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MAKE *Money* - **SAVE** *Money* - **PAY LESS** *Tax*

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30+ Industry Awards since 2002 and 'in the frame' every year for 10 years, winning IFA of the Year, Online IFA of the Year, Pensions IFA of the Year, Protection IFA of the Year and many more.

Need An Adviser Timeline

2000 - Trading starts from a converted farm outbuilding

2001 - Pioneered fee based financial advice with fixed cost quotes for all

2002 - Need An Adviser.com goes live online

2002 - 1st Awards: Winner IFA Firm of the Year and Winner Best Use of New Media.

2003 - Treasury invites us for talks on our unique advice model

2004 - Expansion and new head office in Burntwood acquired. Represented now in London, Midlands, Scotland, Northern Ireland, France and Spain.

2005, 2006, 2007 - Finance mentors to BBC TV program

2006 - Named in first ever Chartered Financial Planner listing

2006 - Pioneered 'EU Passport' financial advice service to British expatriates in Spain

2007 - Need An Adviser.com redesign and launch for blind, deaf, colour blind and dyslexic access

2008 - 'EU Passport' financial advice service to British Expatriates in all 25 EU States

2009 - New Associate Consultants recruited in Scotland, Northern Ireland, Spain and France

2009 - 2 more awards in the IFA Firm of the Year and Best Tax and Estate Planner categories

2010 - Winner IFA Firm of the Year and Winner Online IFA of the Year

2011 - Treasury Select Committee Lobby Group **Advisers United** launched by us to help lobby for fee based financial advice across the whole financial services industry

2011 - Need An Adviser for Mobile & Tablets goes live across all websites

2011 - Winner Online IFA of the Year and Runner-up IFA Firm of the Year

Getting Investment Alerts To You - Register, Contact, Keep up to Date

To ensure you are best placed to take advantage of investment opportunities when markets rise and to be able to exit markets or areas quickly that are at risk., you need to be kept up to date.

Markets will continue to be volatile for a few years. Get all our news and investment alerts using the following:

@ Send us your up to date email address.

Simply email us at info@needanadviser.com with a preferred emergency investment warning email address. If you do not have internet access then we can SMS text message you.

Text us your Mobile Number

and name to 07850 624530 or 07887 996464.

If you do not have a mobile number, perhaps a close relative can help.

NeedAnAdviser Members Area

Register at www.needanadviser.com to get client only investment alerts that are posted in the clients and members area.

Follow us on Twitter - @needanadviser

We 'tweet' all updates and emergency investment warnings on our Twitter page. Please follow us.

Like us on Facebook

http://www.facebook.com/pages/NeedAnAdviser/122731261128874

We post all updates and emergency warnings on Facebook.

"Like us" and you will be kept up to date.

RSS Feed

We have an RSS News Feed on every website. Subscribe to our news feed and keep up to date.

No Action = Money Down the Drain

We cannot do our best for you and your money if we cannot get messages to you quickly so that you can reply. Please do take action and register for all our services mentioned here.

The investment world has changed forever and without us being more proactive with your money, you stand to lose some of it.

Tax Year End 5th April 2012

Spring 2012

Money Minutes

Award Winning Financial Advice

Roberts Clark

Websites March Update

Going Live - All Sites

Need An Adviser TV Financial Advice Videos Bites to help you unravel the jargon

Interactive Dictionary Hover over a word and find out what it means

Intuitive HyperLinks Automatic click links to content you seek

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March: The Tax Year End Planning Month

Although it feels as if we are still in a bleak mid-Winter, March sees Spring arrive, the clocks go forward on 25 March and that also means it is tax planning season.

The budget is on 21 March and we have just a few weeks to the end of the tax year on 5 April.

With revenue raising central to Government spending targets, tax planning this year is as important today as it ever has been and you have just six weeks to do it.

Taxes on the agenda

Pensions Large Fund Fixed Protection

Register for Fixed Protection with HMRC by 5 April

The standard lifetime allowance, which effectively sets a limit on the normal tax-efficient maximum value of your pension benefits, will fall from £1.8m to £1.5m from 6 April 2012.

The move was legislated for last year along with provisions for a special transitional relief, 'fixed protection', which allows you to keep your personal lifetime allowance at a minimum of £1.8m.

