

**RELEVANT LIFE INSURANCE**  
**TAX EFFICIENT LIFE INSURANCE FOR BUSINESSES, DIRECTORS AND EMPLOYEES**  
**JULY 2026**

Relevant life insurance provides a straightforward, cost-effective and tax-efficient way for businesses to provide life insurance to directors and employees.

**Employer benefits**

- Can be used instead of, or in addition to, group life insurance (death-in-service).
- Premiums paid by the company qualify as a tax-deductible business expense.
- No employer NI contributions on the premiums paid.
- Provides valuable death benefits for employees.

**Director or Employee benefits**

- Premiums paid by the company do not count as a P11D benefit.
- No employee NI contributions on the premiums paid.
- Portable to a new company or a personal policy at any time.
- Proceeds on death do not form part of estate.

**Who can benefit?**

- Available to a maximum expiry age of 75.
- Available to any director or employee of a limited company and salaried partners of a partnership.
- Available sum up to 30 times remuneration (including salary, bonuses and dividends).

**Example**

Assumes income taken as salary only, income tax rate of 45%, employee's NI rate of 2%, employer's NI rate of 15% and corporation tax rate of 25%.

	Non-Relevant Life Policy	Relevant Life Policy
Monthly premium	£1,000	£1,000
Employee NICs	£38	£0
Employee Income Tax	£849	£0
Employer NICs	£283	£0
<b>Total gross cost</b>	<b>£2,170</b>	<b>£1,000</b>
Corporation Tax	(£543)	(£250)
<b>Total net cost</b>	<b>£1,627</b>	<b>£750</b>

**Cost per year for £1 million of relevant life cover**

AGE	SINGLE LIFE			
	10 YEAR TERM GUARANTEED PREMIUM	20 YEAR TERM GUARANTEED PREMIUM	TO AGE 65 TERM GUARANTEED PREMIUM	TO AGE 75 TERM GUARANTEED PREMIUM
30	£260	£286	£408	£520
35	£320	£398	£502	£674
40	£481	£625	£710	£947
45	£734	£1,008	£1,008	£1,329
50	£1,209	£1,611	£1,382	£1,904
55	£1,838	£2,909	£1,838	£2,539
60	£2,967	-	£2,182	£3,499
65	£5,833	-	-	£4,828

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