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welcome to: inflation and  
the impact on your  
finances.

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# about us.

We are a leading financial wellbeing and retirement specialist - helping those in the workplace to improve their financial future.

Established in 2005, we work with hundreds of organisations across both the private and public sector.

Our financial education services are delivered on a bespoke basis.

# agenda.

- Inflation, energy bills and current support
- Managing your income tax position
- Tax on savings and investments
- Your workplace pension
- Reviewing your borrowing
- Next steps

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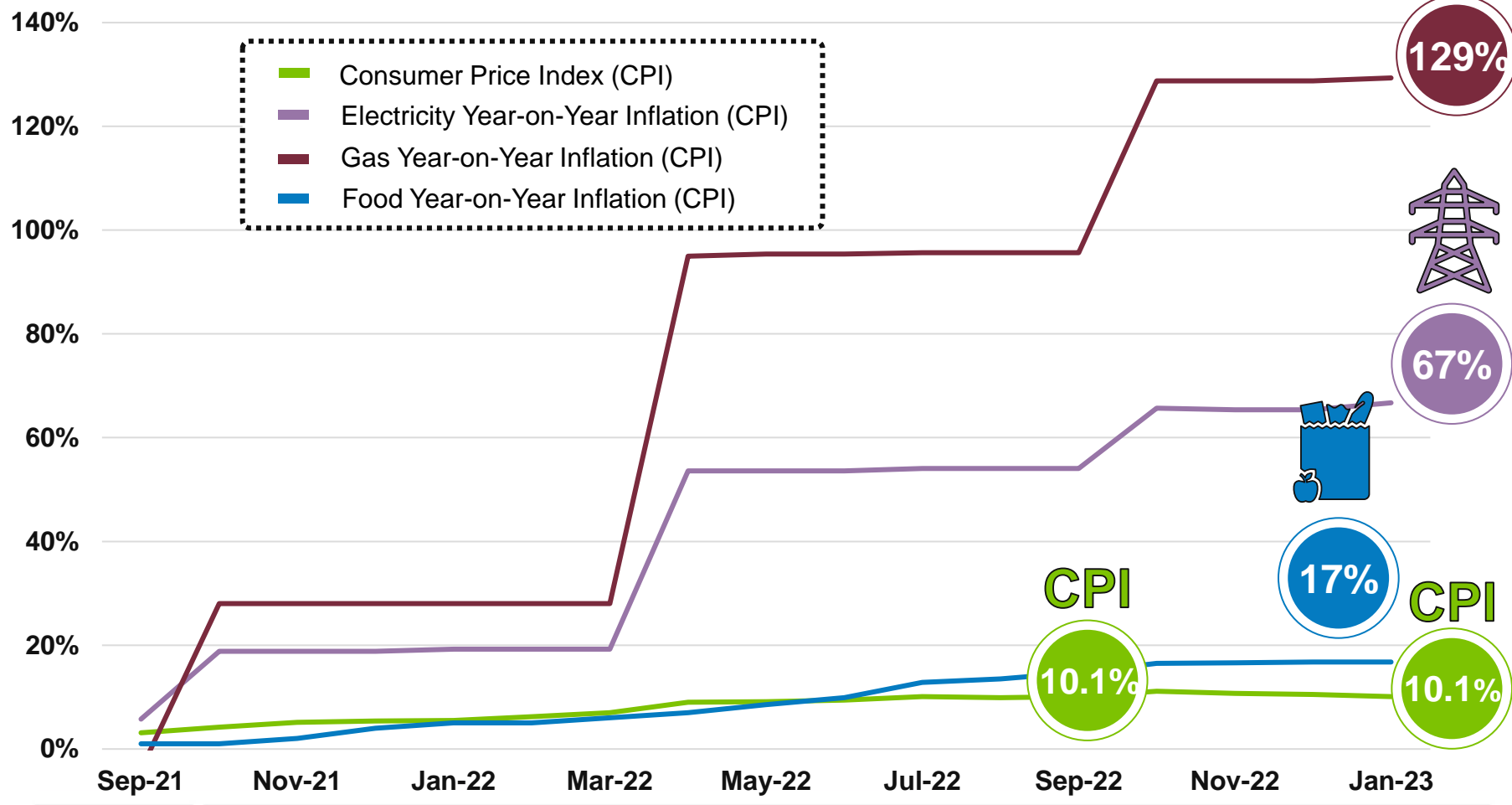
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inflation, energy bills and  
government support.

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# cost of living increases.



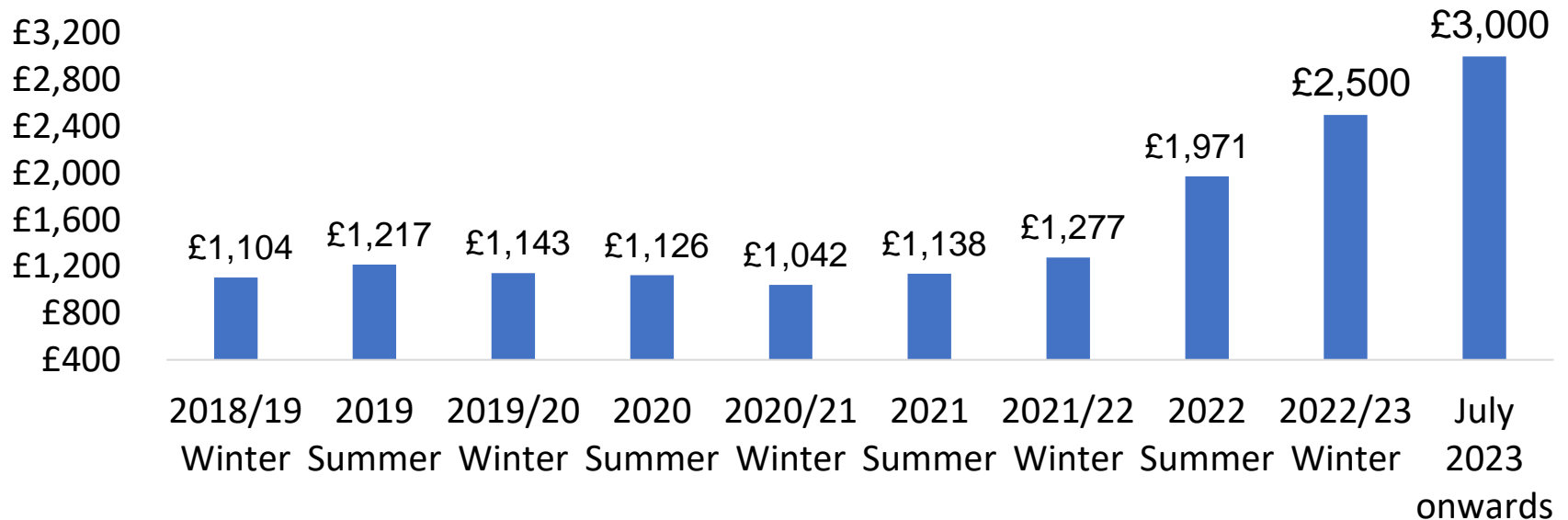
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# the energy price guarantee.

