Giving while living

Closing the confidence gap around lifetime gifting

A practical guide for people considering financial gifts during their lifetime.

LLOYDS WEALTH



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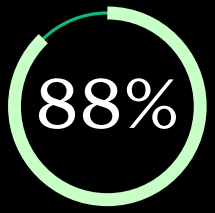
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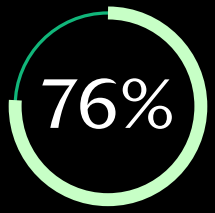
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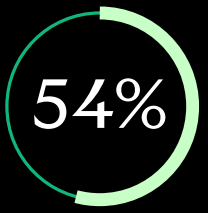
Our research reveals a strong desire to support loved ones during our lifetimes. But wanting to help and feeling ready to do so are not always the same thing. The findings highlight what sits behind this confidence gap and what could help families feel more informed about their choices.



want to support loved ones during their lifetime.



of those who took financial advice before offering a gift said it made them more confident about their decision.



of gift-givers have delayed support because they were unsure whether they could afford it.

51%
would rather see loved ones benefit during their lifetime.

41%
worry about running out of money in retirement.

79%
say understanding what they can afford would build confidence.

51%
say a house deposit could have the greatest impact.

63%
of recipients of a financial gift felt grateful.

Chapter 1

Giving with confidence, not compromise

If you are thinking about helping someone you care about, the decision may feel personal long before it becomes practical.

You may want to help a child buy their first home, give a grandchild a head start, ease pressure during a difficult period or share some of your wealth while you can see the difference it makes. For many people, that is one of the most rewarding parts of giving during their lifetime.

But wanting to help does not always mean feeling ready.

You may be wondering how much you can afford, whether your money still needs to support a long retirement, how future care costs could affect you, or whether helping one person could cause tension elsewhere in the family. These are not signs that you are being ungenerous. They are sensible questions that deserve careful thought.

Our research found that 88% of people would like to provide financial support to loved ones during their lifetime. Yet more than half of those who had already given financial support said they had delayed doing so at least once because they were unsure whether they could afford it.



88%

would like to provide financial support to loved ones during their lifetime.

54%

of gift-givers had delayed giving financial support at least once because they were unsure whether they could afford it.

76%

of those who took financial advice before offering a gift said that they felt more confident about their decision.

The biggest concerns are practical and personal: retirement security, unexpected costs and possible future care needs.

This is the gifting confidence gap. It is the space between the instinct to help and the reassurance needed to act. It is not only about wealth. It is about timing, purpose, fairness, control and the confidence that today's generosity will not compromise tomorrow's security.

Encouragingly, our research suggests that planning can help. Among people whose gifting decision involved financial advice and who answered our follow-up question, 76% said the advice made them more confident.

The value of advice is not simply in encouraging people to give more or sooner. It can help families understand their choices, test the trade-offs and make a decision that feels right for them.

That could mean giving now, giving later, giving differently or deciding not to give at all. Lifetime gifting sits at the intersection of retirement planning, estate planning, cash flow, tax, family communication and personal values. It is rarely solved by one rule or one allowance.

The right approach is usually built through a series of informed choices, each considered against your circumstances and the needs of the people you want to support.

"One of the things I hear most often from clients is that they would love to help their family now, but they worry about getting it wrong.

That is completely understandable. We are living longer; retirement can last for decades and future care costs or unexpected changes in circumstances could affect even the most carefully considered plans. At the same time, there is a real desire to see loved ones benefit from support when it can make the biggest difference.

Good financial planning helps bring those priorities together. It allows people to explore their options, understand the possible impact of a gift and consider how their own future financial stability could be affected.

There is rarely one correct answer. Sometimes the outcome is to give now, sometimes it is to wait and sometimes it is to help in another way. What matters is having the information needed to make a decision that feels right."



Alex Gaita
Financial Planning Director

Chapter 2

The rise of giving while living

For generations, passing on wealth was often something that happened after death. Money and assets accumulated over a lifetime would form part of an estate and be distributed through inheritance, sometimes many years after they could have had the greatest impact on the people receiving them.

Today, that picture is changing.

Families are increasingly recognising that financial support can be particularly valuable when it arrives at key moments in someone's life.

That might mean helping someone onto the property ladder, contributing towards education, supporting childcare costs or easing financial pressure during a difficult period.



