

GREENSTONES TOP 7 TIPS TO HELP YOU PAY LESS TAX IN 2020/21

AT GREENSTONES WE ARE ALWAYS WORKING TO MITIGATE YOUR TAX LIABILITIES AS BEST WE CAN. HERE ARE OUR TOP 7 TIPS...

1. MAKE THE MOST OF YOUR OPPORTUNITY TO SAVE TAX BY INVESTING IN A PERSONAL PENSION.

Subject to certain limits, pension contributions made personally are tax allowable – which means that the effective cost may be as little as 55p to invest £1 in a pension. If you don't provide for your retirement, who else will?

2. REVIEW YOUR INVESTMENTS TO ENSURE THAT THEY ARE APPROPRIATE AND PERFORMING WELL. MOST IMPORTANTLY, ARE THEY GIVING YOU THE RIGHT BALANCE OF INCOME AND CAPITAL GROWTH?

Before acting on this one you absolutely must take independent financial advice. Most people waste their Capital Gains Tax allowance each year. This is a way to use it!

3. MAKE SURE YOUR LIFE ASSURANCE POLICIES ARE IN THE NAME OF YOUR BUSINESS, SO YOU CAN GET TAX RELIEF ON THEM NOW.

A little known rule allows you to claim tax relief through your company for any qualifying relevant life assurance policies and, in the unfortunate event that they pay out, the proceeds are still tax free!

4. RESEARCH & DEVELOPMENT CLAIMS

Broadly speaking, your company or organisation can claim an additional 130% on qualifying R&D costs if it undertook an R&D project. You'll be surprised how broad R&D is defined. Make sure you check if you have a claim.

5. USE LEGITIMATE WAYS TO REDUCE YOUR TAX BILLS BY TRANSFERRING INCOME TAXED AT HIGHER RATES TO A SPOUSE PAYING TAX AT A LOWER RATE.

At the very least you should aim to make sure that neither spouse wastes their £12,500 tax-free allowance in 2020-21, but early professional advice is essential. In particular, care needs to be taken not to divert income deriving from a spouse's company if that spouse substantially performs the work.

6. IF SOME OF YOUR INVESTMENTS HAVE DONE VERY WELL AND GROWN IN VALUE, CONSIDER WHETHER IT IS SENSIBLE TO SELL SOME OF THEM TO SAVE YOURSELF EVEN HIGHER TAX BILLS IN THE FUTURE.

Each year you can make tax-free gains of £12,300 (2020/21). "Bed and breakfasting" investments is no longer possible, but you may still be able to save tax by selling shares and buying them back more than 30 days later, or having your spouse buy them back.

7. CONSIDER INVESTMENTS THAT GIVE YOU A TAX-FREE RETURN.

For example: National Savings Certificates, Friendly Societies and ISAs. At present, you can invest up to £20,000 a year in an ISA and £9,000 in a Junior ISA. If you don't use your allowance each year, you lose it. Again, before acting on this one you must take independent financial advice.

WE DON'T DISCLAIM ANY OF THE IDEAS ON THIS PAGE. IN FACT, WE ARE REALLY QUITE PROUD OF THEM. HOWEVER, BEFORE YOU TAKE ANY ACTION YOU REALLY SHOULD TAKE ADVICE ON YOUR PERSONAL CIRCUMSTANCES.



WE'D BE DELIGHTED TO DO THAT IF YOU CALL **01733 371180** NOW.