Fixed protection must be applied for by 5 April and will also be lost if, after 5 April 2012, further pension contributions are made by you or your employer or if you accrue extra benefits e.g. another year's service in a final salary scheme.

MOT Your Pension

If your pension funds are too large, you may have to leave the pension scheme altogether or even resign if you have a large pension fund that you wish to protect from tax charges.

If your pension fund is larger than £1.8m or may be, you must apply to HMRC for Fixed Protection by April 5th.

Some people have been known to decline pay rises, leave the pension scheme or even resign to avoid the high tax charges.

Careful calculations are required before making a final decision.

Pension Annual Allowance Contributions

Contributions and Carry Forward of Unused Allowance

Don't lose your allowance

This is the first tax year-end in which the new £50,000 annual allowance and carry forward rules need to be taken into account when planning year-end pension contributions.

If you or your employer pays more than £50,000 into pensions in total or you are 'deemed' to have paid more than this in your final salary scheme due to a pay rise or the extra year in service, you will face a tax penalty.

If you have not paid in the maximum over the last few years then you may have room to pay in more.

You can carry forward unused relief for the last 3 years, provided you have paid in the maximum for 2011/12.

If you do not use any unused relief from 2008/09 you will lose it.

Pension Contracting Out Ends

It is not common knowledge that we have a second state pension on top of our basic state pension in the UK.

This is paid for from national insurance contributions (NIC). Many years ago it was called the Graduated Scheme, then it changed to SERPS in the late 1970's and now it is the State Second Pension (S2P).

Many people 'contracted out' to have their national insurance payments paid into their own pension.

On 6th April, contracting out ends for personal pensions but not for 'final salary' pension schemes.

Your 'protected rights' funds will automatically be converted to 'ordinary' pension rights, just like premiums you have paid in. It will still be possible for final salary pension schemes to be contracted out, thus using your national insurance to subsidise the company pension.

Some may be better served cancelling their contracting out before 6th April, so that this year's NIC rebate will go back into the state second pension.

Others may prefer that this year's national insurance 'rebate' should still go into their own private pots, given the huge changes coming for state pension ages.

Option 1: Cancel Contracted Out before 6th April. NIC rebate for 2011/12 will stay with the Department for Work and Pensions.

Option 2: Stay Contracted Out until 5th April. NIC rebate for 2011/12 will still go into your own pension.

Pension Automatic Enrolment Starts in 2012

2012 marks the start for employers automatically enrolling and paying into pension schemes for employees.

Auto-Enrolment into the National Employment Savings Trust (NEST) or a qualifying alternative pension are compulsory. Employers must have set up a pension scheme for employees on given dates for both employer and employee pension contributions.

The compulsory employer minimum rate for employer pension contributions starts at 1% to 2% of employee band earnings from 1 October 2016 to 1 October 2017, with employer contributions increasing to 3% on 1 October 2018.

An eligible worker is an employee aged between 22 and state pension age and earning above the income tax personal allowance (£7,475 in 2011/12). Contributions will be payable on qualifying 'band earnings' currently between £5,035 and £33,540.

Compulsory Employee and Employer Pension Payments

Where a worker is automatically enrolled, there will eventually be a minimum contribution of 8% of qualifying earnings, of which the employer must pay a minimum of 3%.

If the employer chooses to pay the minimum 3%, the worker will pay 4%, with a further 1% paid as tax relief by the government.

How Much Will Workers and Employers Pay and When?

Minimum contribution levels will be phased in between October 2012 and October 2017.

October 2012 to September 2016 - total minimum of 2% of qualifying earnings with at least 1% from the employer.

October 2016 to September 2017 - total minimum of 5% of qualifying earnings, with at least 2% from the employer.

From October 2017, total minimum of 8% of qualifying earnings, with at least 3% from the employer.

So by 2017 workers may be paying 5% into a pension if you do not already.

Auto-Enrolment Start Dates. By Company Size

- 250+ Employees: 01/10/2012 – 01/12/2014

- 50 to 249 Employees: 01/04/2014 – 01/05/2015

- 30 – 49 Employees: 01/08/2015 – 01/10/2015

- Less than 30 Employees: 01/01/2016 – 01/04/2017

- New Employer Start ups (Between 2012 and 2017): have between April 2017 and February 2018 to set up auto enrolment.

