

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

**MAY 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	£495
4	£800,000	£404
5	£600,000	£310
6	£400,000	£212
7	£200,000	£108
<b>Total Premiums Over 7 Year Period</b>		<b>£2,519</b>
<b>Effective IHT Rate</b>		<b>0.10%</b>

**Age 70**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£6,085
4	£800,000	£5,008
5	£600,000	£3,887
6	£400,000	£2,703
7	£200,000	£1,418
<b>Total Premiums Over 7 Year Period</b>		<b>£31,271</b>
<b>Effective IHT Rate</b>		<b>1.25%</b>

**Age 50**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£1,014
4	£800,000	£830
5	£600,000	£631
6	£400,000	£433
7	£200,000	£223
<b>Total Premiums Over 7 Year Period</b>		<b>£5,160</b>
<b>Effective IHT Rate</b>		<b>0.21%</b>

**Age 75**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£11,221
4	£800,000	£9,283
5	£600,000	£7,250
6	£400,000	£5,032
7	£200,000	£2,624
<b>Total Premiums Over 7 Year Period</b>		<b>£57,852</b>
<b>Effective IHT Rate</b>		<b>2.31%</b>

**Age 60**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£2,454
4	£800,000	£1,984
5	£600,000	£1,514
6	£400,000	£1,044
7	£200,000	£539
<b>Total Premiums Over 7 Year Period</b>		<b>£12,443</b>
<b>Effective IHT Rate</b>		<b>0.50%</b>

**Age 80**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£27,542
4	£800,000	£22,808
5	£600,000	£17,797
6	£400,000	£12,445
7	£200,000	£6,501
<b>Total Premiums Over 7 Year Period</b>		<b>£142,177</b>
<b>Effective IHT Rate</b>		<b>5.69%</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.