

A close-up photograph of a hand holding a light-colored wooden stick. The stick is oriented diagonally from the top-left towards the bottom-right. On the stick, the text 'fdservices.io' is printed in a dark blue, sans-serif font. The background is a blurred, out-of-focus scene, possibly an office or a public space, with a person's face partially visible in the distance.

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SPRING BUDGET 2022: KEY BUSINESS ANNOUNCEMENTS

WHATS NEW IN 2022 SPRING BUDGET FOR YOUR BUSINESS?

key business related announcements

EMPLOYEE NATIONAL INSURANCE

- The threshold at which employees will begin to pay National Insurance will rise from July 2022 to £12,570 and be in line - for the first time in many years - with the Income Tax personal allowance.

EMPLOYERS ALLOWANCE

For companies, employer's National Insurance will go up to £5,000 (from £4,000), provided that:

- they have employees (other than a sole director) earning above the Employer's National Insurance limit of £9,100
- they do not have another company under the same control claiming the Employers' Allowance
- they do not carry out more than 50% of their work in the public sector (e.g. NHS/GP services, refuse collection)

Please get in touch for a more detailed discussion!

DIVIDENDS



VAT - DOMESTIC ENERGY SAVING MATERIALS (ESM)

- ESMs include **solar panels, heat pumps and roof insulation**.
- Temporary VAT cut on ESMs
- From **1st of April**, the supply of domestic ESMs will be zero rated (down from current **5%**).

FUEL DUTY

- Fuel duty will be cut by **5p per litre** from 23 March 2022 for **1 year**

INCOME TAX

- There was a pledge made by the Chancellor to reduce the basic rate of Income Tax from **20% to 19%** in **2024**

Please in touch for a more detailed discussion!



PLANNING OPTIONS

OWNER/DIRECTOR SALARIES

Most business owners currently remunerating themselves by way of small salary and dividends should consider increasing their salaries as follows, with **remaining drawings taken as dividends**:

Period	Months	Salary	Total
April-June 2022	3	£823	£2,469
July 2022-March 2023	9	£1,047.5	£9,427.5
Total	12		£11,896.5

Please get in touch for a more detailed discussion!