51% would rather see loved ones benefit during their lifetime, compared with 6% who would prefer to leave most of their wealth through inheritance.

Our research suggests this shift is well underway. Nearly nine in ten respondents said they would like to provide financial support to loved ones during their lifetime. This does not necessarily mean replacing inheritance altogether. Many families are looking for a balance between supporting loved ones today and preserving their own financial stability for the future.

Almost 40% of respondents preferred a mix of lifetime gifting and leaving wealth through inheritance. More than half said they would rather see loved ones benefit from their wealth during their lifetime, compared with just 6% who would prefer to leave most of it through inheritance.

The motivations behind this shift reflect the realities many families face. House prices, education costs and everyday living expenses can create significant challenges for younger generations at a stage of life when support could make a meaningful difference.

When asked what type of help could have the greatest impact, respondents most frequently identified a house deposit, day-to-day living costs and paying off debts. These are often needs that arise during someone's working life, rather than later as part of an inheritance.

The shift towards giving while living is also about connection.

For many people, providing financial support is an opportunity to help someone they love achieve an important milestone, reduce financial pressure or access an opportunity that might otherwise take years to realise.

Four in five respondents said they would most like to provide financial assistance to their children if they felt financially comfortable. More than a third would like to support their grandchildren.

Lifetime gifting can also create opportunities for conversations that inheritance planning sometimes postpones. Discussing financial support, family priorities and future intentions can help wealth pass between generations in a way that reflects both practical needs and personal values.

Most respondents felt open to those conversations. More than eight in ten said they would feel very or fairly comfortable talking to their family about gifting, inheritance and future financial support.

Yet the appeal of giving during life is still accompanied by hesitation. People are concerned about having enough money in retirement, meeting future costs and whether giving today could compromise their wellbeing tomorrow.

The question for many families is therefore no longer simply what they will leave behind. Increasingly, it is when their wealth could have the greatest impact.

Lifetime gifting does not have to replace inheritance. The two can work alongside each other as part of a wider plan that considers both the giver's future and the needs of the people they want to support.

51% believe help with a house deposit could have the greatest impact on loved ones.

Chapter 3
The pension shift

For many years, pensions have played a distinctive role in passing wealth between generations.

While pensions were designed to provide an income in retirement, they have also become one of the most tax-efficient assets to leave behind. In many cases, unused pension funds could be passed to beneficiaries outside of an individual's estate for inheritance tax (IHT) purposes, making them an increasingly important part of estate planning.

This encouraged some families to spend other assets first and preserve pension savings for as long as possible, allowing any remaining funds to pass to children or grandchildren in the future.

However, the rules are changing.

From 6 April 2027, most unused pension funds and pension death benefits will be included within the value of a person's estate for IHT purposes.

The impact will vary between families.

From 6 April 2027

most unused pension funds and pension death benefits will be brought into an estate for inheritance tax purposes.

For some, the change may have little effect. For others, particularly those with significant pension savings alongside property and other investments, it could mean more of their wealth becomes exposed to inheritance tax than previously expected. This does not mean pensions suddenly become a poor savings choice. They continue to offer valuable tax advantages and remain a cornerstone of retirement planning.

However, it does mean that some long-held assumptions about how pensions should be used and how wealth will eventually pass to the next generation may need to be reviewed.



The change comes at a time when many people are already questioning whether waiting until death is the most effective way to support their family.

For some, it may accelerate conversations that were already beginning. Rather than seeing wealth transfer only as an event that takes place after death, families may place greater emphasis on helping children and grandchildren at moments when support can have the greatest impact.

That does not mean giving everything away.

Our research consistently shows that protecting retirement security remains one of the biggest barriers to gifting. Four in ten respondents worried about running out of money during retirement, while many were also concerned about unexpected expenses and future care costs.

Any reconsideration of pension and estate-planning strategies therefore needs to begin with a clear understanding of what you may need for your own future.

How pension wealth is changing

Past	From April 2027	What families may want to consider
Unused pension savings could often be passed to beneficiaries outside the estate for IHT purposes.	Most unused pension funds and death benefits will be included in the estate for IHT purposes.	How pensions fit alongside other retirement and estate-planning assets.
Some people preserved pension savings while using other assets first.	Existing plans and assumptions may need to be reviewed.	Whether the timing, method or source of passing on wealth should change.
Pension wealth was often transferred after death.	The focus shifts from individual assets to the overall family wealth picture.	Whether lifetime support for family could form part of a wider plan, and whether accessing pension savings earlier should be considered.