This is a backstop protection from the government and applies if you're on a default energy tariff.

Annual costs for typical usage for dual fuel customers paying by direct debit

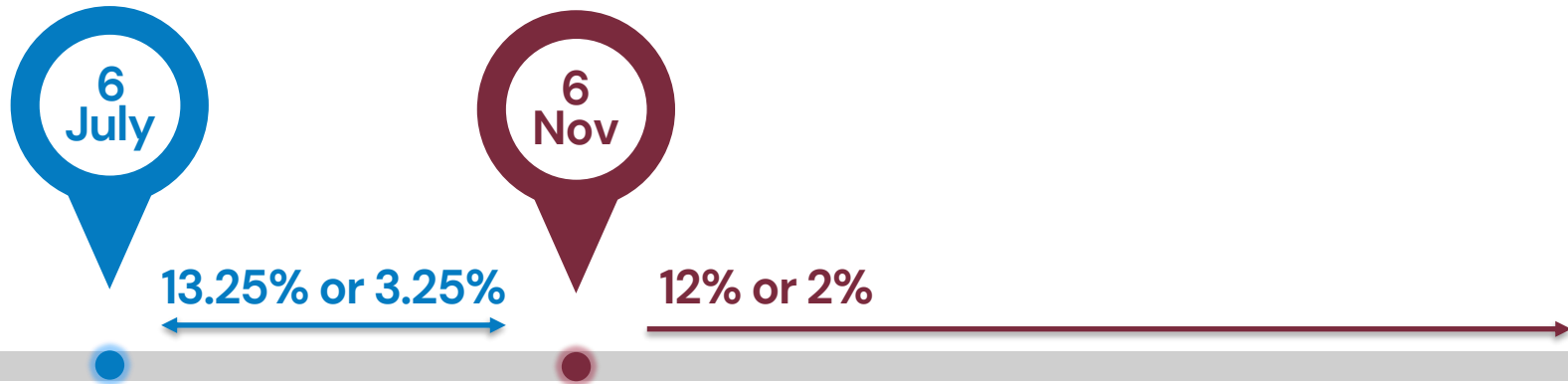


**The amounts shown are for typical users and are not minimums or maximums**

Source: [www.ofgem.gov.uk](http://www.ofgem.gov.uk)

# National Insurance.

The National Insurance (NI) rate you pay reduced from November 2022.



| Earnings | Monthly NI | Monthly NI | Monthly Gain |
|----------|------------|------------|--------------|
| £40,000  | £302.87    | £274.30    | + £28.57     |
| £50,000  | £413.29    | £374.30    | + £38.99     |
| £60,000  | £442.62    | £393.22    | + £49.50     |
| £70,000  | £469.71    | £409.88    | + £59.83     |
| £80,000  | £496.79    | £426.55    | + £70.24     |

