

RETURNING TO THE UK

The segmentation option

Investing in an offshore life assurance policy or capital redemption bond offers many benefits, the key one being that your money grows in a tax-efficient environment.

The segmentation of your policy into a number of individual policies is an attractive feature which can provide additional flexibility and tax efficiency when returning back to the UK.

The greater the number of segments, the more tax planning opportunities there are for you to increase returns by minimising the tax payable.

Segmenting your policy

The option is currently available for our products in **France, Spain, Portugal and Luxembourg**.

The default number of segments is **1,200**. Segmentation is settled **when the policy is applied** (and not at later stage), via a specific **addendum** that must be attached to the application form.

You can **surrender one or more segments at any time**.

Accessing your money – Income Tax planning

One of the attractions and frequent uses of segmentation is the **accessibility to your money in a tax-efficient way whenever the policyholder becomes UK tax resident** after having subscribed the Policy in another European jurisdiction.

A withdrawal of up to 5% of the original investment can be taken each year, for 20 years, without immediate liability to Income Tax. Should you wish to withdraw money in excess of the 5% allowance, you will be liable to the applicable Income Tax rate.

Surrendering one or more segments can prove to be more tax efficient than a partial surrender across all segments or from the single policy if segmentation is not chosen, as explained in the example below.

Example

James would like to invest £1,000,000 in the OneLife Wealth UK contract. He will require £220,000 in year 3. His policy will be segmented in 1,000 individual policies, with an initial value of £1,000 per segment.

Scenario 1 - Partial surrender across all segments

Cumulative 5% allowance: $£1,000,000 \times 5\% \times 3$
= £150,000

Chargeable gain: $£220,000 - £150,000$
= £70,000

£70,000 will be charged at the applicable rate.

Scenario 2 - Full surrender of segments

Value of the policy in year 3: £1,100,000
Value of each segment in year 3: £1,100
Surrender value of 200 segments: £220,000

In this case, the 5% withdrawal allowance does not apply since whole segments are surrendered.

Chargeable gain: $(200 \times £1,100) - (200 \times £1,000)$
= £220,000 - £200,000
= £20,000

£20,000 will be charged at the applicable rate.

About OneLife

OneLife exists to overturn conventional attitudes to life assurance. As a specialist in this area with 30 years' experience, we develop cross-border financial planning solutions for wealthy clients across Europe and beyond.

Whether it's a question of long-term savings, inheritance planning or simply understanding how to better manage your wealth, we are dedicated to providing sophisticated, compliant and innovative solutions that are crafted to suit each individual and their evolving needs.

Together with a solid network of select partners – including private banks, family offices and independent financial advisers – our dynamic team of international experts offers a fresh approach that helps understand and anticipate the needs of wealthy clients in a world of change.

With EUR 9 bn in assets under management, OneLife is a member of APICIL Group, the third largest social protection group in France, engaged in health and life insurance, pensions, savings products and related financial services.