Chapter 4

Balancing generosity and financial stability

Wanting to help someone you love can be a powerful instinct. But even when you are in a position to give, deciding how much you can comfortably afford to part with is rarely straightforward.

A gift that makes a meaningful difference to someone else should not leave you worrying about your own future.

You may still have decades of retirement ahead. Unexpected expenses, rising living costs or future care needs can be difficult to predict.

Our research shows just how common this tension is. While 88% would like to provide financial support to loved ones during their lifetime, more than half of gift-givers had delayed doing so because they were unsure whether they could afford it.

What does 'affordable' really mean?

Affordability is about much more than looking at what you have available today.

Before making a substantial gift, it can be helpful to think about the life your money may need to support over the years ahead. That could include day-to-day spending, holidays and hobbies, as well as less predictable costs such as home repairs, helping family again or paying for care.

Running out of money in retirement was the most commonly selected concern about gifting, identified by 41% of respondents. Unexpected expenses followed closely at 40%, while 25% were concerned about future care costs.

There is no universal figure that makes a gift safe.

Someone with considerable wealth may still need much of it to support their lifestyle over a long retirement. Another person may have secure and reliable income that gives them greater flexibility.

That is why the starting point should be your plans and future needs, rather than simply the amount someone else would like to receive.

41% would hesitate before gifting because they were worried about running out of money in retirement.

Looking beyond today

Financial planning can help by exploring different versions of the future.

Cash flow modelling, for example, can illustrate how your finances might change over time using assumptions about income, spending, inflation and investment returns. Different scenarios can then be considered. These could include:

- Making a substantial gift today.
- Giving smaller amounts over several years.
- Experiencing higher-than-expected living costs.
- Receiving lower investment returns.
- Living longer than anticipated.
- Paying for care later in life.
- Providing further support to family in the future.

79% said knowing how much they could afford to give without affecting their future financial stability would make them more confident about gifting.

Cash flow modelling cannot predict exactly what will happen. It can, however, help you understand how resilient your finances might be if circumstances change.

Our research found that 74% felt very or fairly confident that they knew how much they could afford to give without affecting their financial stability. Around one in four were either not confident or did not know.

When respondents were asked what could increase their confidence, the most popular answer was knowing how much they could afford to give without affecting their own future.

Giving does not have to be all or nothing

It can be easy to think about gifting as one large and irreversible financial decision. In reality, there are several ways to provide support.

Rather than making one significant gift, you might decide that smaller amounts over time feel more comfortable. You could contribute towards a particular goal without meeting the full cost yourself. You might wait until your financial position becomes clearer.

The important point is that generosity does not have to be measured by the size or speed of a gift.

Retaining flexibility for your future is part of the planning. Once money has been given away outright, you generally cannot assume that it will be available to you again if your circumstances change.

A plan that works for both generations

The most helpful question may not be simply:

"How much can I give?"

It may be:

"How much can I give while still feeling comfortable about my own future?"

Financial advice can bring valuable context to that question.

Of the respondents whose gifting decision involved financial advice and who became more confident as a result, just over half said the advice helped them feel more confident about protecting their long-term financial stability.

The objective should not necessarily be to maximise the amount given. It should be to find a balance that reflects what matters to the giver and the person they want to help. Sometimes that may mean giving now. Sometimes it may mean giving gradually or waiting for a particular milestone. Sometimes the most sensible choice will be to keep more aside.

Giving while living should be about sharing some of what you have built without losing sight of the life that wealth still needs to support.

Before making a gift, ask yourself:

- What income will I need throughout retirement?
- How might my spending change as I get older?
- What would happen if I lived longer than expected?
- Have I allowed for unexpected expenses or possible care costs?
- Would I still feel comfortable if markets fell after I made the gift?
- Could I help in stages rather than giving a large amount at once?
- How would this gift affect my wider financial and estate plans?
- Would I still have enough flexibility if my circumstances changed?

"When someone tells me they would like to help their family, one of their first questions is often: 'How do I know I won't need that money myself?' That can be difficult to answer by looking only at what they have today.

