

INHERITANCE TAX

Inheritance tax insurance or to give it another name Inheritance tax cover is perhaps a misnomer. Such an insurance does exist to protect a beneficiary from being lumbered with an inheritance tax bill if they are lucky enough to receive a whopping great load of dosh or indeed property of some sorts. Remember the term property in this respect does not mean a house but instead refers to just about anything, a trust or money, or a house, or antique vase or expensive sports car... you get the idea. The downside of being the lucky recipient of such things is there may well be an inheritance tax liability. In ye olden days this kind of 'stealth' tax was referred to as death tax or death duties.

When contemplating such cover it is essential to seek Independent Financial advice and your adviser may well seek further advice from an accountant or solicitor to determine the amount of cover you need.

If the property has already been passed down and the donor of that property is still alive then it may well be that they need to consider a gift inter vivos insurance policy, see (ed here) . However if the gift has not yet been made and the donor wishes to plan for a potential liability when they die and their estate passes down then they may need to be considering Whole of life assurance or whole of life assurance second death if they have a partner whom their estate would go to before passing down to the children. As I say, the area is complex and specialist advice should be sought..... Call me.