- All employer start-ups after Oct 2017 must have auto enrolment pensions in place immediately.

Individual Savings Accounts (ISAs) Allowance 2011/12

ISAs for Children and Adults

Adult ISA allowance is £10,680, of which £5,340 can be used in a Cash ISA.

Use your allowance by 6th April or lose it.

New Junior ISA (JISA)
Stocks and Shares or Cash or Both
Started 01/11/2011.

Available to all children that did not qualify for a Child Trust Fund.

Total maximum JISA contribution of £3,600 per year.

Use the allowance by 6th April or lose it.

Child Trust Funds

Children who qualified for a Child Trust Fund cannot have a JISA. For the time being, their CTF will remain available for tax efficient children's savings.

VCTs, EISs and SEISs - Huge Tax Relief Available Every Year

Venture Capital Trusts (VCTs) and Enterprise Investment Schemes (EISs) and Seed Enterprise Investment Schemes (SEISs)

Whilst higher risk, VCTs, EISs and the new SEISs (for small start up companies) offer great tax incentives for tax payers looking for investment opportunities with significant tax relief, particularly attractive to 40% and 50% tax payers.

VCT. 30% income tax relief on investments up to £200,000 per tax year. 5 year term. With Tax Free Dividends and No Capital Gains Tax.

EIS. 20% income tax relief on investments up to £500,000 per tax year. 3 year term. No Capital Gains Tax if reinvested in another EIS within 3 years.

New SEIS. Up to 50% income tax relief on investments up to £100,000 per tax year. Must be a small start up company with less than 25 employees that has been trading for less than 2 years. No Capital Gains Tax for first year.

Inheritance Tax (IHT) Reduction

The Inheritance Tax nil rate threshold was frozen at £325,000 in 2010. It will remain frozen until 2015. It is not until 6 April 2015 that the threshold will start to be index linked again. This means more revenue for Government on an increasing number of estates.

Simple Ways to Reduce your Inheritance Tax Liability:

Annual Exemption Allowance £3,000. You can give away £3,000 for this year plus £3,000 for last year (if you did not use your allowance).

Small Gifts £250. You can make unlimited small gifts of £250 to as many people as you wish.

Wedding Gifts. You can give up to £5,000. £5,000 - each parent to child i.e. £10,000 maximum. £2,500 - each grandparent to grandchild. £1,000 - to any other person or relative on their wedding.

Large Gifts. It is a common mistake that you can only give away £3,000 each year. You can actually make unlimited gifts in total over a 7 year period. If you wish to give your children £50,000 each you can do so. It then becomes a PET (Potentially Exempt Transfer). Provided you survive for 7 years, this 'potentially' exempt gift becomes fully exempt. Care should be taken if you 'gift' money to a trust or a company, which may become taxable today if you exceed the £325,000 threshold.

Unlimited Gifts from Normal Income. Commonly not known is that provided you maintain your standard of living with no fall whatsoever, you can make unlimited gifts to family, friends or anyone you like. No government or body can dictate how you spend your money provided you do not deprive yourself or suffer a fall in your standard of living as a result.

Investment in Trusts. There are many types of trusts for investments such as Loan Trusts and Discounted Gift Trusts that can protect either income or growth or reduce the value of an investment for Inheritance Tax immediately without affecting many allowances.

Capital Gains Tax (CGT) Allowances

Capital Gains Tax rates were increased in 2010 for higher rate taxpayers.

The Tax Free Allowance is £10,600 pa. If you have made profits in shares, unit trusts, property or currency trading, you should realise tax profits up the gains threshold before 6th April.

Use it by 6th April or lose it.

Making Large Gains Can Be Tax Efficient

The current capital gains tax rates for basic rate taxpayers is 18% and for Higher Rate and Additional Rate Taxpayers it is 28%.

This means that tax payers, even after their £10,600 allowance, may be better off using investing in non-income producing investments, that offer capital growth rather than income.

18% Capital Gains Tax is better than 20% income tax.

28% capital gains tax is better than 40% or 50% income tax.

Talk to us about tax planning as there are many tax efficient investments to get your money working harder in these difficult times.