

Julius Bär

Wealth Planning Considerations for 2020/21 #Budget2020



- ⊖ Remains
- ⬆ Increases
- ⬇ Decreases



Personal Tax Allowances

Personal Allowance (PA)
£12,500



Higher Rate Income Tax Threshold
£37,500
(£30,930 in Scotland)



Personal Savings Allowance
£1,000
(£500 for higher rate tax payers)



Additional Rate Income Tax Threshold
£150,000
of taxable income



Dividend Allowance
£2,000



Capital Gains Tax Allowance
£12,300



Personal Allowance reduces by £1 for every £2 of income over £100,000 until lost for income of £125,000 and over.



Tax Efficient Allocation of Investments

Would it be more tax efficient to hold investments in a spouse/civil partner's name?



Inheritance Tax

Nil Rate Band
£325,000



Additional Main Residence Nil Rate Band
£175,000



Review your current estate planning strategy
Ensure that Wills and Powers of Attorney are up to date



Individual Savings Account

£20,000

annual allowance per individual



Fund early to benefit from full year of tax efficiency



Protection

Review life cover

Is the level of cover and term of the policy suitable?
Is it held in trust to ensure no potential IHT charges?



Pensions

Annual Allowance (AA)
£40,000



Money Purchase Annual Allowance (MPAA)
£4,000



Lifetime Allowance (LTA)
£1,073,100



Tapered Annual Allowance (TAA)
£4,000



Review impact of changes to the Tapered Annual Allowance
Review total pension savings
Review nomination of pension death benefit nomination forms



Entrepreneurs Relief (ER)

£1,000,000



Review share structure of the company
Is it possible to maximise ER across other family members?
Pre-sale gifting of shares to a family trust or charity?
Fund pensions before business is sold?

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