RISK ASSURED
LIFE INSURANCE SPECIALISTS

Tax advantages of a gift to dying spouse

Synopsis: In a Tax Bite from Forbes Dawson they have put forward an interesting tax planning strategy.

Date published: 29.12.2022

The idea is that where one spouse (or civil partner - CP) has little time left on this "mortal coil" assets liable to capital gains tax (CGT) could be gifted.

The transfer of assets to the spouse/CP with the shortened life expectancy would incur no inheritance tax (IHT), in respect of lifetime gifts, or any CGT liability, however, on their death, assuming they are returned to the surviving spouse/CP the CGT base cost would have been uplifted to the probate value, therefore, potentially reducing any future CGT liabilities for the surviving spouse/CP.

There is, of course, no IHT liability on the transfer of capital between spouses/CPs on death.

020 7183 3931
www.riskassured.co.uk