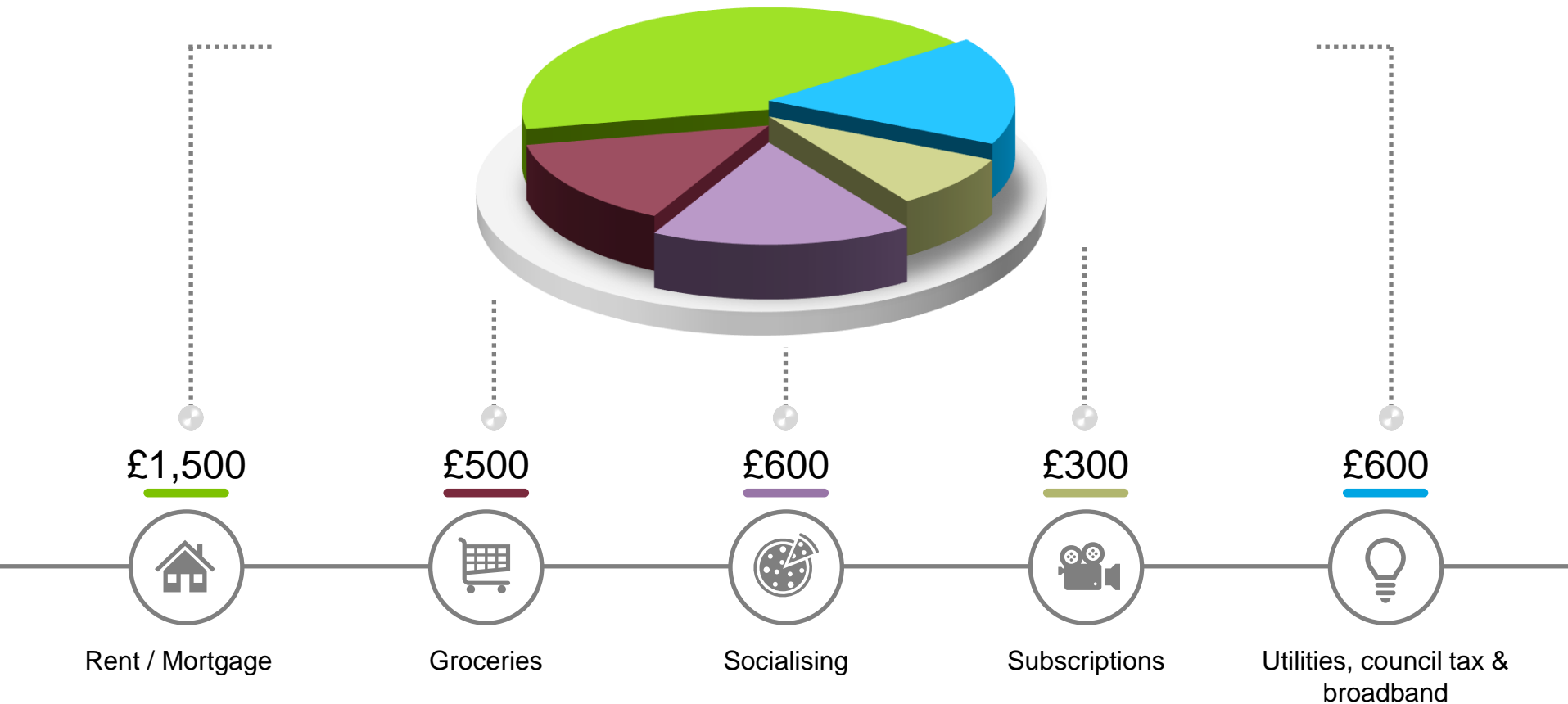


# budgeting – 4 steps.



# typical household expenditure.

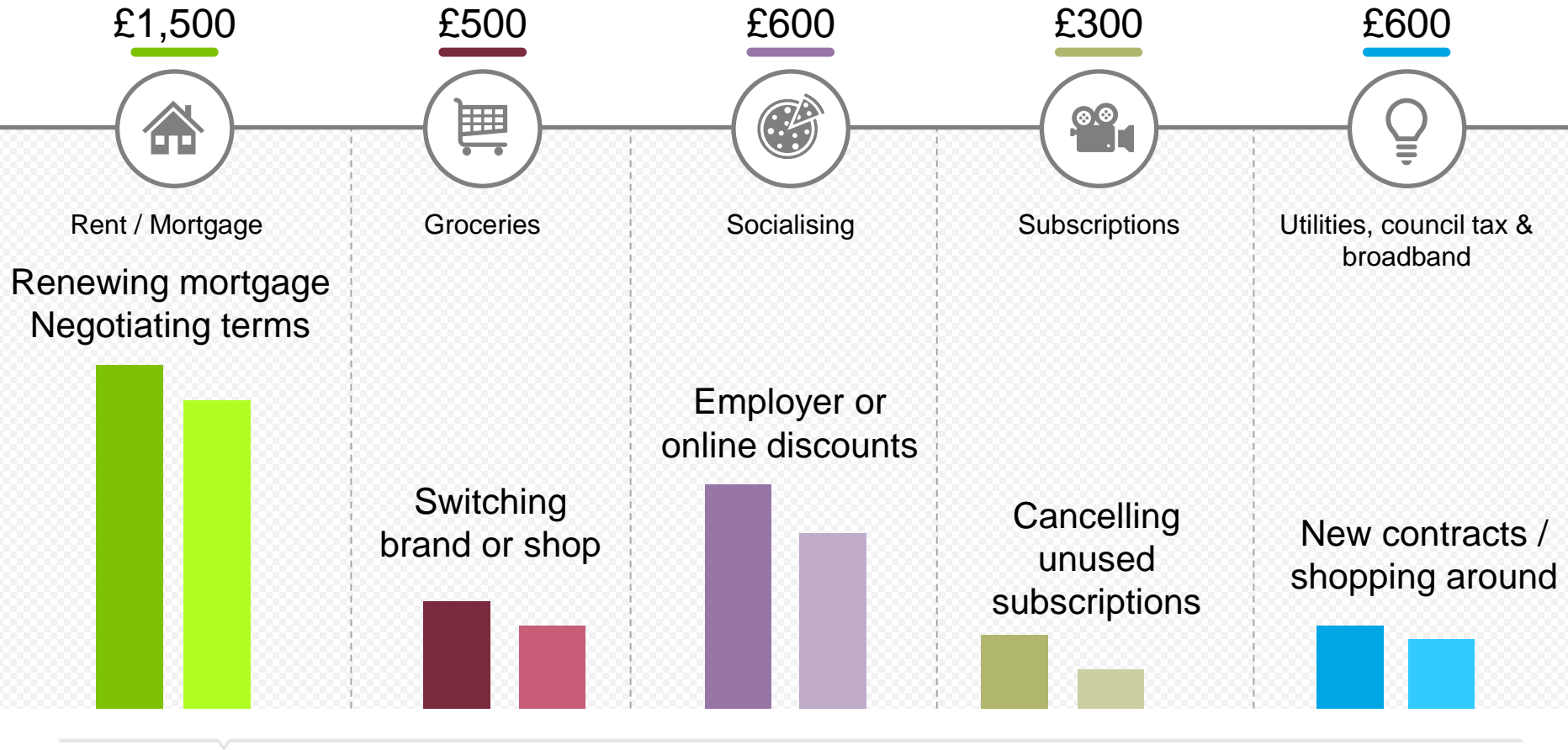
How monthly expenditure could add up:



Illustrative costs for a working couple with no children

# typical household expenditure.

Consider the ways it may be possible to reduce costs.



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# managing your income tax position.



