

## Tax Bulletin

Please note this is not a comprehensive list of all potential areas of tax that you should consider when looking at your tax affairs, only some of the more common areas.

### 2021/22

The following items are not necessarily new for the 2021/22 tax year but may be relevant to you:

- Please let us know if you are an employee and have had to work from home due to Coronavirus, as you may be eligible for tax relief that can be claimed on your Tax Return.
- You may have been in receipt of financial support and grants, including but not exclusively the Self Employment Income Support Scheme, Coronavirus Job Retention Scheme and Business Rates Relief. Please provide all relevant detail, as these are taxable and will need to be included in your accounts and on your Tax Return.
- Pension contributions that qualify for tax relief continue to be restricted by your relevant earnings and the Annual Allowance. The latter is reduced for some people with income over £200,000 and when those affected have adjusted income of over £240,000, their allowance may then begin to be tapered from £40,000 down to £4,000. Individuals who have flexibly accessed their pensions may also only qualify for a £4,000 allowance.
- If you are married and either you or your spouse has income of less than £12,570 and neither of you pay tax at a rate of more than 20%, the opportunity to transfer £1,260 of your Personal Allowance to your spouse is available. This could mean a tax saving of up to £252. The calculation will be carried out at the time of preparing your Tax Returns. In cases where we do not act for both spouses they may need to register at <https://www.gov.uk/marriage-allowance>
- **Where Capital Gains Tax is due on the disposal of UK residential property, a new online Capital Gains Tax return will need to be filed and payment of tax made within 30 days of the date of completion of the transaction (extended to 60 days for completions on or after 27 October 2021). Penalties will be charged for late filing and payment, so please get in touch with us as soon as possible to ensure that there is enough time to get everything completed.**

These rules do not apply to property that has been your main home throughout your period of ownership. When you sell a home that has not always been your main residence only that period of residence and the last 9 months is exempt from Capital Gains Tax.

## Other points to note

- The current rates of Income Tax for Welsh taxpayers remain in line with English taxpayers.
- Details of the most up to date tax rates and allowances can be found on our website in the Resources area
- The rate of National Insurance for both employed and self-employed individuals increased by 1.25% from 6 April 2022
- The rates of tax on dividends have each increased by 1.25% from 6 April 2022

## The New State Pension

If you have not yet become entitled to receive your State Pension you will require a minimum of 10 qualifying years of National Insurance contributions and at least 35 years since April 2016 to qualify for the full amount (35 years of contributions prior to April 2016 will not necessarily qualify you in full). If you have not already done so we advise that you contact HM Revenue & Customs to request your State Pension forecast to ensure that you will be entitled to the full State Pension when you retire. You can request it via [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension). Please be aware that if you contracted out of SERPS this may have had an effect on your number of qualifying years.

Registering for Child Benefit for a child under the age of 12 can provide you with a National Insurance credit which will count in qualifying years towards your State Pension entitlement, so it may be in your interest to register even if you do not actually claim the money.

## Purchase of additional properties

Please notify us if you have purchased any additional properties in the year. Your main home is currently exempt from Capital Gains Tax when you sell it but if you own more than one property you may need to elect as to which is your Principal Private Residence for tax purposes and this is only available within 2 years of the purchase of the latest property. The rate of Capital Gains Tax payable on residential properties is 8% higher than the standard rates.

## Overseas income

UK residents are taxable in the UK upon on their worldwide income whether or not they remit this income to the UK. Please ensure that you provide us with all the relevant detail to prepare your Tax Return.

## Investments held in trust

If you have transferred any of your assets or cash into trust, please provide us with the relevant information. Each type of trust has its own Income, Capital Gains and Inheritance Tax consequences and we may require further information in order to be able to assess your tax position.

*Please contact a member of the Personal Tax Team if you would like to discuss any of the points raised above.*