



Ellaby Pollard

CLIENT NEWSLETTER

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Fringe benefits attacked

For many years there has been a growing trend among employers to offer their employees a pick-and-mix choice in the way they are rewarded. 'Flexible remuneration' has meant that employees have been able to swap cash pay for any of a range of fringe benefits, from more pension contributions, through gym club membership and company cars to mobile phones and payment of school fees.

**But what's the impact on you, your pension, VAT and insurance premium tax?
What action can be taken?**

Deposit protection set to change

At the start of 2016, the limit for deposit protection under the Financial Services Compensation Scheme (FSCS) was cut by £10,000 to £75,000. By the end of January 2017, it is almost certain to be back at £85,000. The reason embraces two of this referendum year's most contentious items: EU law and the euro.

Problems Caused? Your Future Actions?

Tax changes due from April 2017

One of the less endearing habits of Chancellors, regardless of political hue, is to announce tax changes which are deferred for a year or even more. This might be to delay a cost to the Exchequer or in the hope that a tax increase gets forgotten. Mr Hammond served up some deferred measures, but for April 2017 there are two from his predecessor worth remembering, inheritance tax residence nil rate band and tax relief on buy-to-let mortgages.

What's the affect? Is it time to review your scheme?

Auto-enrolment fines accumulate

Automatic enrolment in workplace pensions started in October 2012 and is now reaching the final stages, with the last employers with workforces of under 30 individuals and new employers since April 2012 having to comply. By the end of September 2016 over 250,000 employers had completed the automatic enrolment process and more than 6.7m people had started saving into workplace pensions. However, the path has become rather less smooth as the focus has moved to the smallest employers.

Are you prepared for auto-enrolment? Are you aware of the warnings and penalties escalate?

Past performance is not a reliable guide to the future. The value of investments and the income from them can go down as well as up. The value of tax reliefs depend upon individual circumstances and tax rules may change. The FCA does not regulate tax advice. This newsletter is provided strictly for general consideration only and is based on our understanding of law and HM Revenue & Customs practice as at September 2016 and the contents of the Finance Bill 2016. No action must be taken or refrained from based on its contents alone. Accordingly no responsibility can be assumed for any loss occasioned in connection with the content hereof and any such action or inaction. Professional advice is necessary for every case.