Using Aviva Savings Plan to fund for gift tax

Savings Plan Section 73

The lifetime transfer of an asset to your child (or other beneficiaries) may give rise to a gift tax liability for the beneficiaries. Talk to your financial adviser today about endorsing an Aviva Savings Plan policy under section 73 of Capital Acquisitions Tax Consolidation Act (CATCA) 2003.

The Aviva Savings Plan policy is approved by the Irish Revenue Commissioners ("Revenue") for the purposes of section 73 CATCA and offers the benefit of being able to fund for a future gift tax liability for your children (or other beneficiaries), provided certain qualifying Revenue conditions are met.

The benefit of using the Aviva Savings Plan policy to fund for a future gift tax liability is that if the qualifying conditions are met, the proceeds of the policy (to the extent used to pay the gift tax liability of the beneficiary) are exempt from CAT and will not increase the gift tax liability of the beneficiary.

Savings Plan Section 73

What is a Section 73 policy?

Section 73 of CATCA 2003 provides for an exemption from Capital Acquisitions Tax (CAT) for the proceeds of certain insurance policies taken out specifically to pay CAT arising on future gifts made by the policy holder(s) during his or her lifetime.

Who takes out this policy?

The person(s) giving the gift takes out the policy; they are also the owner(s) of the policy. If you wish to endorse your policy under section 73 of CATCA 2003, the lives assured and the policyholder must be the same person(s). Joint applicants must be spouses or civil partners.

What happens if I no longer wish to use the policy for gift tax relief?

You are under no obligation to use the proceeds of your Aviva Savings Plan policy that has been endorsed under section 73 of CATCA 2003 for the payment of gift tax. It is simply an option available if all Revenue qualifying conditions have been complied with.

What if I act outside of the qualifying conditions of section 73?

If you act outside of the qualifying Revenue conditions the policy will cease to be in a form approved by the Revenue, and you will not be entitled to avail of section 73 relief. If you transfer the proceeds of a policy, that no longer qualifies for section 73 relief, then this will increase the beneficary's gift tax liability.

Does exit tax apply to my Savings Plan endorsed under section 73?

Yes, all tax deductions will be made automatically from the policy, at the prevailing rate for life assurance policies, currently 38% (January 2026).

How long do I have to fund my policy to qualify for section 73 relief?

You must pay premiums into your policy for a minimum of 8 years. If annual premiums cease to be paid in the first 8 years, the policy will cease to be in a form approved by Revenue for the purposes of section 73 relief.

Once I encash my policy, what happens next?

If you wish to use the proceeds of your policy for section 73 relief, you have one year to pay the gift tax liability. The gift should be made as soon as possible after the policy proceeds have been encashed. The proceeds of an Aviva section 73 Savings Plan policy will not qualify for relief on the payment of inheritance tax.

Can an existing savings policy become a section 73 policy?

No, you must take out a new policy. To qualify for section 73 relief, the policy must be specifically endorsed under section 73 of CATCA 2003 from the date of commencement.

What happens if I die before the minimum 8-year term?

If you die before the minimum 8-year term or before the gift tax liability is paid then the proceeds of the policy will form part of your estate.

Is the Aviva Savings Plan endorsed under section 73 right for me?

Yes – Aviva Savings Plan policy, endorsed under section 73 is the right option for you if:	**No** – Aviva Savings Plan policy, endorsed under section 73 is not the right option for you if:
• You are looking to fund for a future gift tax liability for your children (or other beneficiaries) after an 8-year period. • You are comfortable that you will be able to continuously pay the premium over an 8-year period. • You understand the qualifying conditions set out below and are comfortable in proceeding.	• You do not intend to transfer an asset or need to fund for future owing gift tax. • You are uncertain if you will be able to be continuously pay the premium over an 8-year period. • You do not understand the qualifying conditions and are uncomfortable in proceeding.

Revenue Qualifying conditions for availing of relief under section 73 of CATCA 2003

- The policy must be in a form approved by Revenue. The Aviva Savings Plan policy is in a form approved by Revenue for the purposes of section 73 CATCA.
- The life insured and policy holder must be the same person. Jointly owned policies will only qualify for endorsement under section 73 where the joint owners are a married couple or registered civil partners.
- The policy must specify that it has been effected under section 73 from the outset of the policy. You cannot add the endorsement to an existing policy.
- Premiums must be paid annually (including a derivative of an annual premium such as quarterly or monthly premiums) for a minimum of 8 years. If annual premiums cease to be paid in the first 8 years, the policy proceeds will no longer qualify for section 73 relief.
- A policy will cease to be in a form approved by Revenue where:
    - The net[1] premium paid in any continuous 12 month period is less than 50% of the net premium paid in any other continuous 12 month period, or is less than 50% of the annual premium paid in the first continuous 12 month period of the policy. If you encash your policy before the 8th anniversary you will not qualify to use the policy for gift tax relief.
- The premiums of the policy must be paid by the policy holder.
- On encashment, if Revenue qualifying conditions have been adhered to, the policy proceeds will be exempt from gift tax when used to pay gift tax on a lifetime gift made within one year of the policy being encashed.
- Any proceeds of a section 73 policy which are gifted but not used to pay gift tax will be treated as an additional gift *and will be subject to CAT.*

1. Net premium means the annual premium in any continuous twelve-month period less any benefit received from the policy e.g. a partial encashment.

The above is a summary only and you should refer to the Revenue CAT Manual (available at www.revenue.ie/en/tax-professionals/tdm/capital-acquisitions-tax/cat-part15.pdf) for up to date and complete details of the Revenue qualifying conditions for section 73 CATCA relief.

It is the responsibility of the policyholder to ensure the Revenue qualifying conditions are met in order to avail of the relief under Section 73 of CATCA 2003. Before making any changes to your policy please contact your financial adviser.

Find out more:

Your Financial Broker will help you decide if a **Savings Plan Section 73 policy** is right for you. Talk to them today, and for more information, visit **www.aviva.ie**.

The funds referred to in this document may be linked to an insurance-based investment product and the Key Information Document (KID) for this product is available at www.aviva.ie/KIDs. The Risk Ratings of the funds referred to in this document differ from the corresponding Summary Risk Indicators shown in the KID.

Warning: The value of your investment may go down as well as up.
Warning: If you invest in this product you may lose some or all of the money you invest.

The information provided is accurate at the time this brochure was created in March 2026. You should not base your decision to invest solely on the information in this document. You should seek professional tax and legal advice to satisfy yourself of your own tax position. The information given is a guideline only.

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