# rates of income tax 2023/24.

## Personal Allowance

on the first  
£12,570\*



£12,570\*

## Basic Rate Tax

on the next  
£37,700



£50,270

## Higher Rate Tax

on the next  
£74,870



£125,140

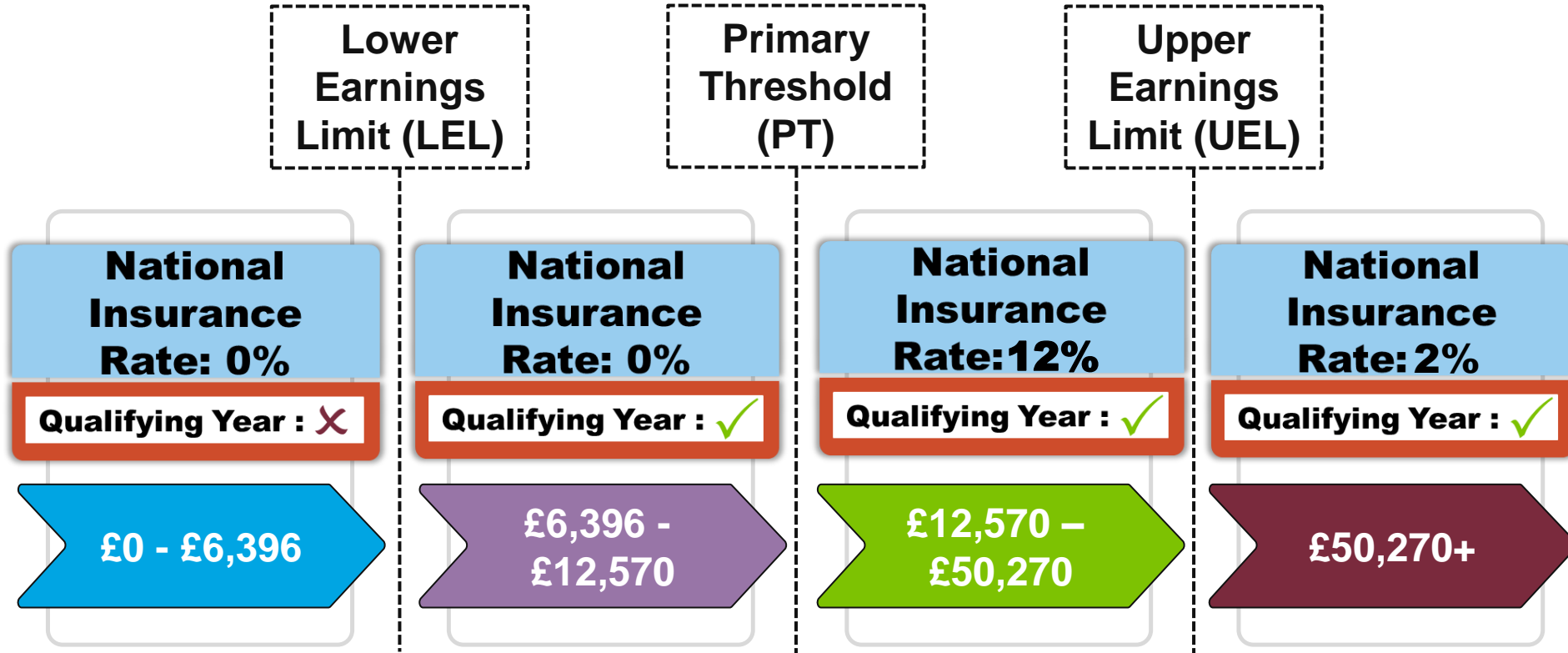
## Additional Rate Tax

on earnings above  
£125,140




\*The Personal Allowance reduces by £1 for every £2 of income above £100,000.

# National Insurance 2023/24.

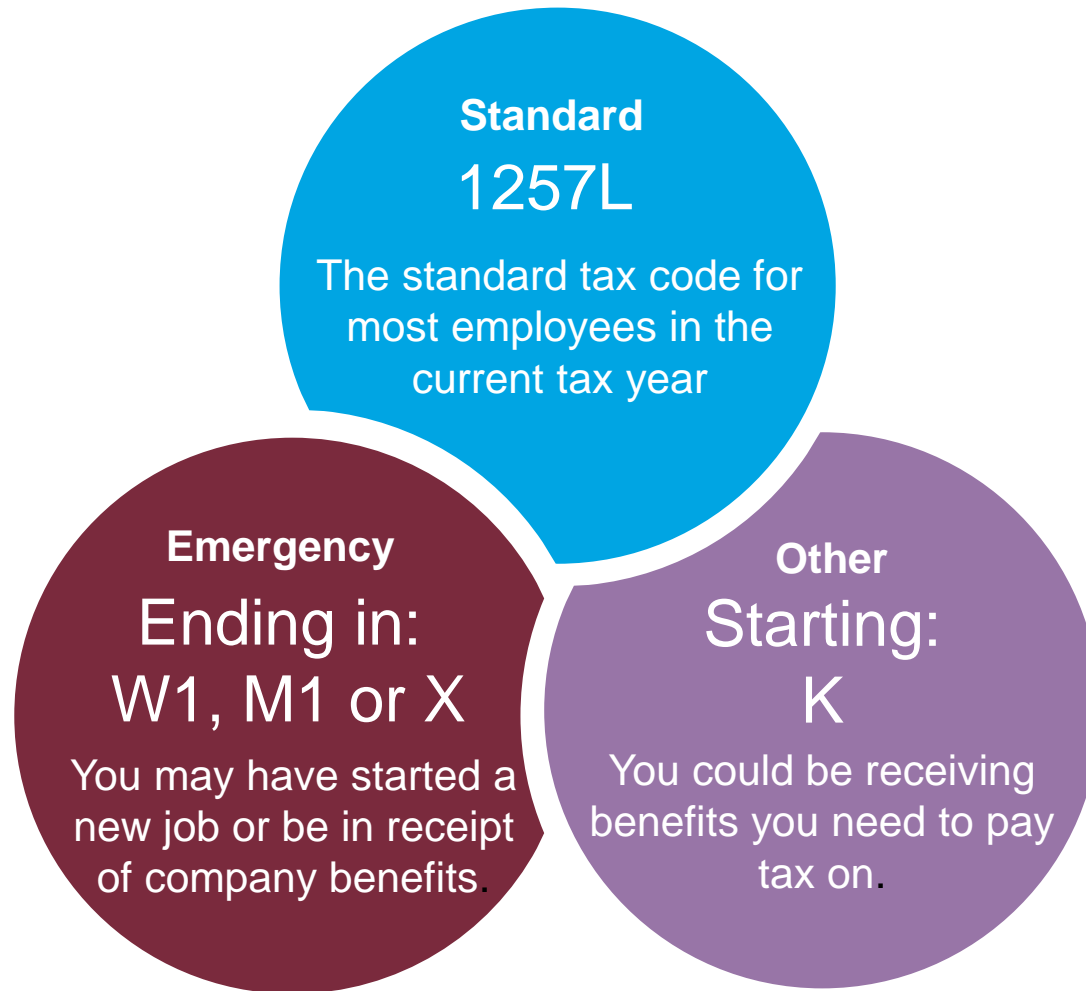


# tax codes.

|  |  |
|--|--|
| <br>HM Revenue<br>& Customs | <b>PAYE Coding Notice</b><br>Tax code for the year 2023-24 |
| Personal Allowance   | £12,570  |
| <b>Tax Code</b>  | <b>1257L</b>   |

- A tax code is used to determine your Personal Allowance
- It is used by employers to calculate how much tax to deduct from your pay
- The standard tax code for 2023/24 tax year is 1257L
- In most cases, the Personal Allowance can be calculated from your tax code by multiplying the digits by 10
- Those with a 'K' code will not be able to calculate their tax code using this method

# common tax codes.





# how to fix an error.

If you believe your tax code is incorrect you should contact HMRC.



