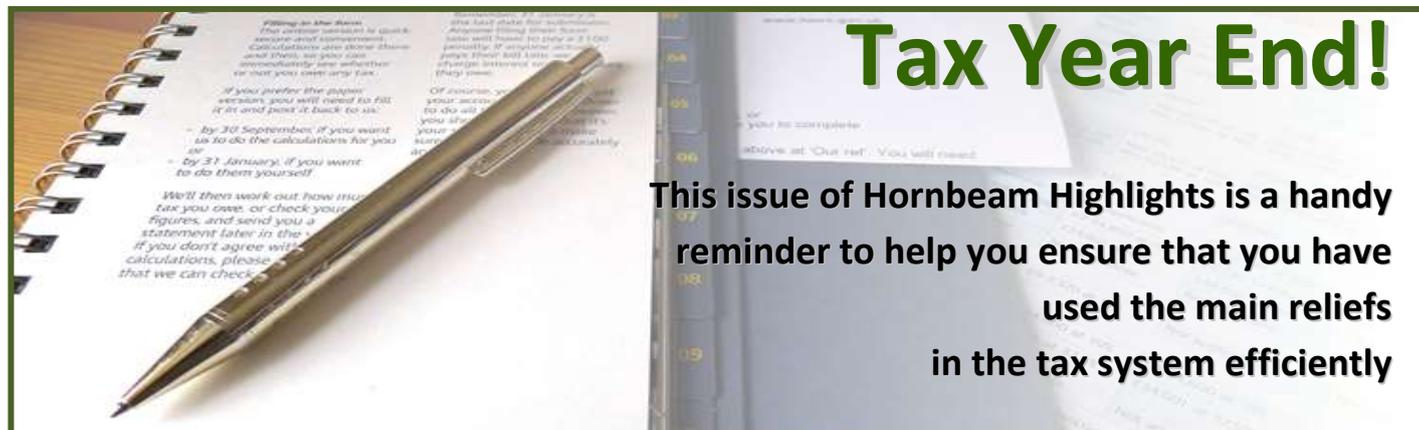


Hornbeam Highlights #61



by Phil Needham

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Personal Allowances

All families should maximise use of personal allowances:

The self-employed should consider paying spouse and teenage children a reasonable amount for work done.

Incorporated businesses should ensure proprietors, spouses, and teenage children are properly remunerated up to the amount of their allowances.

Wealthy and often elderly savers should ensure savings are distributed to make best use of both partners' allowances and lower rates of tax.

Savers and Investors

All savers should consider maximising use of tax free options such as ISAs. Wealthy individuals should consider EIS (Enterprise Investment Scheme), SEIS (Seed Enterprise Investment Scheme) and VCTs (Venture Capital Trusts).



Holders of portfolio investments in property and shares should consider crystallising capital gains up to their annual exempt amount (£10,900 for 2013/14)

Traders and Companies

Although the critical point for most companies and traders is the business year end, rather than the tax year end, it is worth considering Annual Investment Allowances and pension top ups at this time of year.

Landlords

Bring forward any necessary maintenance (not improvements) to before the end of the tax year.

The Wealthy

The wealthy may consider whether to make potentially exempt transfers (gifts within the 7 year rule regime), gifts out of income, and various small gift allowances including the £3,000 annual exemption to avoid inheritance tax. The IHT threshold is still frozen at £325,000 for the third year running and will remain there until April 2015.

New Tax Year

Get ready for the new tax year starting 6 April 2014 and remember the following:

- The personal allowance is £10,000 for 2014/15
- Basic rate 20% £1 up to £31,865
- Higher rate 40% £31,866 to £150,000
- Additional rate 45% Over £150,000

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Whether you are a client or not, if we can provide further help or advice concerning any of the matters covered here, please do not hesitate to telephone us on (01603) 720424 or email info@hornbeam-accountancy.co.uk

Disclaimer Most of the information contained in this Hornbeam Highlights is of necessity greatly oversimplified. We are trying to bring to your attention tax planning and business management opportunities. However, you should not take action based upon this leaflet without obtaining specific professional advice.