

# Helping to 'Future-Proof' Financial Adviser recommendations



## Clients in their 30's. Young children

- ◆ The HSBC Life Onshore Bond is open architecture so the full range of risk profiles & investment objectives can be accommodated
- ◆ No Capital Gains Tax or tax returns to worry about
- ◆ Potential school fees planning opportunities
- ◆ Appointing children (or grandchildren) as lives assured means bonds can continue post settlor(s) death. This provides executors with flexibility to continue with the bond by appointing a new owner or distribute assets in line with the wishes of the deceased client by encashment or assignment
- ◆ Regular savings can be facilitated through bond top-ups

## Clients in their mid-50's. Retirement beckons!

- ◆ The HSBC Life Onshore Bond is open architecture - so investment strategy can be altered to meet changing client requirements
- ◆ Bond segments can be assigned to help children meet the cost of university fees/house deposit etc
- ◆ If clients are working less hours, tax-efficient onshore bond withdrawals can be switched-on to supplement income
- ◆ Pension planning - an onshore bond can provide an accessible savings route for excess income or a different investment strategy

**The HSBC Life Onshore Bond can potentially be used to meet the changing financial needs of clients as they progress through life**



## Clients have passed away. What happens next?

- ◆ If the bond has additional lives assured then it can continue after the bond owner dies. This provides executors with flexibility in distributing assets in line with the wishes of the deceased client
- ◆ If a trust(s) is in place then Inheritance Tax-free distributions (as per deceased client wishes) are possible
- ◆ Bond ownership passes to beneficiaries via trustees



## Retired clients. Looking ahead

- ◆ 5% tax-deferred withdrawals can help clients utilise available basic rate tax band(s) and supplement pension income
- ◆ With the HSBC Life Onshore Investment Bond up to 10% regular withdrawals can be taken providing greater income flexibility for basic rate taxpayers
- ◆ Bond segment surrenders or assignments can be used to provide financial support for family members
- ◆ Onshore bonds can be placed in trust as part of an Inheritance Tax planning strategy
- ◆ No tax returns to worry about

## Important

For professional advisers only – not for use with clients.

The value of investments can go down as well as up, meaning investors may not get back the amount of their original investment.

Most investments should be viewed as a medium to long term commitment.

All projection figures shown in this presentation are examples only and are not guaranteed. They are not minimum or maximum amounts.

The impact of taxation (and any tax reliefs) depends on an investor's individual circumstances. The information contained in this Guide is based on our understanding and interpretation of current UK tax law and HM Revenue & Customs practice as at April 2021. Tax law and practice may change in the future.

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