HMRC: Income tax: general enquiries



Monday to Saturday: 8am to 8pm

Sunday: 9am to 5pm



Webchat



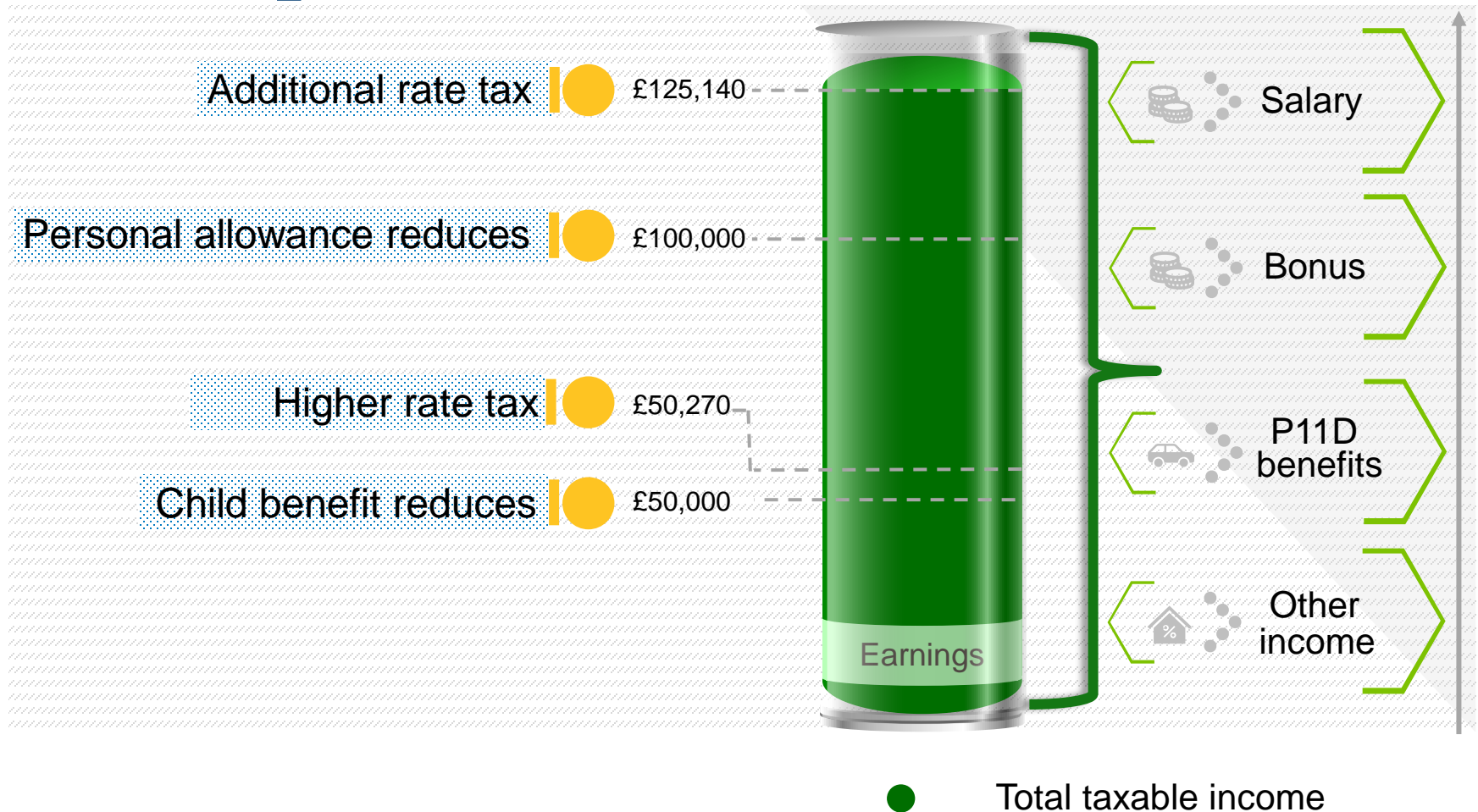
@HMRCcustomers (general enquiries only)

Monday to Friday: 8am to 6pm



0300 200 3300

# the impact of frozen tax bands.



# child benefit.



**£1,133.60 per year  
for your first child**



**£751.40 per year  
for further children**



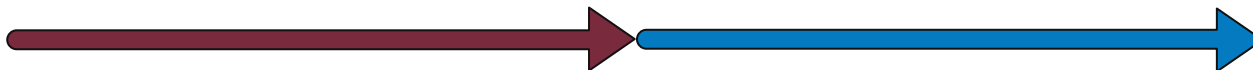
**Earn over £50,000?**

Repay 1% of child benefit  
for every £100 you or your  
partner earns over £50,000



**Earn over £60,000?**

You will repay all your child  
benefit as income tax



Earnings are assessed based upon your total taxable income

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tax on savings and  
investments.

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# personal savings allowance.



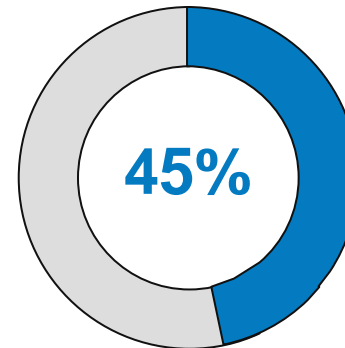
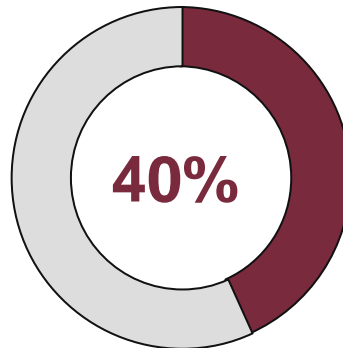
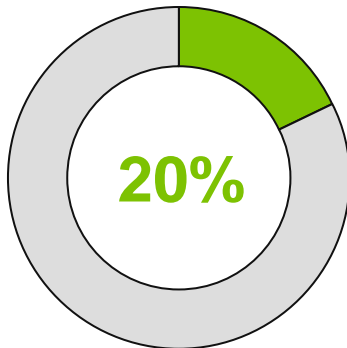
Basic Rate



Higher Rate



Additional Rate



The Personal Savings Allowance is based on UK income tax rates and not Scottish income tax rates

# dividend tax.

39.35%

Dividend income within the additional rate band

33.75%

Dividend income within the higher rate band

8.75%

Dividend income within the basic rate band

£1,000 (23/24) £500 (24/25)

Tax-free dividend allowance

The Dividend Allowance is based on UK income tax rates and not Scottish income tax rates

# capital gains tax.

CGT could apply to future gains if you hold shares outside an ISA.



