

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

**JANUARY 2024**

**COSTS FOR £1 MILLION OF COVER ON A LIFETIME GIFT OF £2.5 MILLION**

**Age 40**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£440
4	£800,000	£355
5	£600,000	£270
6	£400,000	£184
7	£200,000	£95
<b>Total Premiums Over 7 Year Period</b>		<b>£2,222</b>
<b>Effective IHT Rate</b>		<b>0.09%</b>

**Age 70**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£5,843
4	£800,000	£4,6775
5	£600,000	£3,691
6	£400,000	£2,565
7	£200,000	£1,350
<b>Total Premiums Over 7 Year Period</b>		<b>£29,911</b>
<b>Effective IHT Rate</b>		<b>1.20%</b>

**Age 50**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£996
4	£800,000	£823
5	£600,000	£640
6	£400,000	£437
7	£200,000	£223
<b>Total Premiums Over 7 Year Period</b>		<b>£5,110</b>
<b>Effective IHT Rate</b>		<b>0.20%</b>

**Age 75**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£10,965
4	£800,000	£8,954
5	£600,000	£6,917
6	£400,000	£4,828
7	£200,000	£2,537
<b>Total Premiums Over 7 Year Period</b>		<b>£56,132</b>
<b>Effective IHT Rate</b>		<b>2.25%</b>

**Age 60**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£2,371
4	£800,000	£1,918
5	£600,000	£1,464
6	£400,000	£1,010
7	£200,000	£522
<b>Total Premiums Over 7 Year Period</b>		<b>£12,027</b>
<b>Effective IHT Rate</b>		<b>0.48%</b>

**Age 80**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£27,812
4	£800,000	£23,109
5	£600,000	£18,128
6	£400,000	£12,594
7	£200,000	£6,560
<b>Total Premiums Over 7 Year Period</b>		<b>£143,828</b>
<b>Effective IHT Rate</b>		<b>5.75%</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.