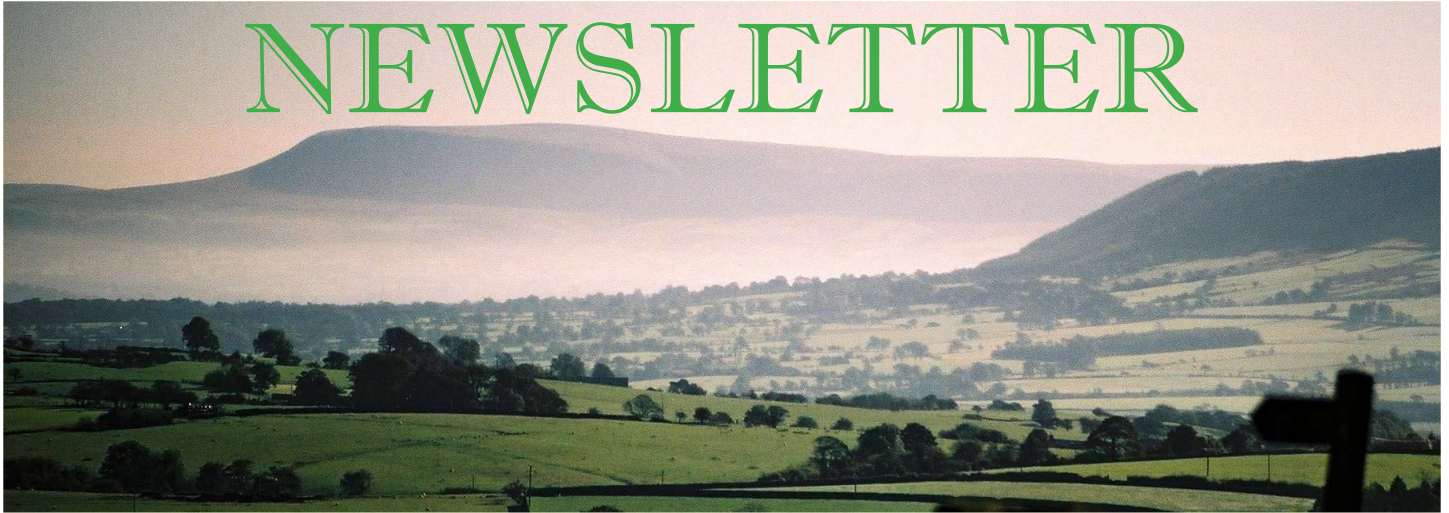


Ribble Wealth Management Limited

NEWSLETTER



WINTER 2024

Looking back on previous Newsletters, it seems that the more things change, the more they stay the same... This month sees the third anniversary of Russia's invasion of Ukraine, and last month saw the second inauguration of Donald Trump as US President, and whilst markets have remained resilient, there continues to be much uncertainty in the world. Labour's first seven months in office have also not been greeted with the warmth that Keir Starmer and Rachel Reeves had hoped, with harsh tax rises impacting all people in one way or another – despite assurances to the contrary in the election manifesto.

Employer's National Insurance Contributions have increased by 8.70%.

Agricultural Property Relief ("APR") and Business Property Relief ("BPR"), both of which previously enjoyed 100% exemption from Inheritance Tax ("IHT"), will be restricted to the first £1 million, whereafter IHT of 20% will be payable from April 2026.

Pensions (previously outside the scope of Inheritance Tax) will also be brought into Rachel Reeves' tax raid from April 2027.

Of course, there is much more detail to follow the current consultation, and we await this with bated breath, and once we have more detail will be in touch to provide further guidance and advice.

We do not believe that there has been a more important time to be guided by professional, independent financial advice in what continues to be an ever-changing landscape.

Cost reductions in abrdn's platform



We are delighted to advise that, despite inflation of 4% last year (although it has reduced to just 2½% at present), abrdn have agreed to **cut** the costs of their Platform for our clients by 0.05% on all tiers up to £1 million, and have eliminated the £500,000 – £750,000 tier. They have also removed the product administration charge (of 0.05%) on Wrap Self Invested Personal Pension ("SIPP"), although the more complex International Portfolio Bond ("IPB") has seen a small increase (of 0.05%) in the product administration charge to 0.12%. The new tiers are:

£0 – £250,000	0.30%
£250,000 – £500,000	0.20%
£500,000+	0.10%

We are delighted to see abrdn maintaining their provision of a low-cost, high-quality platform for our clients and welcome this reduction, which has been implemented with immediate effect.



With just six weeks to go until the end of the tax year, the window of opportunity to maximise your ISA or pension subscription for the current tax year grows smaller with every passing day. If you have the resources to do so but haven't done so yet, please get in touch urgently!

Also, be aware that, if you haven't already submitted your Self Assessment Tax Return for 2023/2024, you have missed the deadline (which was 31st January) and will be subject to a £100 fine. This will increase after three months, by £10 **per day** up to a ninety day maximum of £900 (in addition to the £100), and there are additional interest penalties – so if you haven't done so, please ensure you submit it asap!

BEWARE THE BANK INTEREST TAX TRAP



Until recently, bank interest rates were largely irrelevant, with the Bank of England Base Rate ("BoEBR") at just 0.50% as far back as 2009, falling to just 0.10% in 2020. However, it has been steadily increasing since late 2021 and reached a recent historic high of 5.25% in 2023, before falling back to its current level of 4.50%. This would not be an issue, other than for the fact that banks and building societies stopped deducting tax at source from interest in 2016, and whilst not a problem for some, the Personal Savings Allowance (the amount of interest that you can earn tax-free, £1,000 for a basic-rate or £500 for a higher-rate taxpayer) can be breached with savings as low as £25,000 or less, thereby unintentionally creating a tax liability. If you have interest in excess of £1,000 (or £500) from savings accounts, you should either register for Self Assessment to ensure that you pay the correct amount of tax, or reduce your savings by appropriate investment in alternative vehicles. Talk to us for guidance on this if you are unsure!

Ribble Wealth Management Limited · Ribble House · 11 Trident Park · Trident Way · Blackburn · Lancashire · BB1 3NU
Tel: 01254 84 64 04 · Fax: 01254 84 64 05 · Web: www.ribblewealth.com
Registered in England · Company Registration Number: 9482998

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