## What is it?

- Tax on gains when certain investments are sold or transferred
- A separate tax system from Income Tax



## Main Exemptions

- Main residence
- ISAs and pensions
- Transfers between spouse/civil partner
- Annual exemption of £12,300, reducing to £6,000 from 6 April 2023

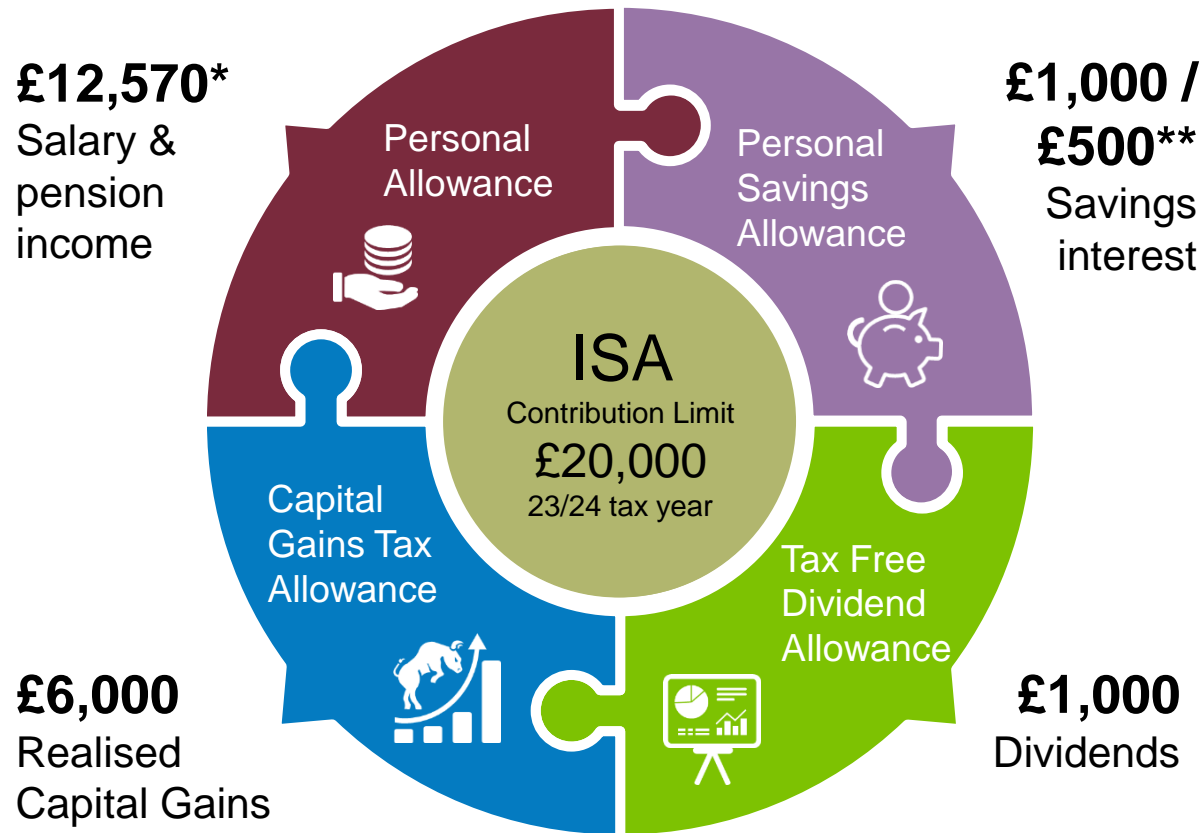


## Tax Rates

- Gains within the basic rate tax band: 10%\*
- Gains above the basic rate tax band: 20%\*

\*Gains realised from residential property are subject to an extra 8% tax charge

# tax allowances summary.



\*Reduced for those with income over £100,000

\*\*£1,000 for basic rate and £500 for higher rate tax payers. Additional rate tax payers do not have a Personal Savings Allowance



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your workplace pension.

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# defined contribution (DC) schemes.

Employer and employees  
contribute (tax free\*)



Any investment  
growth is tax-free



You can access your  
pension from age 55\*\*



Receive up to 25%  
tax free



Receive a taxable lump sum or generate  
a taxable income with remaining pot



\*subject to HMRC limits

\*\*The minimum age for accessing your pension is expected to increase to age 57 from 6 April 2028. Pension savings in certain schemes may be protected from this change.

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# JP Morgan UK Pension Plan.

| Contribution as % of Pensionable Salary each year |    |    |     |     |     |     |     |
|---|----|----|-----|-----|-----|-----|-----|
| Company core                                      | 6% | 6% | 6%  | 6%  | 6%  | 6%  | 6%  |
| Employee match                                    | 0% | 1% | 2%  | 3%  | 4%  | 5%  | 6%  |
| Company match                                     | 0% | 1% | 2%  | 3%  | 4%  | 5%  | 6%  |
| TOTAL ANNUAL                                      | 6% | 8% | 10% | 12% | 14% | 16% | 18% |

- You can elect to make an employee contribution of greater than 6%
- However the maximum employer contribution is 12%



# salary sacrifice.



## You save:

**Basic-rate  
Taxpayers  
up to 32%\***

Saving made up of:

- 20% income tax, &
- 12% NI

**Higher-rate  
Taxpayers  
up to 42%\***

Saving made up of:

- 40% income tax, &
- 2% NI

**Additional-Rate  
Taxpayers  
up to 47%\***

Saving made up of:

- 45% income tax, &
- 2% NI

\* Tax relief on pension contributions is limited to the greater of 100% of relevant earnings and £3,600.

