

TAX

WITH ANDREW



Should you pay Tax ?

▶ Discuss

Tax Evasion ?



Tax Evasion ?

Why don't you try Tax Avoidance



What is the Maximum Tax Free Income you could receive (**exc ISAs**) ?



OVERVIEW


- ▶ Income Tax - Allowances
- ▶ Capital Gains Tax
- ▶ Dividend Tax
- ▶ Tax Free Interest
- ▶ Buy to let
- ▶ NI a future Tax for you?
- ▶ VAT

Your Tax Allowance

- ▶ The tax-free Personal Allowance will be increased from **£10,600** in 2015-16
- ▶ to **£11,000** in April 2016
- ▶ The higher rate threshold will increase from **£42,385** in 2015-16
- ▶ to **£43,000** in 2016-17

What is your TAX CODE ?

- ▶ Do You understand it



2015/2016 tax year Dividend Tax	Net dividend	Tax credit	Additional tax	Dividends after all tax
Non-taxpayer	£1,000	£111	£-	£1,000
Basic rate taxpayer	£1,000	£111	£-	£1,000
Higher rate taxpayer	£1,000	£111	£250	£750
Additional rate taxpayer	£1,000	£111	£306	£694

2016/2017 tax year

		Tax credit	Net dividend	Dividends after all tax
Non-taxpayer	£1,000	£-	£-	£1,000
Basic rate** taxpayer	£1,000	£-	£75	£925
Higher rate taxpayer	£1,000	£-	£325	£675
Additional rate taxpayer	£1,000	£-	£381	£619

Five tips to minimise tax on dividends

1. Ensure you use the annual tax-free dividend allowance
2. Make the most of each spouse's income tax allowance and tax bands
3. Make use of ISAs
4. Be clever with yield
5. Reduce other income

Capital Gains Tax

- ▶ Allowance £ 11,000
- ▶ Buy high/ sell Low
- ▶ Bed and breakfast
- ▶ Use it or Lose it

Reduce your partner's tax by transferring them some of your personal allowance

- ▶ You can transfer £1,060 of your personal allowance to your spouse or civil partner if:
- ▶ your annual income is £10,600 or less
- ▶ your partner's income is between £10,601 and £42,385
- ▶ you were born on or after 6 April 1935.
- ▶ This will reduce the amount of tax your partner has to pay by £202
- ▶ Has anybody been successful?

Taxing Your Interest ? 2016

- ▶ From April 2016 interest will be paid gross (tax Free)
- ▶ First £1000 interest will be tax free (£500 higher rate Tax Payer)
- ▶ Means that savings of £74k@ 1.35% (VM) earn £999 tax free
- ▶ That's £148k per couple
- ▶ But don't forget your ISA – rates won't always be low
- ▶ Pensioner Bonds now paid Gross!