Cash flow modelling lets us look further ahead. We can explore how someone's finances could develop over time and test scenarios such as making a gift, living longer or needing more money later in life.

It is not about predicting the future. It is about understanding what could happen under different circumstances and whether the plan has enough flexibility.

Sometimes that gives people the reassurance to make a gift they have considered for years. At other times, it shows that giving a smaller amount, offering support gradually or waiting may be more appropriate. All of those can be useful outcomes.

The aim is not to calculate the maximum someone can give away. It is to understand what they can comfortably afford while protecting the future they have worked hard to build."



Vanessa Hubbard
Personal Wealth Adviser

Chapter 5

Giving and receiving: two sides of the conversation

Money can be difficult to talk about, even with the people closest to us. Lifetime gifting also involves two perspectives.

The person giving may be considering what they can afford, whether they are treating family members fairly and how they would like the money to be used.

The person receiving may be wondering whether they feel comfortable accepting help, what is expected of them and how best to use it.

Talking openly can help bring those perspectives together.

Our research suggests many families are willing to have these conversations. Eighty-one per cent said they would feel very or fairly comfortable discussing gifting, inheritance and future financial support with their family.

Yet only 7% of respondents said the most significant financial gift they had received came about as part of a planned family discussion.

That gap matters.

A conversation before money changes hands can help everyone understand why support is being offered, what it is intended to achieve and whether any expectations are attached.

It can also make the gift feel like part of a shared plan rather than simply a financial transaction.

81% would feel comfortable talking to their family about gifting and inheritance, but only 7% of significant gifts received followed a planned family discussion.



Explain the thinking behind your gift

If you are considering giving money to someone you care about, it can be tempting to focus immediately on the practicalities: how much to give, when to give it and what the tax implications might be.

But the conversation around the gift can be just as important.

Discussing what you hope the money will achieve gives the person receiving it the opportunity to share their plans. You may discover that the support they need is different from what you imagined, or that the timing could matter as much as the amount.

These conversations become particularly important when more than one family member is involved.

Our research highlights the delicate balance between equality and need. More than three-quarters of respondents said they would want to treat loved ones equally. The same proportion said they would help according to individual need.

Almost three in ten worried that gifting could create family tensions.

Those principles can pull in different directions.

76% would want to treat loved ones equally, while 76% would also help according to individual need.

Helping one child with a house deposit today does not necessarily mean another child will receive exactly the same amount at the same time. One relative may need support following bereavement, divorce or illness, while another may already be financially secure.

Equality does not always have to mean treating everyone identically. What matters is thinking through your intentions and, where appropriate, helping your family understand them.

Starting the conversation

It may help to discuss:

- Why you want to help: Is there a particular goal or milestone you want to support?
- What would make the biggest difference: Rather than assuming what is needed, ask.
- What you can comfortably afford: Be honest about any limits around the support you can provide.
- Whether it is a one-off: Make clear whether further financial support should or should not be expected.
- Fairness within the family: Consider how gifts to different people fit together, particularly if needs differ.
- Any expectations you have: If you have strong views about how the money should be used, discuss them before giving.

You do not need to share every detail of your finances to have a useful conversation. The aim is simply to reduce the possibility of misunderstandings later.

More than a conversation about money

At its best, lifetime gifting brings together two sets of plans: those of the person who has built the wealth and those of the person who may benefit from it.

And sometimes the conversation itself can be valuable, even if no money changes hands immediately.

Giving may start with money, but making it work well often starts with a conversation.

Chapter 6
Closing the confidence gap

For many people, the desire to help is already there.

The challenge is not generosity. It is confidence.

Confidence that you can afford to give without affecting your own future. Confidence that you understand the tax implications. Confidence that the support will make a meaningful difference. And confidence that the decision feels right for both you and your family.

Our research found that 79% of respondents said knowing how much they could afford to give without affecting their future financial stability would make them more confident about gifting.

Closing that confidence gap does not necessarily mean deciding to give.

For some people, the right decision will be to make a gift now. For others, it may be to give gradually, wait until later or decide that their own financial needs need to come first.

What matters is moving from uncertainty towards an informed decision.



79% said knowing how much they could afford to give without affecting their future financial stability would make them more confident about gifting.

Eight steps to gifting with confidence

1 Define your purpose

Start by thinking about what you want the gift to achieve.

Whether you are helping with a first home, supporting education or easing financial pressure, a clear purpose can help shape the decisions that follow.

