INVESTMENT BOND · OFFSHORE · TAX YEAR 2025/26

SAMPLE — NOT A CLIENT RECORD

Top-slicing relief analysis

A. Sample (fictional sample client)

CLIENT REFERENCE	TAX YEAR	BOND	PREPARED
SAMPLE	**2025/26**	**Offshore · non-UK insurer**	**1 October 2026**

NET ADDITIONAL TAX DUE

£12,000.00

After top-slicing relief. No basic-rate credit is deducted from the final tax payable. Report through Self Assessment.

TOP-SLICING RELIEF
£8,846.00

CHARGEABLE GAIN
£60,000.00
N = 6 complete years

TAX ATTRIBUTABLE TO THE GAIN
£8,846.00

ANNUAL EQUIVALENT
£10,000.00

Tax with gain after relief **£16,486.00** − tax without the gain **£4,486.00** = net due **£12,000.00**

- ✓ **No time-apportioned reduction** — assumed for this worked example: none is due. TAR is not calculated.
- ✓ **No annual deemed PPB gains** — assumed for this worked example: none are included; such gains have no top-slicing relief (IPTM7560).
- ✓ **Income tax treated as paid** — No, assumed for this worked example.

1 · Top-slicing relief working

HMRC IPTM3820

STEP	WORKING	AMOUNT
	Chargeable event gain (before any TAR) Realised at the chargeable event · IPTM3500	£60,000.00
	Complete years held (N) Complete 12-month periods from commencement to the event · IPTM7560	6
1	Tax with the full gain in income — tax payable After beneficial personal-allowance allocation · no basic-rate credit (offshore) · carried to the Net tax liability section	£25,332.00
1	Step 1 of the relief calculation HMRC MTR Stage 17 · Step 2 plus gain tax after the deemed basic-rate credit of £12,000.00 (offshore restricted credit for relief only)	£13,332.00
2	Tax without the gain	£4,486.00
	Tax attributable to the gain (relief Step 1 − Step 2)	**£8,846.00**
3	Annual equivalent (£60,000.00 ÷ 6)	£10,000.00
4	Tax on the slice, after the deemed basic-rate credit for relief only PSA recalculated for the slice: £1,000.00 (full gain: £500.00) · SRB £0.00 (full gain: £0.00)	£0.00
4 × N	Relieved liability (£0.00 × 6)	£0.00
5	**Top-slicing relief (£8,846.00 − £0.00)**	**£8,846.00**

ⓘ Step 1 is shown twice because tax payable and the relief calculation are worked out on different bases. Offshore tax payable has no basic-rate credit; the restricted credit applies only within the relief working. Steps 2 to 5 follow the relief basis.

PSA AND SRB — FULL GAIN AND NOTIONAL SLICE

ALLOWANCE	FULL-GAIN CALCULATION (STEP 1)	NOTIONAL SLICE (STEP 4)
Personal savings allowance (PSA)	£500.00	£1,000.00
Starting-rate band (SRB)	£0.00	£0.00

SAMPLE

2 · Net tax liability

LIABILITY	AMOUNT
Tax with the gain, after relief (Step 1 – Step 5)	£16,486.00
less: tax without the gain Other income alone, with the personal allowance the gain did not withdraw	£4,486.00
Net additional tax due to HMRC	**£12,000.00**

For planning and illustration purposes only. Verify all inputs against source documents. This tool does not constitute financial or tax advice.

SAMPLE