

TAILORED LIFE TRUST WITH VARIABLE UNIVERSAL LIFE (VUL) PLAN UK INHERITANCE TAX TREATMENT

CUMULATIVE CHARGEABLE LIFETIME TRANSFER (CLT) EXAMPLES

Utmost is the brand name used by a number of Utmost companies. This item has been issued by Utmost International Isle of Man Limited and Utmost International Isle of Man Limited Singapore Branch.

The Tailored Life Trust can help create the financial future your client wants. It also provides estate planning options to enable your clients to pass on as much of their wealth as possible, for example to their children and grandchildren, by providing a lump sum on death to pay an inheritance tax (IHT) bill.

Payment into the Variable Universal Life (VUL) Plan¹ under the Tailored Life Trust by a settlor is considered a gift for UK IHT purposes and is treated as a chargeable life time transfer (CLT). In addition to this, for providing the death benefit, Utmost will deduct a charge from the investments held in the VUL Plan. Each charge is also considered a CLT for UK IHT purposes.

The following tables illustrate IHT values for a Tailored Life Trust and how these can accumulate over a seven year period. The values are based on an investment growth rate of 4% before charges and that the life assured is a non-smoker and accepted to be of standard health.

MALE SETTLOR

› £500,000 premium › £1 million sum assured

AGE AT COMMENCEMENT	55	60	65	70	75	80
Initial CLT	£56,081	£51,917	£47,147	£41,829	£36,103	£30,198
Cumulative life cover charges over 7 years	£26,997	£44,850	£72,763	£121,017	£191,106	£309,779
Total	£83,078	£96,767	£119,910	£162,846	£227,209	£339,977

› £600,000 premium › £2 million sum assured

AGE AT COMMENCEMENT	55	60	65	70	75	80
Initial CLT	£67,097	£62,101	£56,377	£49,995	£43,123	£36,037
Cumulative life cover charges over 7 years	£53,994	£89,700	£145,526	£242,033	£382,211	£619,558
Total	£121,091	£151,801	£201,903	£292,028	£425,334	£655,595

› £700,000 premium › £3 million sum assured

AGE AT COMMENCEMENT	55	60	65	70	75	80
Initial CLT	£78,113	£72,285	£65,606	£58,161	£50,144	£41,877
Cumulative life cover charges over 7 years	£80,990	£134,549	£218,288	£363,049	£573,316	£751,605 ²
Total	£159,103	£206,834	£283,894	£421,210	£623,460	£793,482

¹ VUL Plan refers to Tailored Life Plan / Silk Life Plan.

² Plan value is exhausted after year six. In such an instance the plan would lapse without value or an additional premium could be paid.

FEMALE SETTLOR

› £500,000 premium › £1 million sum assured

AGE AT COMMENCEMENT	55	60	65	70	75	80
Initial CLT	£56,081	£51,917	£47,147	£41,829	£36,103	£30,198
Cumulative life cover charges over 7 years	£14,829	£24,179	£45,126	£77,896	£131,111	£231,394
Total	£70,910	£76,096	£92,273	£119,725	£167,214	£261,592

› £600,000 premium › £2 million sum assured

AGE AT COMMENCEMENT	55	60	65	70	75	80
Initial CLT	£67,097	£62,101	£56,377	£49,995	£43,123	£36,037
Cumulative life cover charges over 7 years	£29,657	£48,357	£90,251	£155,792	£262,222	£462,787
Total	£96,754	£110,458	£146,628	£205,787	£305,345	£498,824

› £700,000 premium › £3 million sum assured

AGE AT COMMENCEMENT	55	60	65	70	75	80
Initial CLT	£78,113	£72,285	£65,606	£58,161	£50,144	£41,877
Cumulative life cover charges over 7 years	£44,485	£72,536	£135,376	£233,688	£393,332	£694,181
Total	£122,598	£144,821	£200,982	£291,849	£443,476	£736,058

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Utmost International Isle of Man Limited Singapore Branch is registered in Singapore (UEN T08FC7158E). Registered Office address: 6 Battery Road, #16-02, Singapore 049909.

Authorised by the Monetary Authority of Singapore to conduct life assurance business in Singapore. Member of the Life Insurance Association of Singapore. Member of the Singapore Finance Dispute Resolution Scheme.

Utmost International Isle of Man Limited is registered in the Isle of Man, registered number 024916C. Registered Office address: King Edward Bay House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles.

Utmost International Isle of Man Limited is licensed by the Isle of Man Financial Services Authority as an Authorised Insurer.

Utmost is registered in the Isle of Man as a business name of Utmost International Isle of Man Limited.

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