2 Check affordability

Before making any commitment, consider how the gift fits with your retirement plans, future spending and potential care needs.

A gift should support someone else's future without putting your own at risk. It can be helpful to consider different scenarios too, such as higher inflation, investment market downturns, increased care costs or the loss of a partner, and whether you'd still feel comfortable with the gift if circumstances changed.

Cash flow modelling with a professional adviser can help illustrate how different gifting decisions could affect your finances over time and how much you may be able to give while protecting your own future financial stability.

3 Explore your options

Giving does not have to mean one large lump sum.

Depending on your circumstances, support could take many forms, including outright gifts, regular contributions, gifts from surplus income, direct payments or a staged approach over time.

4 Understand the implications

Tax should not be the sole reason for making a gift, but understanding the rules can help you avoid unintended consequences and make more informed choices. Depending on how a gift is structured, keeping appropriate records may also be important for future inheritance tax purposes.

5 Start planning early

Major gifting decisions are often most effective when considered as part of longer-term retirement and estate planning rather than a last-minute decision. Changes to inheritance tax rules from April 2027 mean some families may wish to review how pensions, other assets and future gifting plans fit together.

6 Have the conversation

Talk openly with the person you want to help.

Understanding what would make the biggest difference, discussing expectations and agreeing the purpose of the support can help avoid misunderstandings later.

7 Consider the wider family

If more than one person may be affected, think about how the gift fits within the wider family picture.

Fairness does not always mean treating everyone identically, but it is helpful to consider how decisions may be perceived.

8 Take advice

Financial advice can help bring together retirement planning, investments, pensions, tax and estate planning into one joined-up conversation.

Among respondents who sought financial advice when making a significant gift, 76% said it made them more confident about their decision.

- Define your purpose
- Check affordability
- Explore your options
- Understand the implications
- Start planning early
- Have the conversation
- Consider the wider family
- Take advice

76% of those who took financial advice before offering a gift said it made them more confident about their decision.

The confidence gap is not closed by giving money.

It is closed by understanding your options, considering the implications and knowing that any decision you make has been properly thought through.

That decision may be to give now. It may be to give later. It may be to give differently. It may be not to give at all.

All of those can be positive outcomes.

Because successful gifting is not about giving as much as possible. It is about supporting the people you care about in a way that feels right for them, and sustainable for you.



Chapter 7

Did you know? Key gifting rules explained

Inheritance tax can be one of the more confusing aspects of lifetime gifting.

Several exemptions may allow you to pass on wealth without it being added to the value of your estate for inheritance tax (IHT) purposes, while other gifts may only become fully exempt if you survive for seven years after making them.

And while some gifting rules are relatively well known, our research suggests there are still significant gaps in understanding. Almost two thirds of people were aware of the seven-year rule, but fewer than half knew that certain regular gifts from surplus income may qualify for an inheritance tax exemption.

Understanding the rules should not necessarily drive your decision to give. But knowing what is available can help you make more informed choices and avoid unintended consequences.

£3,000: your annual gifting exemption

You can give away up to £3,000 each tax year without the gift being added to the value of your estate for inheritance tax purposes. If you do not use your annual exemption, you may be able to carry it forward to the following tax year.

You can give the full amount to one person or divide it between several people.

If you do not use your annual exemption, any unused amount can normally be carried forward to the following tax year. However, it can only be carried forward for one tax year.

Why it matters

For individuals and couples making regular gifts, understanding and making use of available exemptions can form part of a wider gifting strategy.

Did you know?

If you did not use any of your annual exemption in the previous tax year, you may be able to use both the current and carried-forward exemptions, allowing you to give away up to £6,000, provided the relevant conditions are met.



What our research found

60% knew there is an amount that can be given away each tax year without it counting towards an estate for IHT purposes.

Only **37%** knew that any unused exemption can only be carried forward for one tax year.

£250: small gifts can be exempt too

You can make gifts worth up to £250 per person each tax year to as many different people as you like. However, you cannot use the £250 small gifts exemption for someone who has already benefited from your £3,000 annual exemption or another gifting exemption in the same tax year.

The £250 limit applies to the whole gift. If you give someone more than £250, you cannot simply deduct £250 and apply the exemption to part of the gift.