# salary sacrifice.

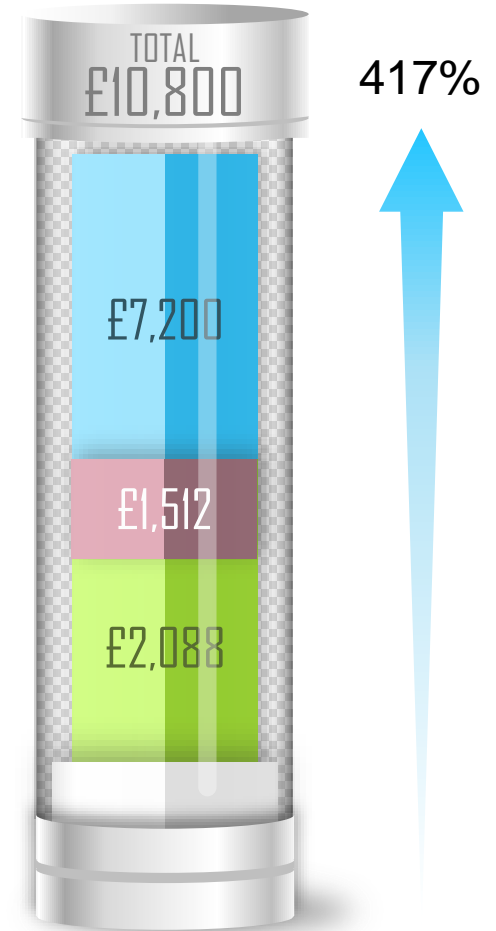
- Annual Salary = £60,000
- Employee Contribution = £3,600pa (6%)
- Tax Saving = 40%
- NI Saving 2%
- Personal Cost = £2,088pa
- Employer Contribution = £7,200pa (12%)

 Employer contribution (12%)

 Tax & NI savings

 Employee contribution (6%)

Tax bands and rates are different in Scotland



# limits on tax efficiency.

## Annual Allowance (AA)

- The annual allowance is £60,000\*
- This may be reduced if your total taxable income exceeds £200,000 or you flexibly withdraw taxable income from a DC scheme
- Carry forward may be available from up to the 3 previous tax years

## Lifetime allowance (LTA)

- From April 2023, the lifetime allowance charge will no longer apply

## The limit on tax-free cash

- The maximum tax-free cash is limited to 25% of the pension value, subject to a total cap of £268,275 (which is set to be frozen)
- Those individuals who already have a protected right to take higher tax-free cash will continue to be able to do so



**If you think you may be affected, ask about this on your follow up call**

\*Tax relief is only available on contributions up to the greater of 100% of relevant earnings or £3,600

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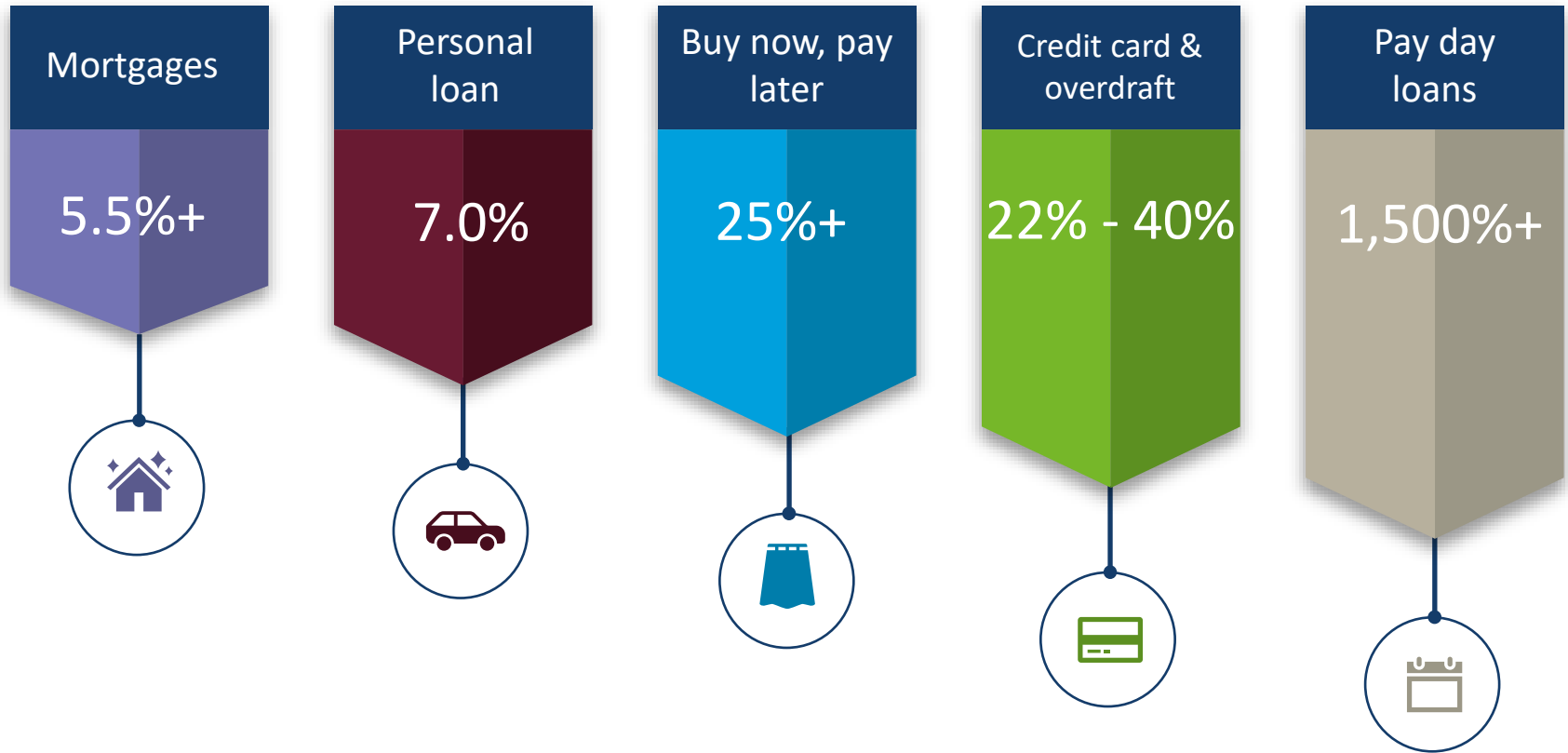
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reviewing your borrowing.