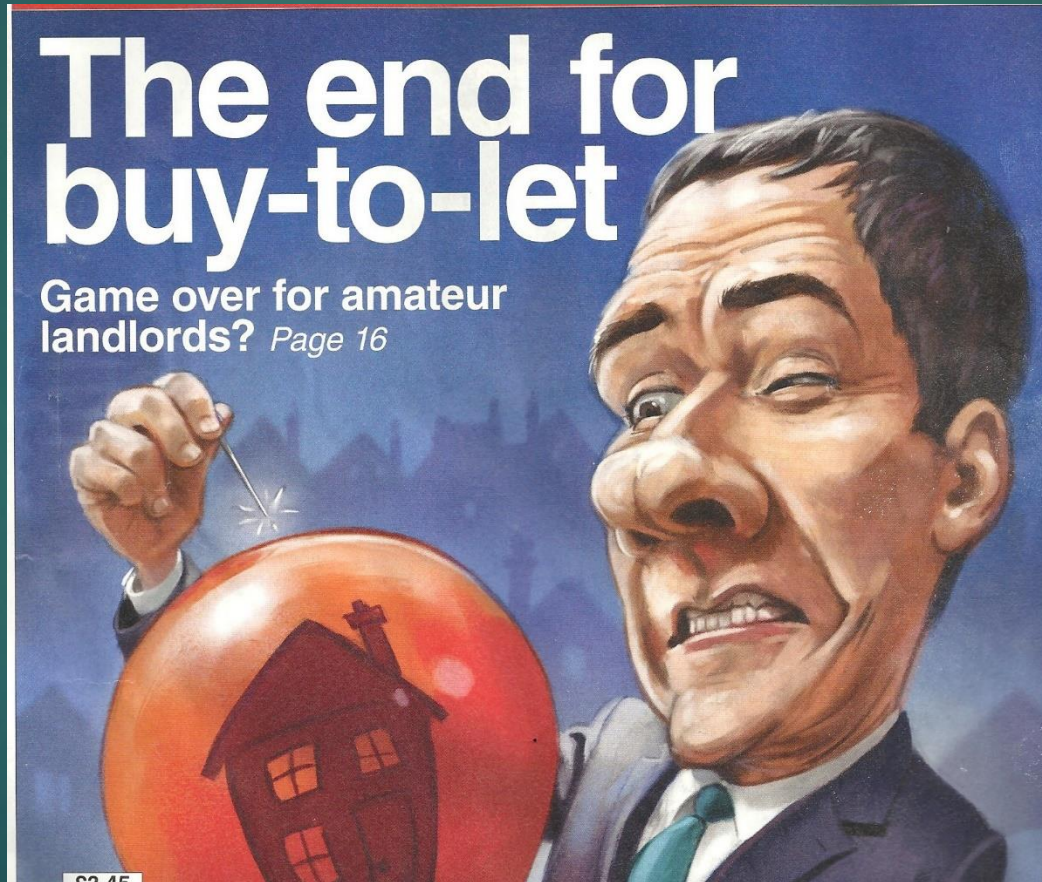
News Flash – on State Pensions



State Pension Top Up

- ▶ Should you buy an EXTRA £25 @week state pension?
- ▶ 65 yr old cost £22,250 v's £41,139 for an annuity
- ▶ Offer to counter New Flat rate pension
- ▶ Avail only 12 Oct 2015 – 1 Apr 2017
- ▶ Purchasing could be good value for non tax payer
- ▶ Triple Locked with joint rights
- ▶ Look at Deferment Option (Suspend it)
- ▶ Defer current Pension 2 years could have the same effect
- ▶ This is complicated and no advice is offered here

Property beat Shares in 2015 **but**



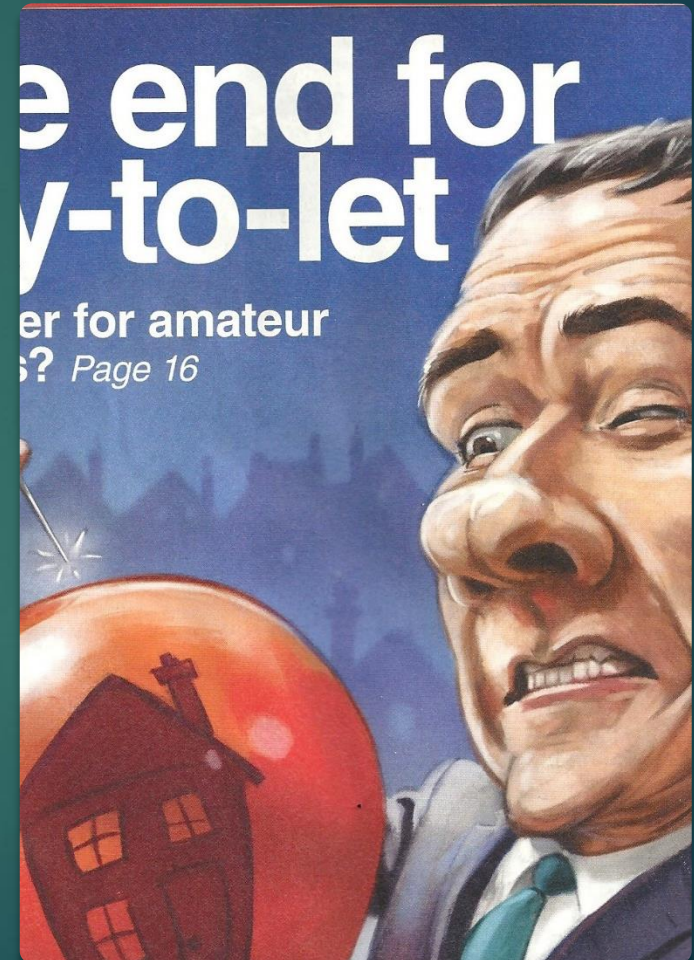
Budget Changes to Property Portfolio's

- ▶ By 2020
- ▶ Tax Relief restricted to Basic rate 20%
- ▶ 10% write off for wear and Tear gone
- ▶ Tax Bill to increase by 93% for HR Tax Payers
- ▶ Higher rate tax payers with interest of 75% or more of rent will see:
- ▶ All returns wiped out
- ▶ There's always Capital Gains – but more tax
- ▶ Interest rates can only go up – you know what that means !

National Insurance

He thinking of combining
National Insurance with Income
Tax.

Just think about it !



U3A – No Advice has been given today or ever



VAT by John Brown

▶ After Tea