Why it matters

For families who want to support children, grandchildren or other loved ones regularly, small gifts can be a simple and tax-efficient way of passing on wealth over time.

Wedding and civil partnership gifts

Separate gifting exemptions may be available if you are helping someone getting married or entering a civil partnership.

You can give up to:

- £5,000 to a child
- £2,500 to a grandchild or great-grandchild
- £1,000 to another person

The gift must be made on or shortly before the marriage or civil partnership and the relevant conditions must be met.

What our research found

Only 43% of respondents knew separate exemptions may apply to wedding or civil partnership gifts.

Why it matters

These exemptions are often overlooked despite being particularly relevant at a point in life when financial support can make a significant difference.

Regular gifts from income

One of the least understood but potentially most valuable gifting exemptions relates to gifts made from income.

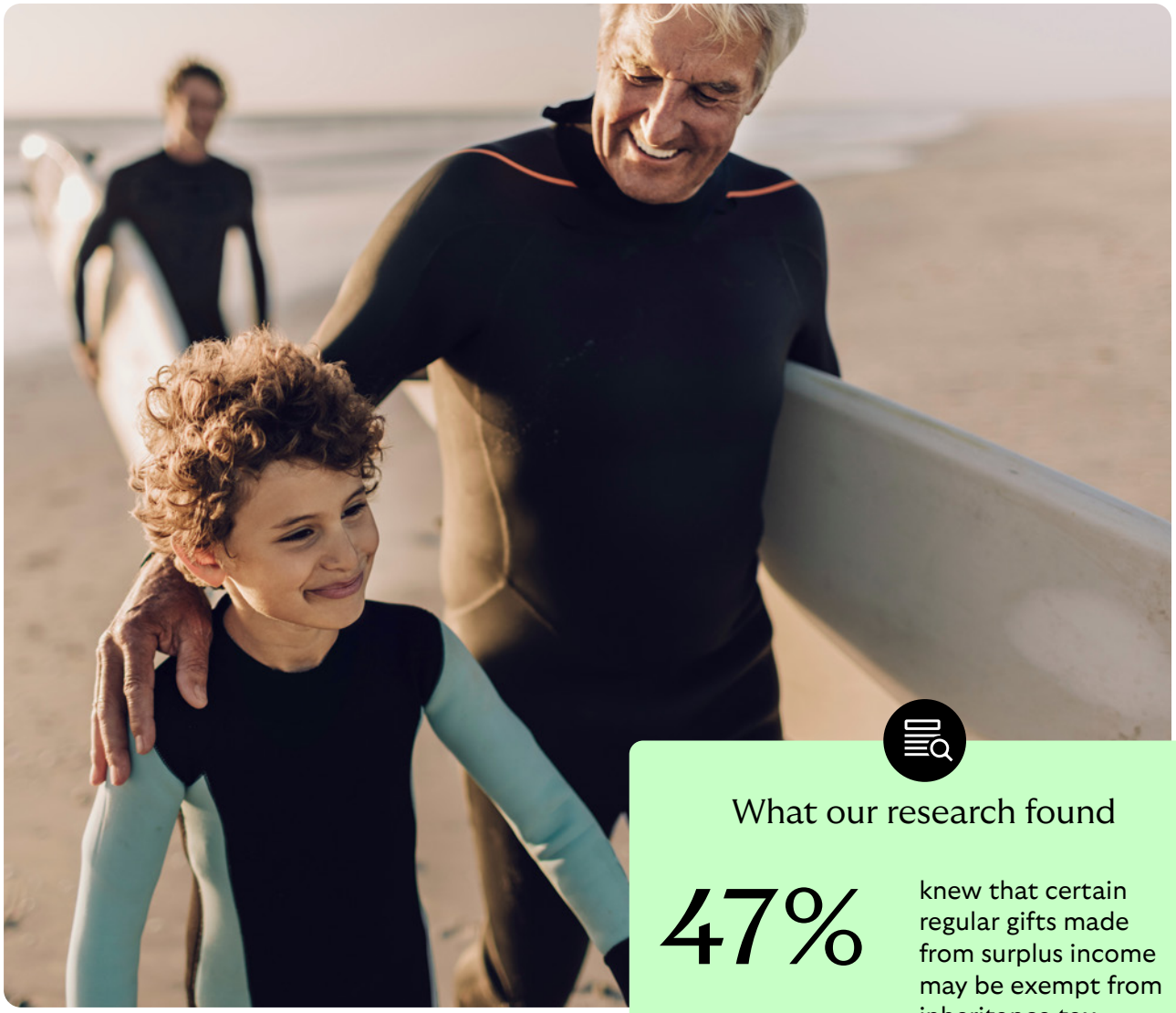
Certain gifts made as part of your normal expenditure may be exempt from inheritance tax provided they:

