

# 2022 Landscape

## Planning



The information that follows is based on our understanding of current taxation, legislation and HM Revenue & Customs practice as of March 2022 all of which are liable to change without notice.

This is just for UK advisers – it's not for use with clients

# Important Information

This content is based on our understanding of current taxation, legislation and HM Revenue & Customs practice all of which are liable to change without notice. The impact of any taxation (and any tax reliefs) depends on individual circumstances.

Where content includes case studies or examples these are for illustration purposes and are not recommending a specific course of action.

Past performance is not a reliable indicator of future performance. The value of an investment can go down as well as up and your client may get back less than they've paid in.

No reproduction, copy, transmission or amendment of this presentation may be made without our written permission.

**KBA Financial** - Prudential has no association with KBA Financial and it's your responsibility to carry out appropriate due diligence on the firms. Other services of a similar nature may be available or may become available.

# Learning Objectives



By the end of this session, you will be able to describe the impact of recent tax changes and the current economic climate on advice on:

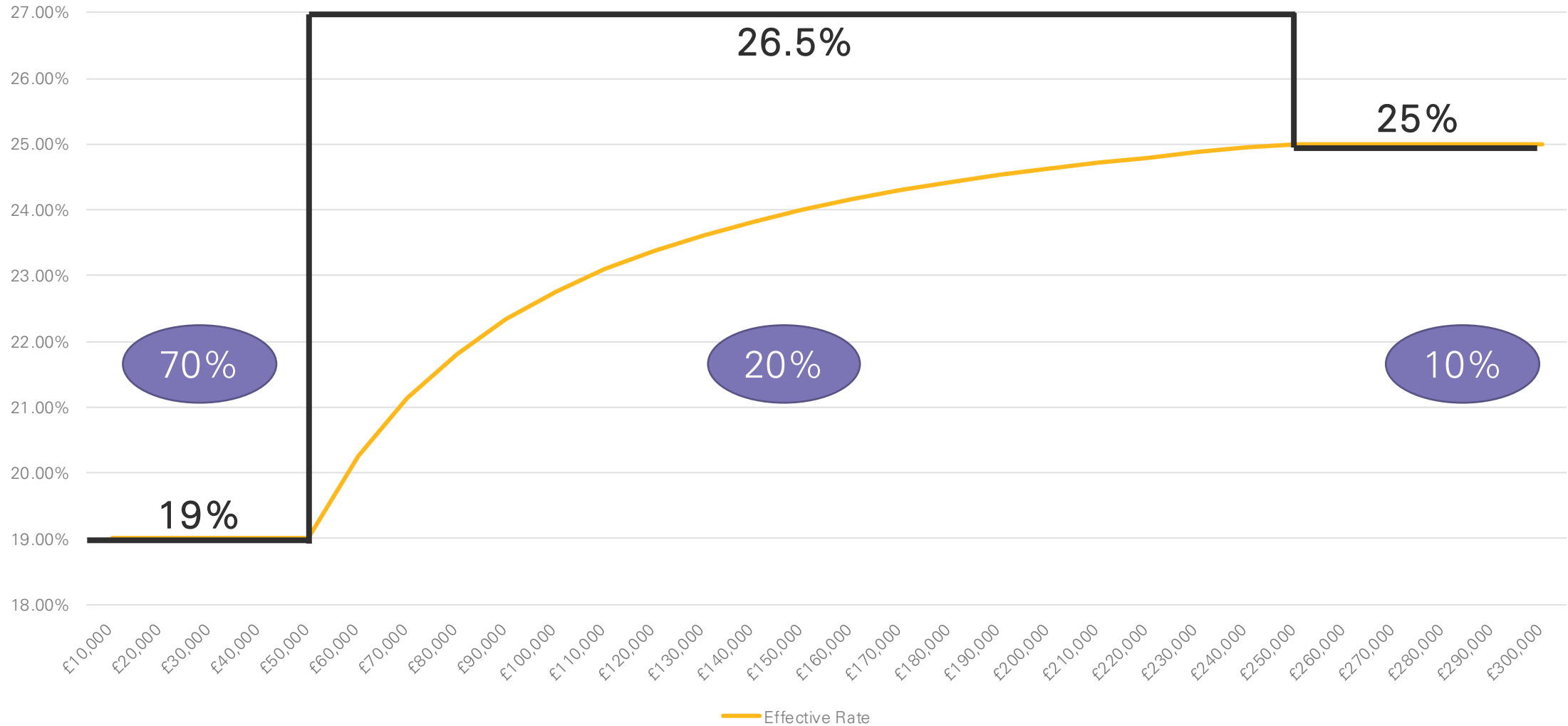
:

