

LIFE INSURANCE TO PROTECT INHERITANCE TAX ON LIFETIME GIFTS
JULY 2022

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	£538
4	£800,000	£436
5	£600,000	£332
6	£400,000	£223
7	£200,000	£112
Total Premiums Over 7 Year Period		£2,717
Effective IHT Rate		0.11%

Age 70		
Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£6,310
4	£800,000	£5,179
5	£600,000	£4,016
6	£400,000	£2,795
7	£200,000	£1,454
Total Premiums Over 7 Year Period		£32,374
Effective IHT Rate		1.29%

Age 50		
Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£1,033
4	£800,000	£841
5	£600,000	£643
6	£400,000	£438
7	£200,000	£223
Total Premiums Over 7 Year Period		£5,244
Effective IHT Rate		0.21%

Age 75		
Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£12,816
4	£800,000	£10,598
5	£600,000	£8,181
6	£400,000	£5,641
7	£200,000	£2,901
Total Premiums Over 7 Year Period		£65,769
Effective IHT Rate		2.63%

Age 60		
Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£2,371
4	£800,000	£1,935
5	£600,000	£1,485
6	£400,000	£1,022
7	£200,000	£528
Total Premiums Over 7 Year Period		£12,083
Effective IHT Rate		0.48%

Age 80		
Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£27,921
4	£800,000	£22,859
5	£600,000	£17,796
6	£400,000	£12,426
7	£200,000	£6,512
Total Premiums Over 7 Year Period		£143,356
Effective IHT Rate		5.73%

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.