- form part of your normal expenditure
- are made from income rather than capital
- leave you with enough income to maintain your usual standard of living

Unlike the annual gifting exemption, there is no fixed monetary limit. Whether an exemption applies will depend on your income, expenditure and pattern of giving.

Why it matters

For some families, this can be one of the most valuable ways of passing on wealth during their lifetime while maintaining financial security. Because the exemption relies on demonstrating affordability and a pattern of giving, keeping clear records is particularly important. As claims are typically considered after death, maintaining evidence of income, expenditure and gifts made can help executors demonstrate that the exemption applies.



What our research found

47% knew that certain regular gifts made from surplus income may be exempt from inheritance tax.

The seven-year rule

Many gifts that are not covered by a specific exemption can become free from inheritance tax if you survive for seven years after making them.

If you die within seven years, the gift may still need to be taken into account when inheritance tax is calculated on your estate. Whether tax is due will depend on factors including the value and timing of gifts and the available inheritance tax thresholds. Some people choose to plan for this possibility as part of their wider financial and estate planning.

What our research found

65% knew that gifts may still be subject to inheritance tax if the giver dies within seven years, meaning around one in three were unsure or unaware.

Why it matters

The seven-year rule is one of the best-known gifting rules, but it is often oversimplified. The treatment of larger gifts can become more complex and may involve additional considerations. Professional advice can therefore be particularly valuable.

Different rules can apply

Not all gifts are treated in the same way for inheritance tax purposes.

Different rules may apply depending on who receives the gift and the type of asset involved. For example, gifts between spouses and civil partners are generally treated differently from gifts made to children or grandchildren, while gifts to qualifying charities may also benefit from specific exemptions.

For larger gifts, complex family arrangements or significant assets, professional tax, legal or financial advice may be appropriate.

Giving something away means really giving it away

An important rule to be aware of is that you generally cannot give an asset away while continuing to benefit from it as though it still belonged to you.

This is sometimes known as a "gift with reservation of benefit".

For example, giving your home to your children while continuing to live there without appropriate arrangements could mean the property remains part of your estate for inheritance tax purposes.

Why it matters

Property and other significant assets can involve additional tax and legal considerations. Professional advice is often particularly important before transferring assets of this type.

A gift isn't only cash

When people think about gifting, they often think about handing over money. However, for inheritance tax purposes, a gift can include:

- Cash
- Property
- Possessions
- Shares
- Assets sold for less than their market value

If an asset is transferred to a family member for less than it is worth, the difference between the market value and sale price may be treated as a gift.

Why it matters

Understanding what counts as a gift can help avoid unintended tax consequences when transferring valuable assets or helping family members in ways that do not involve cash.

"When people think about gifting, they naturally focus on the person they want to help and the difference the money could make. What is often overlooked is the importance of keeping a clear record of what has been given.

Years later, your family may need to understand when gifts were made, who received them and whether any inheritance tax exemptions applied. Without that information, it can be difficult to piece everything together.

I encourage clients to keep a simple record of any significant gifts, including the date, amount, recipient and, where relevant, the exemption they believe applies. For regular gifts made from income, it can also be useful to keep evidence that the gifts were affordable and formed part of normal expenditure.

It does not need to be complicated. A little organisation today can make things much simpler for the people dealing with your affairs in the future."



Ian Jones
Financial Planning Director

Hint: Keep a gifting record

Maintaining a simple record of gifts could make life much easier for your family in the future.

Where possible, record:

- Date of the gift
- Recipient and relationship to you
- Amount or asset transferred
- Purpose of the gift
- Whether it was a gift or loan
- Any exemption believed to apply
- Supporting information for regular gifts from income
- Any professional advice received

A little organisation today could make things significantly clearer for the people dealing with your estate in the future.

Chapter 8
Build your gifting plan

Giving during your lifetime can be incredibly rewarding. It is still worth taking time to consider how a gift fits with your family's needs and your own future.

