

Press Release**11 December 2009****Further amendments to recent tax changes will cause confusion for employees.*****WEALTH at work call for effective financial education and guidance to reduce the financial impact upon employees.***

The Pre Budget Report announced this week proposed further amendments to the 'anti-forestalling' legislation, designed to restrict the opportunity for increasing pension contributions ahead of the proposed removal of higher rate tax relief for high earners in 2011. Employer pension contributions must now be included when calculating income against the £150,000 threshold. In addition a new £130,000 income limit is effective from 9 December 2009 meaning that many more employees will be impacted.

This together with the freezing of the personal allowance and income tax bands mean that almost all employees will effectively pay more tax not just those higher earners affected by 'anti-forestalling' rules, the removal of personal allowance and the 50% income tax rate. The 1% increase to national insurance in 2011 will further reduce employees take home pay.

Paul Bloomfield, Tax Specialist at WEALTH at work comments, "Many more employees are now affected by these significant tax changes. All employees will need to be made aware of how they can assess their position and so avoid an unexpected tax bill".

Notes for Journalists

WEALTH at work is a specialist provider of financial education and strategic investment planning to a number of the UK's largest companies. To learn more about communicating these changes prior to the tax year end and providing employees with access to the relevant technical support contact us on **0800 028 3200** for a complimentary consultation.

For further information, please contact the WEALTH at work press office on 0151 255 3468 or email rachel.d.alderton@wealthatwork.co.uk

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