



# LV= Smoothed Bond

## The smooth way to boost tax-efficiency

HMRC estimates that 570,000 individuals and trusts were affected by tax changes for 2024-2025\*.

Onshore bonds continue to be a popular investment vehicle for long-term investors, with a particular focus on tax efficiency and inheritance planning. It is a single premium investment-linked life insurance product, and can be held by single or multiple individuals, or trustees.

The LV= Smoothed Bond enables you to invest with the following key features:

- A proven track record
- A modern and transparent smoothing mechanism
- Reduced investment volatility
- 5 risk-rated funds
- 100% FSCS protection
- Max age of 89 for life assured

## How does a bond help with tax efficiency?

Over the last few years we have seen many changes and reductions in the Capital Gains Tax (CGT) allowance and the Dividend allowance. CGT has been cut from £12,300 to £6,000 from April 2023 and £3,000 from April 2024, and Dividends from £2,000 to £1,000 from April 2023 and then again to £500 from April 2024.

Year	CGT (Individuals)		CGT (Trusts)*		Dividend Tax	
Up to April 2023	£12,300		£6,150		£2,000	
2023-24	↓	to £6,000	↓	to £3,000	↓	to £1,000
From April 2024 onwards	↓	to £3,000	↓	to £1,500	↓	to £500

\* This is per trust. Therefore, if a settlor has created two trusts then the allowance would be split equally between them i.e. £3,000/2 = £1,500 per trust up to a maximum of 5.

<https://www.gov.uk/government/publications/reducing-the-annual-exempt-amount-for-capital-gains-tax/capital-gains-tax-annual-exempt-amount>