There is no single formula for a good gifting plan. Use this checklist to work through the decisions that matter to you.

Start with your 'why'

What would you like the gift to achieve?

You may want to help with a first home, education, debt or the rising cost of everyday life. A clear purpose can shape the decisions that follow.

Work out what you can comfortably afford

Consider what you may need for your lifestyle, retirement, unexpected costs and possible care needs.

The aim is to help someone else without putting your own long-term financial stability at risk.

Decide when and how to give

One large gift is not the only option.

You could give smaller amounts over time, contribute towards a particular expense, make a direct payment or wait for a moment when the support could make a greater difference. Depending on your circumstances, you may also want to consider how much control you wish to retain over how the money is used.

Ask what would make the biggest difference

Try not to assume what kind of support would be most useful. A conversation may reveal that the recipient's priorities are different from what you expected.

Look ahead, not only at today

Think about how your income, spending and financial needs could change.

Cash flow modelling can help you explore possible scenarios and consider how a gift could affect your plans over time.

Think about the wider family

If you want to support more than one person, consider what fairness means to you.

It might mean giving everyone the same amount. It could also mean responding differently to people's individual circumstances.

Checklist continues

Understand the tax position

Consider which inheritance tax exemptions may apply and whether the gift could create other tax or legal implications.

Tax can be an important consideration, but it should be viewed alongside your wider financial, family and estate-planning objectives. For larger or more complicated arrangements, professional advice can help clarify the position before you act.

Review your wider financial plan

A gifting decision should not sit in isolation.

Consider how it fits with your pensions, savings, investments, retirement plans and wider estate planning.

Remember to keep good records

Record what you gave, to whom and when.

Where relevant, note the exemption being used and retain supporting information. Many inheritance tax exemptions are assessed when your estate is administered after death, so good record-keeping can make matters considerably easier for the people dealing with your estate and help demonstrate that the relevant conditions have been met.

Give yourself permission to change your mind

Planning does not have to end with a gift.

You may decide to give less, wait or retain the money for your own needs. A strong gifting plan is one that works for both generations.

A financial gift can mean different things to each generation.

For the person giving, it can be an opportunity to see their wealth make a difference. For the person receiving, it can open the door to something that might otherwise have felt out of reach.

With an open conversation and careful planning, both sides can feel more comfortable about what comes next.



Chapter 9
The next step is yours

Passing on wealth is about much more than moving money from one generation to another. It is about what that money could make possible for the person giving it and the person receiving it.

Our research shows that the desire to help is strong. But good intentions do not always make the decisions easy.

There may be questions about affordability, timing, tax, fairness and family relationships. There may also be understandable emotions attached to giving or receiving significant financial support.

The good news is that you do not need to have all the answers immediately.

An open conversation can be a good place to start. From there, understanding your options, looking ahead and considering how a gift fits into your wider financial position can help everyone involved make a decision that feels right.

The aim does not have to be to give as much as you can, as soon as you can.

It is about finding an appropriate balance between supporting the people you care about and preserving the financial future you have worked hard to build.

Bringing your plan together

A well-considered gift begins with understanding:

- What you want it to achieve.
- What the other person needs.
- What you can comfortably afford.
- How the gift could affect your future.
- What tax or legal implications may apply.
- How it fits with the needs of the wider family.

An honest family conversation, supported by careful financial planning, can help you decide whether to give, how much to give and when your support could make the greatest difference.

We're here to help

If this report has prompted you to think differently about passing on wealth, a financial adviser can help you explore what giving could mean for you and your family.

We can help you consider:

- The amount you may be able to afford.
- How different approaches could affect your plans.
- How a gift fits with your retirement, pension and estate planning.
- Whether now is the right time to act.

The decision remains yours. Our role is to help you weigh your options and make it with confidence.

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About our research

Lloyds Wealth commissioned Attest to survey **2,250 UK adults in August 2026** about their experiences, attitudes and confidence around giving and receiving financial support.

Their responses provide the insights and statistics featured throughout this report, helping us understand what encourages families to pass on wealth, what can hold them back and what it feels like to be on either side of the gifting conversation.

Important information

The ideas in this report are designed to help you think about your options rather than provide personal financial advice. What is right for you will depend on your individual circumstances.

Fees, charges and eligibility criteria apply at Lloyds Wealth.