

Investment Bond Summary

This page will show calculation for;
 • Full Surrender, and
 • Part Surrender if all the investment is not being surrendered

Shows details of individual (client/spouse) to whom tax calculation applies

Shows individual income tax liability excluding the surrender of the bond

Shows Chargeable Gain & Top-Slice Chargeable Gain on bond surrender

TFP understanding of the calculation of Top Slicing Relief as outlined in part 3840 of the Insurance Policyholder Taxation Manual (IPTM)

Shows individual income tax liability including the surrender of the bond

Additional tax that client will have to pay as a result of investment bond surrender

| | |
|-------------------------|------------|
| Name | Mr |
| Date of Birth | 25/09/1948 |
| Non-Savings Income | £48,000 |
| Plus Buy To Let income? | No |
| Rental Income | £0 |
| Mortgage Interest | £0 |
| Interest | £0 |
| Gross Dividend income | £0 |
| Total income (note 4) | £48,000 |
| Gross Pension cont. | £0 |
| Gift Aid | £0 |
| Date of Surrender | 01/12/2020 |

| | FULL SURRENDER | PART SURRENDER |
|--|----------------|----------------|
| Total Tax excluding Onshore Bond investment | £7,100.00 | £7,100.00 |
| Bond Chargeable Gain | 50,000.00 | N/A |
| Bond Top-Sliced Gain | 10,000.00 | N/A |
| Top Slicing Relief as outlined in IPTM 3840 | | |
| Step 1 | | |
| Calculate total taxable income for the year | 85,500.00 | N/A |
| Total Tax liability | 28,600.00 | N/A |
| Step 2 | | |
| Calculate total tax due on gains across all tax bands | 19,500.00 | N/A |
| Deduct basic rate tax treated as paid | 10,000.00 | N/A |
| | 9,500.00 | N/A |
| Step 3 | | |
| Calculate Annual Equivalent of gain | 10,000.00 | 0.00 |
| Step 4 | | |
| Calculate individuals tax liability on Annual Equivalent | 3,500.00 | N/A |
| Deduct basic rate tax treated as paid | 2,000.00 | N/A |
| | 1,500.00 | N/A |
| x N | 7,500.00 | N/A |
| Step 5 | | |
| Deduct Step 4 from Step 2 to give top slicing due | 2,000.00 | N/A |
| Total Tax including Onshore Bond investment | 28,600.00 | N/A |
| Deduct Top Slicing Relief | 2,000.00 | N/A |
| Deduct Notional Tax | 10,000.00 | N/A |
| Actual Tax due for the Year | £14,600.00 | N/A |
| Difference results in tax to pay on Bond (includes any additional tax as result of reduced Personal Allowance) | £7,500.00 | N/A |