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We look forward to celebrating our 40 years of success with you this September!

Dress Code: 80's Fancy Dress (optional)

The event will be held at The Staffordshire County Showground, Stafford on Saturday 16th September 2023 at 7pm, children will also be very welcome.

Please call any of our branches for your tickets or scan the QR code on the right to go straight to the website.



Wynniatt-Husey Ltd is approaching 40 years trading so please join us in celebrating a major milestone for our company as we mark our 40th anniversary with a retro-themed party! Come dressed in your best 80's attire and get ready to take a trip down memory lane and transport yourself back to the era of big hair, bold colours, iconic music. Tickets are priced at £5.00 and the proceeds will go to The Community Foundation Staffordshire - the charity organisation dedicated to strengthening our local communities.

PENSION TAX RELIEF

Significant changes to pension taxation were announced in the Chancellor's 2023 Spring Budget as part of a range of measures to stabilise the economy:

1. The amount that an individual can contribute tax free to their pension pot is to be raised from £40,000 to £60,000 per year from April 2023.
2. The Government will work to abolish the Lifetime Allowance in future budgets. It currently stands at £1.073M
3. For those who are already drawing down on their pension, the total amount they can save tax free under the Money Purchase Annual Allowance is to be increased from £4,000 to £10,000 from April 2023.

CAPITAL ALLOWANCES

As a result of measures announced in the March 2023 Budget, businesses will now benefit from:

Full expensing – which offers 100% first-year relief to companies on qualifying new main rate plant and machinery investments from 1 April 2023 until 31 March 2026.

- Full expensing is available to companies subject to Corporation Tax only.
- The plant and machinery must be new and unused, must not be a car, must not be given to the company as a gift, or bought to lease to someone else.
- Expenditure on second-hand assets and those bought to lease to someone else can still qualify for the AIA.

The 50% first-year allowance (FYA) for expenditure by companies on new special rate (including long life) assets until 31 March 2026

The Annual Investment Allowance (AIA) providing 100% first-year relief for plant and machinery investments up to £1 million, which is available for all businesses including unincorporated businesses and most partnerships.

RESEARCH & DEVELOPMENT

In our 2022 Winter newsletter, we told you that the Chancellor in his Autumn 2022 statement had introduced the following measures for companies wishing to make a claim for Research and Development tax credits.

- 1) From April 2023, any company claiming R & D for the first time (or if they did not claim in previous year) will need to submit claim within 6 months of the company year end
- 2) Deduction for qualifying expenditure will be reduced from 130% to 86%
- 3) Surrendering company losses related to R & D and converting this into a tax credit will be reduced from 14.5% to 10%

At the Chancellor's March 2023 budget, he has now gone even further

- In order to support innovation, the government announced that loss making SME's (small and medium sized enterprises) with an R & D spend/exposure/intensity of at least 40% will be eligible for additional support.

- Any loss making SME's who meet the criteria of 40% intensity will now be able to convert company losses into a 14.5% tax credit, as opposed to the 10% tax credit originally laid out in the Autumn 2022 budget.

We believe that this will backfire on the government, as rather than encourage Research and Development, it will actually stop small businesses doing it due to them being unable to meet the 40% intensity criteria.

We also fear that this will increase the number of fraudulent claims being made to HMRC, as potentially scammers (who overinflate R & D expenditure in order to claim a refund from HMRC, then take a cut of this refund of anywhere from 20% to 50%) will now have greater reason to abuse the R & D tax credits scheme.

CHILDCARE

By September 2025 the Government the Government is to fund 30 free hours per week for working parents with children aged 9 months up to 3 years in England, where eligibility will match the existing 3 to 4-year-old 30 hours offer.

From April 2024, working parents of 2-year-olds will be able to access 15 hours of free childcare per week, this will be extended to working parents of 9 month to 2-year-olds from September 2024 and from September 2025, all eligible working parents of children aged 9 months up to 3 years will be able to access 30 free hours per week.

