

Date of Gift	Tax year in which gift was made (i.e. 2021/2022))	Gifted by	Value of Gift	Type of Gift*	Recipient

*Small - if below £250, Annual - if between £250 and £3000, Normal - if the gift is a regular gift and part of your affordable expenditure.

Gifting

- You can give as many gifts of up to £250 to as many individuals as you want. Although not to anyone who has already received a gift of your whole £3,000 annual exemption.
- Everyone is entitled to a £3,000 annual gift allowance, without the gift being subject to Inheritance Tax. The allowance can be carried forward for one year.
- If you have enough income to maintain your usual standard of living, you can make gifts from your surplus income. This means that the gift must be part of your normal expenditure and out of your income after tax.
- When you pass away, the nil rate band is the amount up to which an estate has no Inheritance Tax to pay and is currently set at £325,000. Assets from your estate up to this value can be gifted without creating an Inheritance Tax bill. You might have a smaller Nil Rate Band on your death if you make gifts during your lifetime that aren't covered by your tax-free gift allowances and you die within seven years of making the gifts.
- The nil rate band has been the same for ten years and will stay fixed until April 2026.
- In addition to the standard Nil Rate Band, there is the Residence Nil Rate Band (RNRB) of £175,000 available when the family home is passed to direct descendants. This amount is tapered down for bigger estates. For every £2 that your estate is valued over £2 million, the Residence Nil Rate Band reduces by £1.
- Each tax year, you can also give away wedding or civil ceremony gifts of up to £1,000 per person (£2,500 for a grandchild or great-grandchild, £5,000 for a child).