



# Wanstall Consulting

## Wills & Estate Planning

### **Gifting is not just for Christmas!**

Christmas is fast approaching and I thought a note on gifting might be appropriate - however, these gifts can be made any time of year!

### **Inheritance Tax (IHT) gifts**

Gifts are a good way of carrying out IHT planning, but, to be effective for IHT you cannot retain any benefit yourself. (I will cover IHT in another "Insights").

Some of the main gifts are:

#### **Gifts to spouses and civil partners**

*Gifts between spouses and civil partners are free of IHT.*

#### **Annual allowance**

*Each tax year, you can give away £3,000. NB this is a total of £3,000 and not £3,000 for each recipient. If you did not use this allowance, you can carry it forwards one tax year.*

#### **Gifts to charities**

*Any gift to a registered charity is free of IHT.*

#### **Potentially Exempt Transfers**

*These gifts are often misquoted. If you make a*

*gift and survive it by seven years, the value of the gift will not form part of your estate for IHT.*

*If you die within seven years – and it does not matter when – provided the value of the gift was less than your IHT free allowance (the Nil Rate Band, currently £325,000), there would be no IHT on the gift. However, the NRB available on your estate would be reduced by the value of the gift.*

*If the gift exceeded the NRB, there would be an IHT liability on the gift. This would be the recipient's responsibility.*

If you are considering making gifts for IHT purposes, I recommend that you take specialist professional advice first.

If you have any questions, or would like to discuss matters, please contact me on [iain@wanstallconsulting.co.uk](mailto:iain@wanstallconsulting.co.uk) or 01296 415700 or [www.wanstallconsulting.co.uk](http://www.wanstallconsulting.co.uk).

**Happy Christmas and New Year**

"Keep busy, keep well and, above all, keep smiling"!