The government is also substantially uplifting the hourly funding rate paid to providers, to deliver the existing free hours offers in England. This will help providers to manage cost pressures, and develop the necessary capacity to deliver the new free hours offers, as well as raising the quality of provision.

To increase flexibility for providers and the availability of childcare provision for parents, the government will proceed with changing staff-to-child ratios from 1:4 to 1:5 for 2-year-olds in England. This change will come into force from September 2023, subject to parliamentary procedure. The government will also increase choice and affordability for parents, by acting to increase the number of childminders. The government will provide start-up grants for new childminders, including those who register with a childminder agency. The Government are also launching a new wraparound childcare pathfinder scheme and setting out the ambition that all parents of primary-aged children in England can access care in school from 8am-6pm.

For parents on Universal Credit in Great Britain who are moving into work or increasing their hours, the government will make sure they have support with childcare costs upfront when they need it. This will help remove a barrier that many low-income parents face on Universal Credit when thinking about going back to work or increasing their hours.

The government will also increase support for parents on Universal Credit who face the highest childcare costs, often because they are working longer hours, by increasing the Universal Credit childcare cost maximum amounts to £951 for 1 child and £1,630 for 2 children.

NATIONAL INSURANCE

National insurance seems to be a very topical subject at the moment, namely with clients asking us to check whether they have enough qualifying years of national insurance payments in order to qualify for the full state pension entitlement.

We highly recommend that everyone should set up a HMRC government gateway which will enable them to view their national insurance history, including telling them:

- How many years of full contributions they have made
- How many more years they will have to contribute until they reach state pension age
- How many years when they did not contribute enough

An individual will need 35 qualifying years in order to be eligible for full state pension, and at least 10 qualifying years to get any state pension at all.

If there is a shortfall in your national insurance history, and that cannot be made up in time by the time you reach state pension age, then you can make a claim to pay Class 3 voluntary national insurance contributions.

However, you will need to act quickly on this. Originally the window to pay backdated national insurance contributions back until April 2006 was due to close on 05 April 2023, however the government has recently announced that they will be extending this window until 31 July 2023.



DIVIDEND & SAVING ALLOWANCES

The dividend allowance is a 0% tax on dividend income, in addition to your personal allowance. This allowance is set to reduce from £2k to £1k for 2023/24 and then to £500 for 2024/25. The rates of dividend tax are set out below:

2022/23

Basic rate - 8.75%

Higher rate - 33.75%

Additional rate - 39.35%

Due to interest rates increasing you may be receiving more interest on your savings, which may be pushing you over the Personal Savings Allowance for your income tax band:

Income Tax Band	Personal Savings Allowance
Basic rate	£1,000
Higher rate	£500
Additional rate	£0

Therefore, all of the above needs careful tax planning.

WAYS TO REDUCE TAX INCREASES

- Involving family members in the limited company and issuing dividends to utilise the tax-free dividend allowance.
- Where a married couple jointly owns a rental property, a Declaration of Trust can be completed to change the structure of declaring income on self-assessment tax returns.
- Investing into pensions, allowing for more to be paid at the lower tax rate, rather than the higher rate. Also, if a director of your own limited company making "gross employer contributions" to receive corporate tax relief at source.
- Using your £20,000 annual allowance to invest into ISAs, such as Cash ISAs or Stocks and Shares ISAs. Any interest or dividends received are classed as TAX FREE!

MTD It has been announced that the implementation of making tax

digital for income tax has been delayed until April 2026. This will be a phased approach, where only sole traders or landlords with earnings over £50,000 will need to comply. Followed by sole traders and landlords earning over £30,000 needing to comply from April 2027.

Basis period reform

As of the 23/24 tax year (current year) sole traders and partnerships are required to match their accounting periods to the tax year (5th April). This year is to be known as the transitional year. In this year, HMRC will tax more than 12 months of profits, if the accounting period doesn't already match the tax year, and will be due for payment 31st January 2025. Overlap relief can be brought forward to offset this transitional amount.

