

30th September 2006

Small business rates relief – it has been reported that small businesses are failing to claim reliefs due to them. Businesses with rateable values less than £5,000 get 50% relief and for businesses with rateable values between £5,000 and £10,000 relief is available on a reducing basis. Claims have to be made to local authorities within 6 months of the end of the financial year, so the deadline for 2005/06 is 30 September but plenty of time for the current year.

There has been much in the financial press about the changes to pensions with the changes in regulations taking effect from 6 April this year. A key problem is that the majority of people do not save enough. Experts frequently say that as a guide, individuals should save a proportion of their income equal to half their age, for example a 40 year old should save 20% of gross income. For many this may seem unrealistic and in any case many people no longer trust pensions after years of poor returns and bad reports in the press. As the real value of the state pension has declined in recent years and is in any case inadequate individuals have to accept that their prosperity in retirement depends on their own actions. Although pensions will clearly be the investment vehicle of choice for many when planning for retirement given the availability of tax relief, the tax relief comes at a price of complying with certain restrictive rules. Many will wish to complement pension investments with other forms of investment which may range from ISAs, property and stock market investments to venture capital trusts, enterprise zone trusts, EIS schemes and other less mainstream investments. All these investments have different investment and tax implications for the investor and we would be happy to work with your financial advisers to advise on the tax consequences of such investments.

Are you aware of payroll giving grants? Organisations with up to 499 employees can receive grants of £300 to £500 towards the cost of set up. Payroll giving is a means for employees to make tax free donations to charities of their choice straight from their salary. Until March 2007, the first £10 of each employees monthly donation will be matched pound for pound by the government.

Companies are entitled to the grant if they apply for the scheme by 31 December 2006. Further details can be obtained from www.payrollgivinggrants.org.uk

Impending deadlines

30 September 2006

Self assessment tax returns should be filed by this date if you wish HMRC to calculate the tax liability

1 October 2006

For more information contact Simon Bell FCA, CTA
tel: 01376 571358 | email: simon.bell@sjbtax.co.uk

The National Minimum Wage rises to £5.35 per hour; £4.45 for employees aged 18 to 21; £3.30 for employees aged 16-17.

Age discrimination legislation comes in to force
(www.dti.gov.uk/employment/discrimination/age-discrimination/index.html).

19 October 2006

Tax and Class 1B National insurance contributions due under PAYE settlement agreements for 2005/06 to be paid by to-day.

31 October 2006

Private companies with 31 December 2005 year-ends should file their accounts at Companies House.

Corporate tax returns for periods ended 31 October 2005 should be filed by concession no penalty is charged if the return is submitted by 7 November 2006.

For more information or to discuss how the ideas can be applied to your particular situation please contact Simon Bell by phone on 01376 571358 or email simon.bell@sjbtax.co.uk.

This newsletter is written in general terms and therefore cannot be relied on to cover specific situations; applications of the principles set out will depend on the particular circumstances involved and it is recommended that you take professional advice before acting or refraining from acting on any material in the newsletter.