

MISTAKE 1

Thinking Your Gift Is Safe After Seven Years

Why this common belief can still leave your estate exposed.



MISTAKE 1

The Seven-Year Assumption

Many people believe that if they give money or assets away and live for seven years, the gift will automatically be outside their estate for Inheritance Tax (IHT).



THE BELIEF

After seven years, the gift is completely safe from IHT.



THE PROBLEM

It's not always that simple.



THE IMPACT

Your estate could still face an IHT bill, leaving less for your loved ones.



MISTAKE 1

What Can Go Wrong?

Gifting can be very useful, but there are important risks to consider.



YOU MAY STILL PAY IHT

If you pass away within seven years, the gift can still be included in your estate.



IT CAN REDUCE YOUR INCOME

Gifting assets may affect the income you need later in life.



IT CAN CAUSE FAMILY ISSUES

Gifts can sometimes lead to unintended disputes between family members.



IT NEEDS PROPER PLANNING

The type of gift, the timing and the documentation all matter.



MISTAKE 1

The Estate Architect Check

Use this checklist to make sure your gifts are properly planned and documented.



CLARITY OF INTENTION

Is it a genuine gift, with no expectation of getting it back?

☐

TIMING

Have you considered the seven-year rule and what happens if you don't survive that period?

☐

IMPACT ON YOUR INCOME

Will the gift affect your financial security in the future?

☐

FAMILY CONSIDERATIONS

Could the gift create unintended issues between family members?

☐

DOCUMENTATION

Have you recorded the details of the gift and your intentions?

☐

MISTAKE 1

The Key Point

Gifting can be a powerful estate planning strategy, but it's not as simple as giving something away and waiting seven years.



PLAN EARLY

Consider the full implications before making significant gifts.



GET ADVICE

Professional advice can help you structure gifts correctly and reduce risks.



THINK BEYOND IHT

Consider the impact on your income, family and long-term estate plan.

NEXT

Mistake 2 →

Your Assets Are
Worth Less Than
HMRC Thinks