

LIFE INSURANCE TO MITIGATE INHERITANCE TAX ON LIFETIME GIFTS
SEPTEMBER 2023
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	£498
4	£800,000	£403
5	£600,000	£307
6	£400,000	£207
7	£200,000	£105
Total Premiums Over 7 Year Period		£2,516
Effective IHT Rate		0.10%

Age 70

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£5,718
4	£800,000	£4,693
5	£600,000	£3,609
6	£400,000	£2,484
7	£200,000	£1,273
Total Premiums Over 7 Year Period		£29,213
Effective IHT Rate		1.17%

Age 50

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£1,020
4	£800,000	£835
5	£600,000	£636
6	£400,000	£437
7	£200,000	£225
Total Premiums Over 7 Year Period		£5,193
Effective IHT Rate		0.21%

Age 75

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£10,933
4	£800,000	£8,954
5	£600,000	£6,917
6	£400,000	£4,828
7	£200,000	£2,537
Total Premiums Over 7 Year Period		£56,035
Effective IHT Rate		2.24%

Age 60

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£2,348
4	£800,000	£1,929
5	£600,000	£1,482
6	£400,000	£1,030
7	£200,000	£529
Total Premiums Over 7 Year Period		£12,014
Effective IHT Rate		0.48%

Age 80

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£27,881
4	£800,000	£22,916
5	£600,000	£17,661
6	£400,000	£12,362
7	£200,000	£6,475
Total Premiums Over 7 Year Period		£143,057
Effective IHT Rate		5.72%

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.