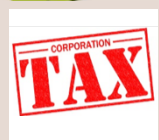




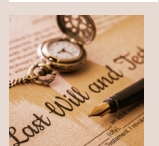
AUTO ENROLMENT
DOES THIS APPLY TO
SOLE-TRADERS AND
DIRECTORS TOO?

◀ **PAGE 1**



CORPORATION TAX
ARE YOU PAYING MORE THAN
YOU NEED TO?

◀ **PAGE 1**



INHERITANCE TAX
WHAT IS YOUR CURRENT
ALLOWANCE AND HOW TO REDUCE
OR EVEN AVOID INHERITANCE TAX?

◀ **PAGE 2**

ISSUE 2 | OCTOBER 2019



JT Accounts

ACCOUNTING | TAXATION | CERTAINTY

MISSED OUR FIRST NEWSLETTER?

DOWNLOAD A COPY FROM OUR WEBSITE - WWW.JT-ACCOUNTS.CO.UK

Auto Enrolment

Can this Apply to Sole-Traders & Directors Too?

Under the Pensions Act 2008, it is a legal requirement that every employer in the UK must put certain staff into a pension scheme, and contribute towards it – this is called 'Automatic Enrolment'. If you employ at least one person you are an employer and you have certain legal duties.

Sole-traders are treated differently as a legal entity when it comes to workplace pensions compared to other forms of business.

Essentially, if you are the director of your company and you do not have any employees working with you, you are not technically classified as a worker – you are not your own employee. This means that you do not have any obligation to sign up to any form of workplace pension.

However, auto enrolment will apply to a director:

(1) if the director has a contract of employment with your company

and at least one other person (who can be another director or a member of staff) also has a contract of employment with your company.

(2) If you have multiple directors and no other staff – and at least two of the directors have employment contracts – all the directors with employment contracts will be members of staff and subject to automatic enrolment duties.

If you do not fall within the criteria of auto enrolment you do have the right to ask to join a pension scheme (known as opting in) at any time.

Speak to us for further advice.

Latest Blogs - Must Reads -



What does Certainty mean?



We are STEP Approved!



**Accounts Done Right,
Sleep at Night!**

Corporation Tax - Are You Paying More Than You Need To?

Corporation Tax is a tax that all limited companies must pay and it's a tax that is payable against the profits a company makes. The Corporation Tax rate for company profits for the 2018/19 tax year is 19% so a business with an annual profit of £10,000 will pay £1,900 in Corporation Tax.

Reducing the amount of tax you pay is a tricky concept. Most responsible individuals and businesses want to pay the correct amount of tax that they owe – but equally, don't want to pay more than they have to.

A few tips on what every business owner should know:

- claim all your expenses including professional insurance, bank charges and accountancy fees.
- make sure you pay yourself a salary. Your business is a separate legal entity so you need to pay yourself a salary.
- company purchases: buying what you need for your business should be bought through your company as this is the most tax-efficient way.
- make an early payment to HMRC and they will owe you interest! If you are able to pay your Corporation Tax bill early, HMRC will actually give you some of it back in the form of interest.

Remember, you don't get a bill for Corporation Tax, it is self-assessed. There are specific things you must do to work out, pay and report your tax and again we are here to help. Simply give us a call.

GDPR – have you signed our new Letters of Engagement allowing us to act on your behalf under the new GDPR rules? If not, contact us and we can work with you to get this done.



David & Victoria - Langleyserve

"Thank you for taking the time with us today to review our company accounts. We were delighted by the progress you and your team have made in restructuring our accounts and reconciling the figures to ensure we are utilising more of the features within Quickbooks. Given the growing nature of the business and the introduction of "Making Tax Digital", the move to your company with its Quickbooks experience and collaborative approach could not have come at a better time. Certainly we would have been struggling had we not made the move this year.

TESTIMONIAL

Whilst there is still work to be done in cleaning up after the handover and initial issues caused by making tax digital, we can clearly see the benefits in your approach with Quickbooks in recording all transactions and providing us with comprehensive reporting on our financial position, cost control, employee payroll, dividends, CIS reporting and balance sheet. You have also highlighted options for project cost control which could be of real value in the future.

Thanks again to you and your team for all the hard work so far, it is really appreciated".

Inheritance Tax What is your Current Allowance?

When you die, the Government assesses how much your estate is worth, then deducts your debts from this to give the value of your estate. The BIG question is, of course, how much tax DO you pay?

The current inheritance tax (IHT) allowance whereby no inheritance tax is charged is on the first £325,000 (per person) of someone's estate – which is the value of the total assets they leave behind when they die (or 36% if leaving at least 10% to a charity). Couples can leave a home worth £650,000 without it attracting inheritance tax (singles £325,000). Above the threshold, the charge is 40%. This remains unchanged.

A person's estate can include:

- Any monetary assets
- Investments
- Any property or business they own
- Vehicles
- Pay-outs from life insurance policies
- Unexpired lifetime gifts

What has changed is the introduction of a new residence nil-rate band (RNRB). This applies to individuals with a Will who have an estate (including a main residence) that exceeds the inheritance tax threshold of £325,000 for 2019/20 which they are leaving to their direct descendants (including adopted, foster and step-children).

This means they will gain an additional threshold before IHT becomes due on their estate. This is a further:

- £150,000 in 2019/20
- £175,000 in 2020/21

The amount is added on to the standard nil-rate band; for instance, in 2019/20, the inheritance tax threshold will be £475,000 (£325,000 + £150,000), but it will only apply up to the value of the property. Note: the RNRB is limited to one residential property.

The RNRB will be subject to a tapered withdrawal of 50% if an estate is worth more than £2 million.

Note: People in certain 'risky' roles are exempt from paying inheritance tax if they die in active service or if a person who was injured on active service has their death hastened by the injury, even if they're no longer on active service. Included in this are armed forces personnel, police, firefighters and paramedics, plus humanitarian aid workers.

Want to know how to reduce IHT?

Check out the Certainty pages of our website to access information on our:

- Inheritance Tax Checklist
- Inheritance Tax Calculator

Remember that we can help with setting up:

Wills, Lasting Power of Attorneys and provide Probate and Estate Administration services.

Check out our new website:

jt-accounts.co.uk

and be sure to download our free **JT AccountS App** from your phone and tablet.



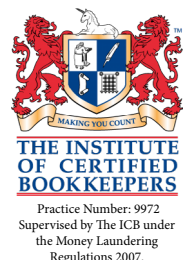
This App is ideal for small businesses and the self-employed who need access to key information real time.



JT AccountS
Accounting | Taxation | Certainty



020 8362 1720 - jt-accounts.co.uk



LOOK OUT FOR OUR NOVEMBER BUDGET REVIEW!