

**LIFE INSURANCE TO MITIGATE INHERITANCE TAX ON LIFETIME GIFTS**

**APRIL 2026**

**£1 MILLION OF TAX AT 40% ON A GIFT OF £2.5 MILLION**

**Age 40**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£437
4	£800,000	£352
5	£600,000	£267
6	£400,000	£181
7	£200,000	£93
<b>Total Premiums Over 7 Year Period</b>		<b>£2,203</b>
<b>Effective IHT Rate</b>		<b>0.09%</b>

**Age 70**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£6,242
4	£800,000	£5,168
5	£600,000	£4,037
6	£400,000	£2,802
7	£200,000	£1,471
<b>Total Premiums Over 7 Year Period</b>		<b>£32,202</b>
<b>Effective IHT Rate</b>		<b>1.29%</b>

**Age 50**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£1,050
4	£800,000	£856
5	£600,000	£656
6	£400,000	£453
7	£200,000	£232
<b>Total Premiums Over 7 Year Period</b>		<b>£5,346</b>
<b>Effective IHT Rate</b>		<b>0.21%</b>

**Age 75**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£11,278
4	£800,000	£9,377
5	£600,000	£7,363
6	£400,000	£5,117
7	£200,000	£2,682
<b>Total Premiums Over 7 Year Period</b>		<b>£58,373</b>
<b>Effective IHT Rate</b>		<b>2.33%</b>

**Age 60**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£2,417
4	£800,000	£1,954
5	£600,000	£1,492
6	£400,000	£1,029
7	£200,000	£532
<b>Total Premiums Over 7 Year Period</b>		<b>£12,259</b>
<b>Effective IHT Rate</b>		<b>0.49%</b>

**Age 80**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£27,066
4	£800,000	£22,496
5	£600,000	£17,657
6	£400,000	£12,279
7	£200,000	£6,413
<b>Total Premiums Over 7 Year Period</b>		<b>£140,042</b>
<b>Effective IHT Rate</b>		<b>5.60%</b>

Effective IHT Rate calculated by expressing total premiums payable as a percentage of the lifetime gift.

All premiums are indicative only and assume standard rates for a client that is a non-smoker and UK resident. This information is intended for professional advisers only. Source Iress.