

Financial Illustration

Prepared for:

Mr & Mrs Jones



The front page can be tailored with your own logo and footer specifications

Prepared by:

Mr PPOL REMOTE DEMO
Independent Financial Adviser

PPOL

Caradoc House
Abbey Foregate
Shrewsbury
Shropshire
SY2 6AP

Capital Gains Tax Couple Planner Illustration

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The illustration shows the liability for Capital Gains Tax (CGT) on gains from any relevant assets you have sold or plan to sell in the tax year. The calculation considers your other income and any losses carried forward from previous years, if applicable. The gain is usually the difference between what was paid for and the amount realised when sold or disposed of.

Transfer between spouses is currently exempt from CGT. This means that assets can be transferred between husband and wife or civil partners so that both annual CGT allowances may be used. The transfer must be a genuine, outright gift.

CGT calculator

Mrs & Mrs Jones would like to raise £30,000 from their investments to contribute towards their son's new home

Capital Items Sold in Tax Year by Mr Jones

| Item | Cost | Proceeds | Gain or (Loss) |
|--------------|---------------|---------------|----------------|
| Friends OEIC | £15000 | £23000 | £8000 |
| Shares | £10000 | £20400 | £10400 |
| Total | £25000 | £43400 | £18400 |

Capital Items Sold in Tax Year by Mrs Jones

| Item | Cost | Proceeds | Gain or (Loss) |
|--------------|---------------|---------------|----------------|
| Shares | £15000 | £19000 | £4000 |
| Total | £15000 | £19000 | £4000 |

Capital Gains Tax (CGT) Summary

| | Mr Jones | Mrs Jones |
|---------------------------------|----------|-----------|
| Total Gain | £18400 | £4000 |
| Previous Losses carried forward | £0 | £0 |
| Other Gross Taxable Income | £28000 | £12000 |
| CGT Allowance | £11100 | £11100 |
| Personal Allowance | £10600 | £10600 |
| Basic Rate Tax Band | £31785 | £31785 |
| Total Taxable Gain | £7300 | £0 |
| Basic Rate Taxable Gain | £7300 | £0 |
| Basic CGT @ 18% | £1314 | £0 |

The table colours and style can be determined by you, allowing customisation and look to reflect your personal or corporate preferences

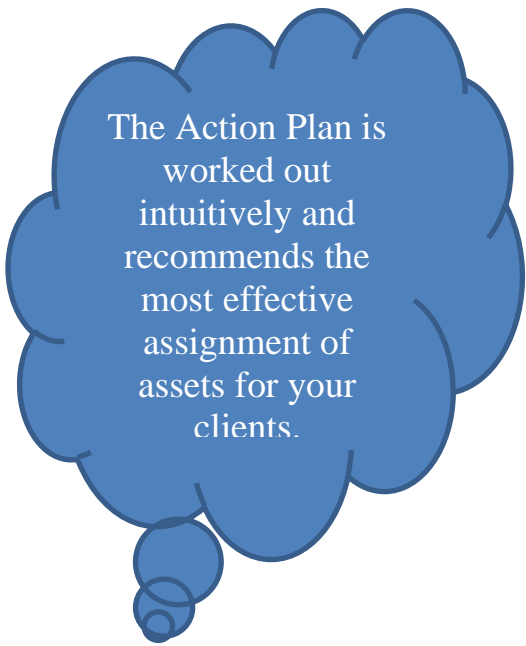
| | | |
|--------------------------|--------------|----|
| Higher Rate Taxable Gain | £0 | £0 |
| Higher CGT @ 28% | £0 | £0 |
| Total CGT | £1314 | £0 |
| Joint Total CGT | £1314 | |

Action Plan

Transfer £7100 of Gain from Mr Jones to Mrs Jones.

Result

| | Mr Jones | Mrs Jones |
|--------------------------|--------------|-----------|
| New Total Gain | £11300 | £11100 |
| Total Taxable Gain | £200 | £0 |
| Basic Rate Taxable Gain | £200 | £0 |
| Basic CGT @ 18% | £36 | £0 |
| Higher Rate Taxable Gain | £0 | £0 |
| Higher CGT @ 28% | £0 | £0 |
| Total CGT | £36 | £0 |
| Joint Total CGT | £36 | |
| Saving | £1278 | |



Notes

- The calculations may differ if the valuations of the assets change between when assumed to when surrendered.

To maximise tax efficiency I will draw up assignment letters for you to transfer ownership of assets.

Appendix

Personal Details

Client 1 is Mr Jones date of birth 16 / 04 / 1964.

Client 2 is Mrs Jones date of birth 28 / 10 / 1960.

Capital Gains Tax

Capital Gains Tax (CGT) is chargeable on the gains arising from the disposal of certain assets in a tax year. The tax is charged at a flat rate of 18% for basic rate and non-tax payers and 28% for higher and additional rate tax payers.

Each gain is calculated by subtracting the purchase cost from the disposal proceeds. Any losses made in the same tax year are offset against the total gains, as are any losses carried forward from the previous year, thus arriving at the net chargeable gain. If the net chargeable gain is less than the Capital Gains Tax Allowance (£11,100 for the 2015/16 tax year) there will be no tax to pay.

Please note

- A married couple or civil partners each have their own annual CGT Allowance and their tax is calculated separately
- A transfer of assets between a married couple or civil partners does not raise any tax liability and may be used to shift capital gain to reduce overall CGT liability
- Any unused income tax personal allowance cannot be used against Capital Gains Tax
- The annual CGT Allowance cannot be rolled forward to the next tax year if it is not used
- The costs of buying and selling can be deducted from any gain