

# Relevant Life Policy

All details are input in Light Blue boxes

1. Input name of client, and Select taxpayer status.

Name	Mr X
Taxpayer in?	UK (Exc Sco

2. Input contribution/premium, & Select whether this would be paid from client's dividend income.

Contribution	100.00
Paid from Divis? (1)	No

Assumes 19% Corporation Tax.

Corporation tax rate	19%
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3. Select employee's rate of Income Tax

Employee taxpayer	Basic
Employee tax rate	20.00%

Depending upon Employees Income Tax selected, and whether contribution Paid from dividends, will show;

- Employees Income Tax rate
- Employees rate of NI
- Employers rate of NI

National Insurance (2)	8.00%
Employers NI rate	13.80%

	Employee owned Ordinary life policy	Employer owned Relevant Life Policy
Contribution	£100.00	£100.00
Employee Income Tax	£27.78	
Employee NI	£11.11	
Gross Income	£138.89	
Employer NI	£19.17	
Gross cost to Employer	£158.06	£100.00
Corporation Tax relief	£30.03	£19.00
Net cost to Employer	£128.02	£81.00
Total saving of		£47.02 36.7%

**If employee owns life policy.**  
Shows net cost to employer of providing sufficient net income to the employee to effect policy.

**If employer owns Relevant Life Policy.**  
Shows net cost to employer of providing policy.  
And total saving.