For professional advisers only.

It’s not just pensions that can accept regular payments. When you need to offer your clients a way to save regularly without worrying about pension restrictions and still offer a range of investment options then we have the answer.

Why a Standard Life offshore bond and recurrent single payment?

Your clients can make payments into our offshore bond on a monthly, quarterly, half-yearly and annual basis by direct debit. These can be made in addition to any single payments and can be added to existing bonds. This is becoming popular as it meets a range of different needs whether it’s to:

- support retirement planning
- manage educational costs in a tax-efficient way, or
- simply allow regular saving into a range of investment options

The recurrent single payments can be invested with different investment instructions from single payments if required.

This feature won the International Adviser award for ‘Best Regular Premium Investment Product’ for six years running (2011 to 2016).

What are the payment levels?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Minimum amount when paid with £20,000 single or into an existing bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly</td>
<td>£1,000</td>
</tr>
<tr>
<td>Quarterly</td>
<td>£3,000</td>
</tr>
<tr>
<td>Half-yearly</td>
<td>£6,000</td>
</tr>
<tr>
<td>Yearly</td>
<td>£10,000</td>
</tr>
</tbody>
</table>

How can recurrent single payments benefit your client?

- The ease of automated payments using direct debit
- Flexibility to stop/start and increase/decrease payments at any time
- Access to a wide range of investment including insured funds, mutual funds, Discretionary Investment Managers and Deposit Accounts
- Option to have separate investment instructions for the recurrent single payments from any single payments
- Ability to help control income tax and inheritance tax liability
- Retirement planning
- Education costs planning
Offers high earners an attractive solution to the changes in pension legislation

The restrictions applied to pension payments are starting to affect more people who want to maintain a high level of regular retirement savings so clients may want to explore other tax-efficient options. Using an offshore bond also allows clients to withdraw their money whatever their age.

Here’s an example of how a client who wants to save £250k could take advantage of an offshore bond to maintain their retirement investment levels.

<table>
<thead>
<tr>
<th>Pension</th>
<th>£40,000* (gross)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISA</td>
<td>£20,000</td>
</tr>
<tr>
<td>Offshore bond</td>
<td>£190,000</td>
</tr>
</tbody>
</table>

Pension and ISA allowance amounts are based on the maximum limits for tax year 2018/2019.

*The standard annual allowance of £40,000 may be reduced (‘tapered’) by £1 for every £2 of ‘income’ over £150,000 in a tax year until the allowance reaches £10,000.

Managing education costs

With university fees and the costs of private education, more clients may be looking for regular savings solutions that allow access to their money at the right time.

Assigning segments

For example, a client could invest £20,000 as a single payment (the minimum required to set up the bond) and set up recurrent single payments of £500 per month for five years. This could help cover some of the costs of education. For greater tax-efficiency, when the child turns 18, your client could assign segments to that value to them.

The child can cash-in their segments as needed. The money would be free of tax as long as the gain on the amount cashed-in, allowing for any income received, is still within their personal allowance. Offshore Bond gains can also be offset against savings allowance and personal saving allowance.

Assigning from a parent to an adult child may also help to reduce inheritance tax liability if it’s for maintenance and education purposes as the transferred amount would be treated as if it were outside the parent’s estate. The child would need to be in full-time education for this to apply and the assignment would have to be made before 6 April in the last year of the child’s course. While the bond owner retains overall control, we’ll allow each segment to have its own investment strategy to meet the needs of the owner of that segment.

Flexibility for younger clients

Some clients shy away from saving in pensions simply because the money is locked in until they’re 55. And high earners can quickly max out their ISA allowance. Our offshore bond offers:

- a wide range of investments
- the opportunity to make recurrent single payments
- and the option to make withdrawals if needed without any age restriction

How can it benefit you?

- Works for a range of clients
- Allows clients to maintain retirement savings levels if they are affected by the restrictions applying to pensions
- Able to complete quotes easily online

Please note that no guarantees are given regarding the effectiveness of any arrangements entered into on the basis of this content.

Complete a quote online today

For more information on tax planning and offshore bond recurrent single payments visit www.adviserzone.com/tax