

Discounted Gift Trusts

Example discounts

The following values are a calculation of the discounted value of the initial capital transfer should the settlor die within seven years of creating the trust.

The figures are based on the following information:

Date of birth: **1 July**
Quote day: **1 July**
Capital settled: **GBP 500,000**
Capital payments: **GBP 25,000 per year (5%), payable on each anniversary of the trust and commencing from month 12**
Discount rate: **4.5%**

Age	Discount %
55	73.26%
56	72.43%
57	71.56%
58	70.66%
59	69.73%
60	68.75%
61	67.74%
62	66.69%
63	65.59%
64	64.46%
65	63.28%

Age	Discount %
66	62.06%
67	60.79%
68	59.48%
69	58.13%
70	56.73%
71	55.28%
72	53.80%
73	52.27%
74	50.71%
75	49.11%
76	47.48%

Age	Discount %
77	45.82%
78	44.13%
79	42.43%
80	40.71%
81	38.99%
82	37.27%
83	35.56%
84	33.86%
85	32.19%

Please note: The calculation of the present value of withdrawals is based on the discount rate shown and assumes the settlor is in good health and underwriting has been attained. In the event of death within seven years of the commencement of the trust a revised value may have to be negotiated with HM Revenue & Customs.

Get in touch

To find out more about how a Discounted Gift Trust could benefit your clients, please call us on **+44 1624 821153** or email us at: **alt@fpiom.com**

About Friends Provident International

We are a leading financial services provider, with a reputation for trust, commitment and integrity, offering financial solutions to customers throughout their lives.

Friends Provident International has over 35 years of international experience in offshore savings and investments.

Important Information

This document should be read in conjunction with the current product brochure and policy conditions, which, together with the policy document, sets out the terms and conditions of the contract. The information given in this document is based on our understanding of UK and Isle of Man tax law and HM Revenue & Customs practice as at September 2015, which may change in the future.

Each policy is governed by and shall be construed in accordance with the law of the Isle of Man. If your client effects a policy whilst resident in the United Arab Emirates, all disputes regarding the policy shall be subject to the non-exclusive jurisdiction of the courts of the United Arab Emirates.

Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposits accounts are unlikely to apply in the event of failure of such an investment held within insurance policies.

We do not condone tax evasion and our products and services may not be used for evading your tax liabilities.

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