

Offshore Bond – Personal Allowance Planning for non- taxpayers

All details are input in Light Blue boxes

1. Input client's name, income, & rate the PA increase each year

INFORMATION	
Name of client	Mr X
Income	0
Personal Allowance increase p.a	2.00%

2. Input investment amount , if client taking 5% withdrawal & expected net growth rate

Initial investment	100,000
Take 5% withdrawals?	Yes ▼
Net Growth rate p.a	5.00%

3. Input year when cash in

Cashed in at end of year:	10 ▼
---------------------------	------

1) Taking withdrawals of 5% only		
Withdrawal in year 1		£5,000
Total withdrawals		£45,000
Cash-in value		£105,000
Chargeable gain at cash-in		£50,000
Year	Value at start	Amount withdrawn
1	£100,000	£5,000
2	£100,000	£5,000
3	£100,000	£5,000
4	£100,000	£5,000
5	£100,000	£5,000
6	£100,000	£5,000
7	£100,000	£5,000
8	£100,000	£5,000
9	£100,000	£5,000
10	£100,000	£105,000

Situation if taking the 5% withdrawals or not. It shows

- Total withdrawals taken
- Cash in value
- Chargeable gain

2) Taking 5% withdrawals of initial investment Plus PA + Starting Rate Limit + PSA & Reinvest excess above 5% of initial investment			
Withdrawal in year 1 *			£5,000
Total withdrawals*			£45,000
Cash-in value			£105,000
Chargeable gain at cash-in			£0
(net of reinvestment)	Amount reinvested	Value at start (after any reinvestment)	Amount withdrawn
		£100,000	£23,570
	£18,570	£100,000	£23,570
	£18,570	£100,000	£23,570
	£18,570	£100,000	£23,821
	£18,821	£100,000	£24,078
	£19,078	£100,000	£24,339
	£19,339	£100,000	£24,606
	£19,606	£100,000	£24,878
	£19,878	£100,000	£25,156
	£20,156	£100,000	£105,000

Situation if withdraw all 5% and PA. Then with the excess above required Income is reinvested. Shows reduced Chargeable Gain

3) Taking 5% of initial and reinvested amount Plus PA + Starting Rate Limit + PSA & Reinvest excess above 5% of total amount invested			
Withdrawal in year 1 *			£5,000
Total withdrawals*			£78,875
Cash-in value			£84,990
Chargeable gain at cash-in			£0
(net of reinvestment)	Amount reinvested	Value at start (after any reinvestment)	Amount withdrawn
		£100,000	£23,570
	£18,570	£100,000	£24,499
	£18,570	£99,072	£25,427
	£18,570	£97,168	£26,607
	£18,821	£94,241	£27,804
	£19,078	£90,226	£29,020
	£19,339	£85,057	£30,254
	£19,606	£78,663	£31,506
	£19,878	£70,968	£32,778
	£20,156	£61,895	£84,990

Situation if withdraw all 5% and PA. All 5% withdrawal taken, and just the Personal Allowance then reinvested. Shows reduced Chargeable Gain