RNRB – the deceased spouse can't have used RNRB as dies before it was introduced. However, the deceased spouse's estate would need to have been valued at less than £2 million at date of death or tapering of the RNRB will apply.	
<i>On first death when holding a personal estate valued at more than £2 million</i>	On their death the value of their personal estate will be considered to determine what level of RNRB can be inherited. For every £2 over £2 million the RNRB available will be reduced by £1. Therefore, when the estate value reaches £2,350,000 there will be no RNRB to inherit.  If the first death occurred before 2017 the tapering will still apply but will in all cases be tapered against the RNRB of £100,000 (as RNRB was not available before this date you use the original RNRB amount introduced on this date).	

<i>On second death the value of the estate is valued at more than £2 million</i>	On their death the value of their personal estate will be considered to determine what level of RNRB can be inherited, this would include all assets inherited from spouse. For every £2 over £2 million the RNRB available will be reduced by £1. Therefore, when the estate value reaches £2,700,000 there will be no RNRB to inherit.
<b>Downsizing</b> - selling, gifting, or reducing the size of the home	Pre 8 July 2015 – no downsizing available so no RNRB on previous home. Post 8 July 2015 – before 6 April 2017 downsizing available using £100,000 as the RNRB applicable at point of sale. Post 5 April 2017 – downsizing relief available.
<i>Where a <b>life interest</b> has been left</i>	Life interest left to spouse with direct descendants as remaindermen – yes, the spouse will inherit the RNRB and will be used on direct descendants. Life interest left to spouse with no direct descendants as remaindermen – yes will be inherited but as no direct descendants cannot be used. If life interest left to unmarried partner and then remaindermen are direct descendants of the original partner – no they will not have a RNRB. If life interest left to unmarried partner and then remaindermen are direct descendants of the life tenant - they can benefit from the life tenants RNRB but no inherited RNRB.
<i>Left in <b>trust</b></i>	A bare trust for a lineal descendant (or their spouse/civil partner) - yes can be used. An IPDI trust for a lineal descendant (or their spouse/civil partner) – yes. A disabled person's trust for a lineal descendant (or their spouse/civil partner) - yes. If left in a discretionary trust - no.

**Direct Descendants** include child and grandchild and further issue including the spouses or civil partners of these parties, stepchild, foster children and adopted child or any child where the deceased had been appointed as a guardian.

It **does not include** brothers, sisters, parents, nieces, or nephews

**Note.** Everybody – has a RNRB – but if you don't use it you need to have a spouse/civil partner or direct descendants to inherit it .

~ As defined by the Civil Partnership Act 2004.

\* In any circumstance with previous marriages and death, the surviving spouse can only utilise 100% of the deceased spouses RNRB **once** irrespective of how many spouses they have had. However, if the deceased spouse from the previous marriage had used their own nil rate band, the surviving spouse could then use and inherited RNRB from the later spouse / civil partner.

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Quilter22\_0016/February 2022