



EBCam

Employee Benefits
& Financial Planning

Investments ♥ Protection ♥ Advice

ABOUT EBCAM

EBCam Ltd is a specialist Employee Benefits and Financial Planning firm focussed on providing Independent Financial Advice to individuals and companies.

For individuals, we work with them to understand their objectives, providing support and advice in relation to pensions, investments, and personal insurance contracts.

CONTACT

PHONE:

01223 297 060

WEBSITE:

www.ebcam.co.uk

EMAIL:

info@ebcam.co.uk

EBCam Ltd is authorised and regulated by the Financial Conduct Authority (FCA registration number 921376).

SPRING BUDGET 2021 SUMMARY

COVID-19 Response:

- The Coronavirus Job Retention Scheme (**furlough**) has been extended until 30 September 2021, with the Government continuing to pay up to 80% of employee's wages for hours not worked up to a monthly limit of £2,500 until the end of June. Employers will need to contribute 10% towards this in July, and 20% in August and September, with the Government contribution reducing at the same time, but ensuring that employees on furlough are not negatively impacted financially. Under current arrangements, companies must fund employer National Insurance contributions and pension contributions; this remains unchanged.
- The **Self-Employment Income Support Scheme** (SEISS) will be extended to individuals who were previously excluded. Provided that a tax return has been filed for the 2019/20 tax year, individuals will be able to benefit from the fourth and fifth grant, meaning an additional 600,000 individuals will qualify.
- The fourth SEISS grant will cover February to April, covering 80% of average trading profits, capped at £7,500.
- The fifth SEISS grant will cover May to the end of September and will cover 80% of average trading profits for those whose turnover has fallen by 30% or more, and 30% of average trading profits where turnover has fallen by less than 30%. These payments are capped at £7,500 and £2,850 respectively.
- The Government will extend the income tax exemption and National Insurance Contributions disregard for COVID-19 **antigen tests** provided by, or reimbursed by, employers, and for employer reimbursed expenses covering the cost of **home office equipment** to the 2021/22 tax year.
- The **VAT** reduction for the UK's **tourism and hospitality** sectors, with VAT at 5%, will be extended until 30 September 2021. To help manage the transition back to full operating capacities, a 12.5% rate will apply from 1 October 2021 until 31 March 2022 after which VAT for these areas will revert back to the standard 20% rate.
- **Business rate reliefs** will be extended for eligible retail, hospitality and leisure properties until 30 June 2021 – 100% relief is available. Thereafter, until 31 March 2022, rates will be chargeable at 66% of the normal amount.

Companies:

- **Corporation Tax** will rise to 25% (from 19%) in April 2023. Companies with profits under £50,000 will continue to pay 19%, with the rate on profits above £50,000 being tapered so that only those with profits above £250,000 will pay the full 25%.
- To help companies that have been pushed into a loss-making position, there **trading loss carry-back** rule will be temporarily extended from the existing one year to three years.
- Payments to employers who hire new **apprentices** have been extended and increased. Employers who hire a new apprentice between 1 April 2021 and 20 September 2021 will receive £3,000 per apprentice. This is in addition to the existing £1,000 the Government provides for all new 16-18 year old apprentices and those aged under 25 with an Education, Health and Care Plan where applicable.

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Companies continued:

- A consultation has been launched to determine whether **Enterprise Management Incentive (EMI) Schemes** provide support for high-growth companies to recruit and retain talent in the way they were intended to. It will also investigate whether more companies should be able to access the EMI scheme.
- From 1 April 2021 until 31 March 2023, companies investing in qualifying new plant and machinery assets will benefit from a 130% first-year **capital allowance**. This is to encourage spending by companies.
- **“Freeports”** will be introduced across the UK in eight locations (Thames (including London Gateway Port and the Port of Tilbury), Liverpool City Region, Solent, East Midlands Airport, Freeport East (Felixstowe and Harwich), Plymouth and South Devon, Humber, and Teeside). Intended to commence operations from later in 2021, these Freeports will contain areas where businesses will benefit from more generous tax reliefs, customs benefits and wider Government support, bringing investment, trade and jobs to regenerate these areas.
- There will be changes to the **visa rules**, enabling companies in the UK to attract and retain the most highly-skilled globally mobile talent, particularly **in academia, science, research and technology**.

Individuals:

- The **personal allowance** will rise to £12,750 in April 2021, with the higher-rate threshold increasing to £50,270 at the same time. Both thresholds will then be frozen until 2026.
- Also frozen to 2026, with no planned increase for this year, are: the Pensions **Lifetime Allowance** (£1,073,000), **Capital Gains Tax Allowance** (£12,300 per annum for individuals), **and Inheritance Tax Nil-Rate Bands** (£325,000 per individual, plus £175,000 per individual Residential Nil-Rate Band, where applicable).
- The **ISA** allowance will remain at £20,000 per individual for 2021/22, and the Junior ISA allowance will remain unchanged at £9,000 per child.
- A new **‘green’ retail savings product** will be made available to investors via Treasury-backed National Savings & Investments. This is due to launch in Summer 2021, with full details being published at a later date.
- The temporary increase to £500,000 in the **Stamp Duty Land Tax** Nil-Rate Band will be extended until 30 June 2021. From 1 July 2021, the Nil-Rate Band will reduce to £250,000 until 30 September 2021, before returning to its original £125,000 from 1 October 2021.
- A new **mortgage guarantee scheme** will be introduced in April 2021, providing a guarantee to lenders who offer mortgages to people with a deposit of just 5% on homes with a value of up to £600,000. It is anticipated this measure will last until 31 December 2022.
- The **contactless payment card limit** will increase to £100 during 2021.

Duties

- Planned increases in **duties** on alcohol and fuel have been cancelled.