

# 10

## Common Inheritance Tax Mistakes



Practical guidance to support you  
and your family's financial future



## 10 common inheritance tax mistakes

Inheritance tax can catch many people out, often resulting in unnecessary tax. There are many ways to mitigate inheritance tax but here are some of the most common mistakes families make.

### 1 Not seeking professional advice:

Inheritance tax rules are complex and often change. An expert can help you make the best decisions.

### 2 Not making a will:

Without a will, the law decides who gets what – and it's rarely tax-efficient.

### 3 Ignoring allowances:

Most people forget you can give away up to £3,000 each year tax-free. If you haven't used last year's allowance you can bring that forward making it £6,000 each! Also, one of the most underused allowances for people that receive more income than they spend is gifts from excess income. Provided these gifts are made regularly and do not affect your standard of living, they are immediately exempt from inheritance tax, meaning there is no need to wait the usual seven years for them to fall outside your estate.

### 4 Forgetting to update your will:

Inheritance tax rules are complex and often change. An expert can help you make the best decisions.

### 5 Giving away assets but keeping benefits:

If you still benefit from a gifted asset (like living in a house you've "given away"), it may still be taxed in your estate.





6

## Underestimating your estate's value:

Remember to include all assets, even foreign assets - property, savings, and valuables and from **April 2027 unspent pensions**—to avoid surprise bills.

7

## Giving everything to children without advice:

This can trigger tax if you don't plan for rules like the seven-year rule or even open up the gift to potential attack from events such as divorce.

8

## Waiting too long:

The earlier you plan, the more options you have - and the less tax your family pays.

9

## Not Reviewing Plans Regularly:

Tax rules change. What worked 5 years ago may not work today. Speaking with a financial adviser can ensure your planning is still relevant or can help highlight when action may be needed.

10

## Not Using Lifetime Gifts:

You can give away money/assets tax-free if you live 7 years after the gift and derive no benefit.





**Ready to take control of your finances  
or require further information?**

**Gemini Wealth Management Limited**

Gemini House, 71 Park Road, Sutton Coldfield, West Midlands, B73 6BT

**Telephone:** 0121 354 2700

**Email:** [info@gemini-wm.com](mailto:info@gemini-wm.com)

**Website:** [www.gemini-wm.com](http://www.gemini-wm.com)

**Disclaimer**

Gemini Wealth Management Limited is authorised and regulated by the Financial Conduct Authority, Reg No: 458880. Registered in England and Wales Reg No: 05919877. Gemini Wealth Management Limited is part of the Gemini Wealth Group Limited VAT Number: 437805380.

The Financial Conduct Authority does not regulate Tax or estate planning.

The information in this briefing has been obtained from or is based on sources we believe to be accurate and complete. The information contained in this document is for guidance only and does not constitute advice and is based on our interpretation of legislation, whether proposed or in force, at the time of writing and subject to change.

This guidance/ information is subject to regulatory regime and is therefore restricted to consumers in the UK.