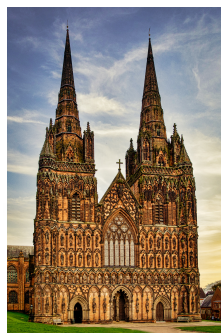
For cashflow reasons, careful tax planning is required if your current accounting period doesn't match to the tax year, and now is the time to start thinking about the change.



LICHFIELD

We are pleased to announce that we now have a City Centre Practice in Lichfield..

Formerly Mortimer Beck & Brookes of 8 Bore Street, Lichfield, Wynniatt-Husey took over from the retiring partners on 1st February. Heather, a long-term employee of MBB will be joined by Vicky & Olly who will work out of both Rugeley & Lichfield. They will of course still be on hand to deal with all of their current clients.



CHEADLE

Wynniatt-husey Limited are please to announce that the office space (The Old Talbot in Cheadle) is now fully available to rent on Rightmove.

If you, or anyone you know is interested in renting a modern space in a newly refurbished property and would like further details please scan the QR code on the left or contact us on 01889583211 or email office@wynniatt-huseyLtd.com.

CORPORATION TAX CHANGES

From 1st April 2023 the rate of corporation tax is increasing to 25% for companies with profits above £250k. However, small companies with profits below £50k remain unaffected with the rate staying at 19%. The rate of tax between these values will be taxed at the marginal rate of 26.5%.

MINIMUM WAGE

National living wage (NLW) and national minimum wage (NMW) are both set to increase from 1st April 2023. These rates are set out below:

NLW (23 years and over) - £10.42

21-22 year olds - £10.18

18-20 year olds - £7.49

16-17 year olds - £5.28

Apprentice rate - £5.28

Accommodation offset - £9.10

CGT CHANGES

The capital gains tax free allowance is currently set at £12,300 for the 2022/23 tax year.

However this has been reduced from £12,300 to £6,000 as of 6th April 2023 and will again be reduced to £3,000 for 2024/25.

However, the rates for capital gains tax are due to remain at the current rates, which is 10% and then 20% for any amount above the basic tax rate. If the capital gain is for a residential property the rates for capital gains tax are 18% and 28%.

Business asset disposal relief, previously known as Entrepreneurs' relief, remains unchanged and the tax remains at 10% should you qualify for this.

FROZEN TAX FREE ALLOWANCES

The personal allowance is frozen at £12,570 and the higher rate threshold frozen at £50,270 until April 2028. The main NI thresholds will also remain frozen until April 2028.

Inheritance tax nil rate band remains frozen at £325k and the residence nil rate band frozen at £175k until April 2028. The residence nil rate band taper will continue to start at £2m.

The VAT threshold will remain at £85k to March 2026, and a reminder if you're not VAT registered to keep an eye on turnover over a 12-month rolling period to see if you are approaching this. The current thresholds of which stamp duty is not payable are:

£250k for residential properties

£425k for first time buyers buying a residential property worth £625k or less

£150k for non-residential land and properties

The rates for both residential and non-residential and mixed land and properties depend on if you're a first time buyer, you already own a property and you're buying another or if you're non UK resident. Please contact us for clarification on your individual circumstance and we can advise of the correct rate.

Affects that inflation will have on frozen allowances inc child benefit repayments

As mentioned above, as inflation remains high, naturally wages and other income is likely to increase which may mean individuals income cross over the thresholds. This will result in higher tax payable positions in future years.

The above will also have an impact on child benefit repayments. The rate of which individuals pay back their child benefit remains at £50k and the charge is equal to 1% of the family's child benefit for every £100 of income over £50k meaning if your income is above £60k, you pay the whole amount of child benefit back.

Remember, it is only the higher earner that reports this on their SA tax return.