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# types of debt.



\*All Rates are approximate examples only.

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# credit card overpayments.

Based on a credit card debt of £3,000 and 22% APR.

Repay £60 per month

**£3,534**  
interest

Term



Repay £100 per month

**£1,198**  
interest

Term



Repay £300 per month

**£310**  
interest

Term



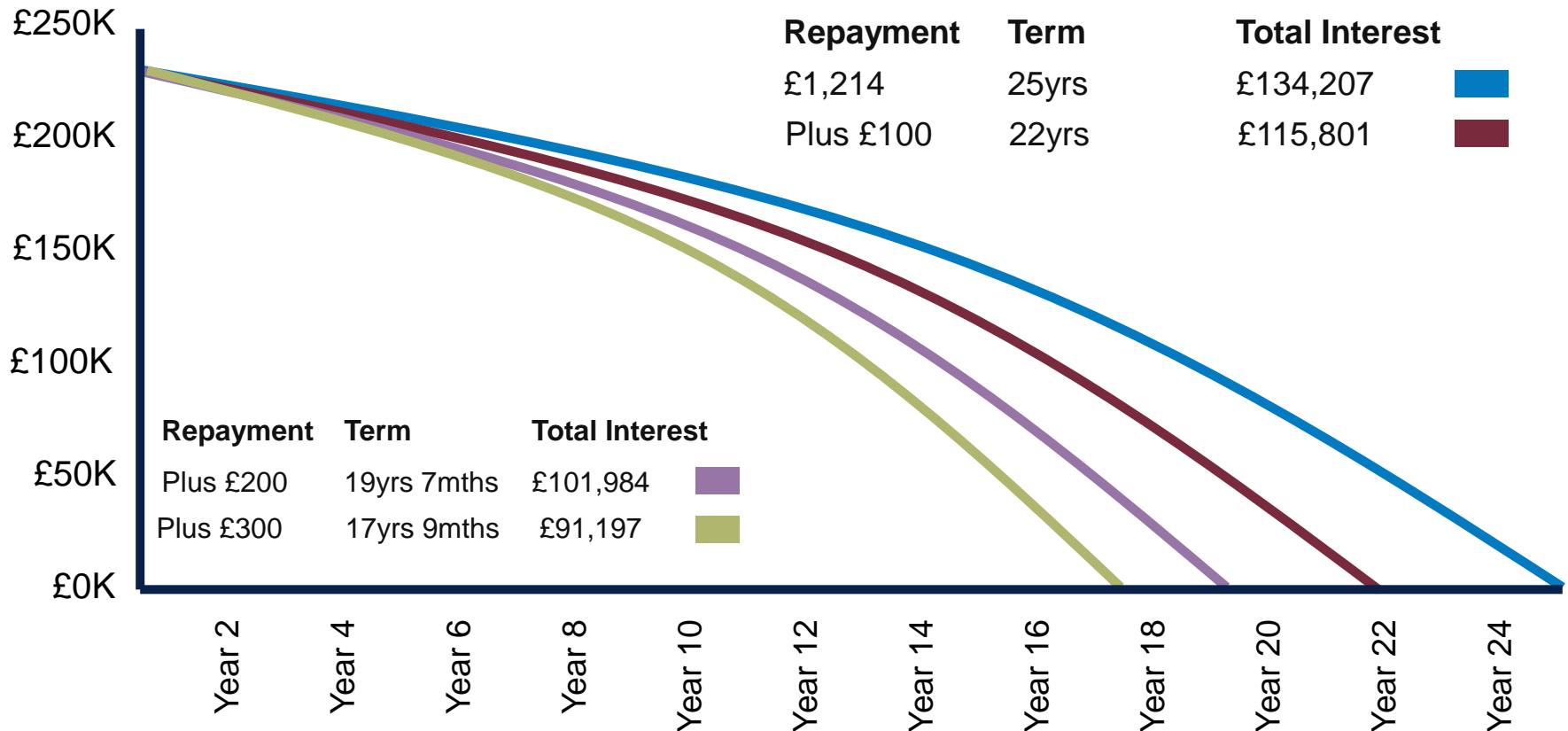
[www.moneyhelper.org.uk/en/everyday-money/credit-and-purchases/credit-card-calculator](http://www.moneyhelper.org.uk/en/everyday-money/credit-and-purchases/credit-card-calculator)

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# mortgage overpayments.

Based on a £230,000 repayment mortgage with 25 year term & 4% interest rate



Graph shown for illustrative purposes only. Data provided by Nationwide Building Society. Any early repayment charges or changes in interest rates are not reflected in the figures shown

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# action points.

01

Review your tax code and update with HMRC if it is incorrect

02

Calculate your potential taxable income this tax year

03

Plan ahead to reduce your tax costs and maximise the allowances available to you:

Including:

- Review your pension contributions
- View your P11D
- Consider adjusting your pension contributions to manage your tax position

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next steps.

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# seminars available to you.

In conjunction with Wealth at Work there are a range of financial education seminars available to you:

01



## Early Career

"Start to build your financial plan"

02



## Mid Career

"Keeping your financial plan in check"

03



## Later Career

"Exploring your options at retirement"

04



## The Pension Annual Allowance and Lifetime Allowance

"Addressing your pension savings annual and lifetime allowance limits"

05



## Saving and Investing

"Get your savings and investments moving in the right direction"

06



## Estate Planning

"Managing your estate and getting it in order"

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# seeking advice.

An adviser will assess your circumstances, objectives and risk profile and provide you with a personal recommendation to meet your objectives.

All regulated firms are listed on the Financial Services Register, this provides confirmation that the firm is authorised, the specific services they are authorised to provide and details of the advisers who work for them.

Financial Services Register link:

- <https://register.fca.org.uk>

# contact us.

We provide a telephone helpline and a regulated financial advice service through **my wealth** - a trading name of Wealth at Work Limited which is a member of the Wealth at Work group of companies.

It helps individuals to understand their personal financial situation especially when selecting their retirement income options.

- Telephone **0800 028 3200**

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thank you.

0800 028 3200.

[www.wealthatwork.co.uk/mywealth](http://www.wealthatwork.co.uk/mywealth).

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