

# 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

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

3. Input year when cash in

INFORMATION	
Name of client	Mr X x
Income	0
Personal Allowance increase p.a	3.00%
Initial Investment	100,000
Take 5% withdrawals?	Yes
Net Growth rate p.a.	5.00%
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	
<b>Chargeable gain at cash-in</b>	<b>£50,000</b>	
Year	Value at start	Amount withdrawn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
11	£0	£0
12	£0	£0
13	£0	£0
14	£0	£0
15	£0	£0
16	£0	£0
17	£0	£0
18	£0	£0
19	£0	£0
20	£0	£0
21	£0	£0

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	
<b>Chargeable gain at cash-in</b>	<b>£0</b>	
*(net of reinvestment)		
Year	Amount reinvested	Value at start (after any reinvestment)
1	£23,875	£100,000
2	£24,261	£100,000
3	£24,659	£100,000
4	£25,089	£100,000
5	£25,491	£100,000
6	£25,928	£100,000
7	£26,373	£100,000
8	£26,835	£100,000
9	£27,310	£100,000
10	£27,810	£100,000
11	£0	£0
12	£0	£0
13	£0	£0
14	£0	£0
15	£0	£0
16	£0	£0
17	£0	£0
18	£0	£0
19	£0	£0
20	£0	£0
21	£0	£0

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*	£80,672	
Cash-in value	£82,915	
<b>Chargeable gain at cash-in</b>	<b>£0</b>	
*(net of reinvestment)		
Year	Amount reinvested	Value at start (after any reinvestment)
1	£23,875	£100,000
2	£25,205	£100,000
3	£26,568	£99,056
4	£27,959	£97,102
5	£29,384	£94,068
6	£30,843	£89,878
7	£32,337	£84,454
8	£33,867	£77,713
9	£35,434	£69,565
10	£62,915	£59,919
11	£0	£0
12	£0	£0
13	£0	£0
14	£0	£0
15	£0	£0
16	£0	£0
17	£0	£0
18	£0	£0
19	£0	£0
20	£0	£0
21	£0	£0

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

- Total withdrawals taken
- Cash in value
- Chargeable gain

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

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