Comparison between Business Relief and other estate planning solutions

	Business Relief	Gifts / PETs (Potentially Exempt Transfers)	Trusts	Life Assurance	Pensions	Charitable Giving
Timeframe	2 years from the acquisition date of the shares*	Some gifts are exempt, others may be subject to taper relief between years 3 and 7 from the gift	7 years	As soon as the policy is in place	As soon as funds are inside the pension as long as annual limits aren't breached	For a lifetime gift, as soon as the gift is made. For other gifts, on death as long as the gift is in the will
Implementation and Ongoing Administration	Relatively simple	Specialist advice is highly recommended	Requires relatively complex legal structures. Specialist advice is highly recommended	Depends on age and health status - can be restrictive	Depends on pension arrangements. Specialist advice is highly recommended	Simple, but estate value/will must be understood
Costs	Varies, up to 3% initial fee and 1 - 3% ongoing AMC	Low, but there will be a charge for the advice	Varies, standard insurance company trusts are available free. But bespoke trusts will have solicitors fees which can be costly. For both, further costs will vary depending on investments chosen and any other services required e.g. ongoing advice.	Monthly premium or lump sum - will vary depending on sum assured, age & health	Varies, around -2% ongoing AMC plus transaction costs and taxes if the pension fund buys & sells plus cost of advice	Varies, professional valuation of estate, cost of advice and ongoing will updates are to be considered
Investment Risk	FCA considers investments into BR-qualifying shares as high risk, but risks across individual BR investments do vary depending on underlying assets/investment sector and maturity of investments	None	Depends on how assets are invested	A whole of life policy will likely have investment activity so risk will vary by policy	Depends on how the assets are invested, but likely to have equity investment risk	None
Liquidity	Between <14 days and three months in normal market conditions, depending on the service. Not guaranteed	None - access and control is lost	Some access and control can be retained depending on trust structure used	Can cancel the policy, subject to costs	Access restricted until age 55 (57 from 2028 for most people)	Can rewrite will at any time
Potential Rate of Relief from IHT	50% or 100% (subject to minimum holding period)	100% (after 7 years)	Can be 100%, depending on the structure (after 7 years)**	No relief - the IHT liability is paid using the sum assured	100% immediately, but 40% if capital left in pension on death	IHT on estate reduced by 10% (to 36%) if 10% of estate is left to charity

* The nature of the business carried on does not need to be the same throughout the two-year period, but there must have been a business throughout that period.

** Discretionary Trusts may have periodic and exit IHT charges depending on value.