Company  
Investments

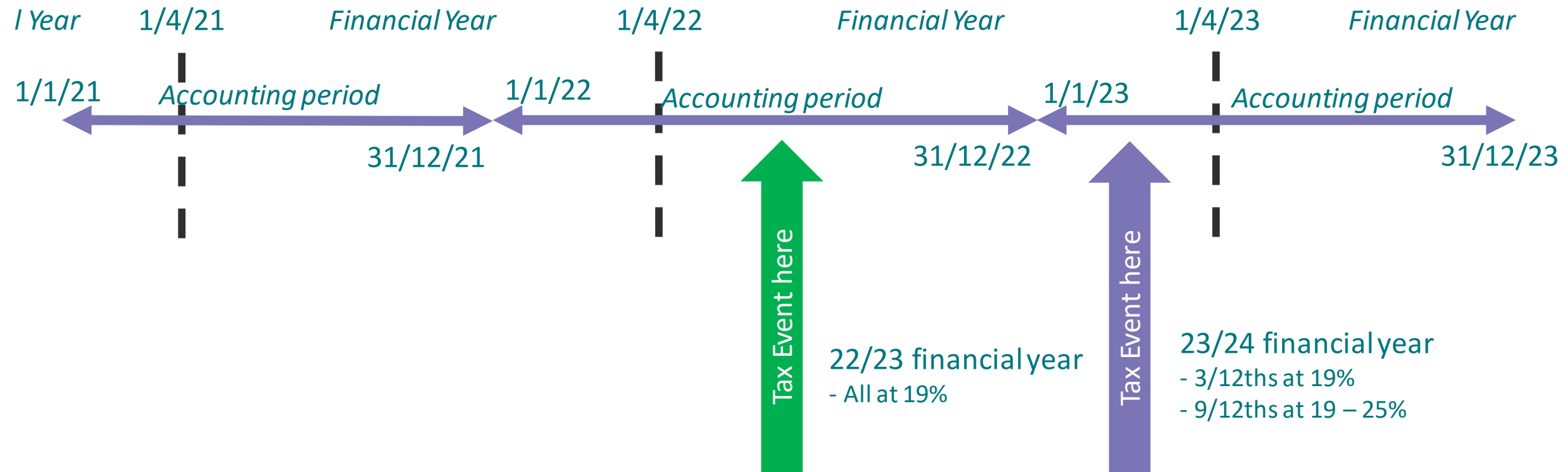
Profit  
Extraction

Intergenerational  
Wealth  
Planning

# Corporation Tax wef 1 April 23



# The "years"



# Extracting £100 of profit...



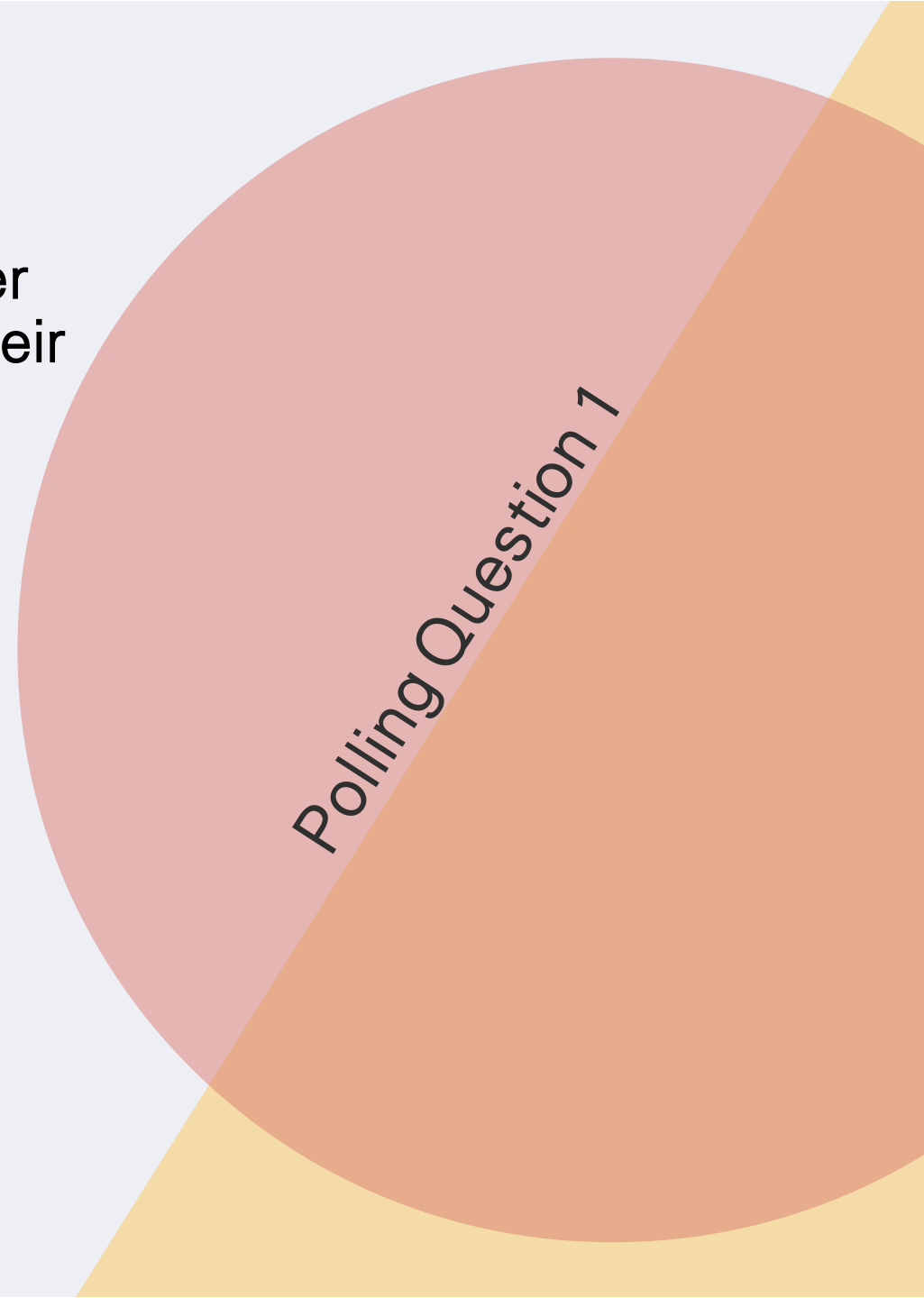
2022/23

Salary

Dividends

What percentage of your clients who make employer pension contributions were prompted to do so by their accountant?

- A. More than 75%
- B. 50 - 75%
- C. 25 - 50%
- D. Less than 25%



# Case study – historic cost

XYZ Ltd prepares accounts on a historic cost basis, the company year matches the financial year. It usually has profits around £100,000. It holds an onshore investment bond that currently has an £100,000 gain.

	2022/23	2023/24
Bond gain	£100,000	£100,000
Grossed up	£125,000	£125,000
Corporation tax	19%	26.5%*
CY due	£23,750	£33,125
Tax credit	£25,000	£25,000
CY	(£1,250)	£8,125

\*wholly in marginal rate

By realising the profit already made on the bond, reinvesting, and carrying a rebased cost into the new corporation tax regime the company saves corporation tax of £9,375, or 7.5% of the grossed up gain. The same **percentage** saving would apply to an offshore investment.

This is just for UK advisers – it's not for use with clients

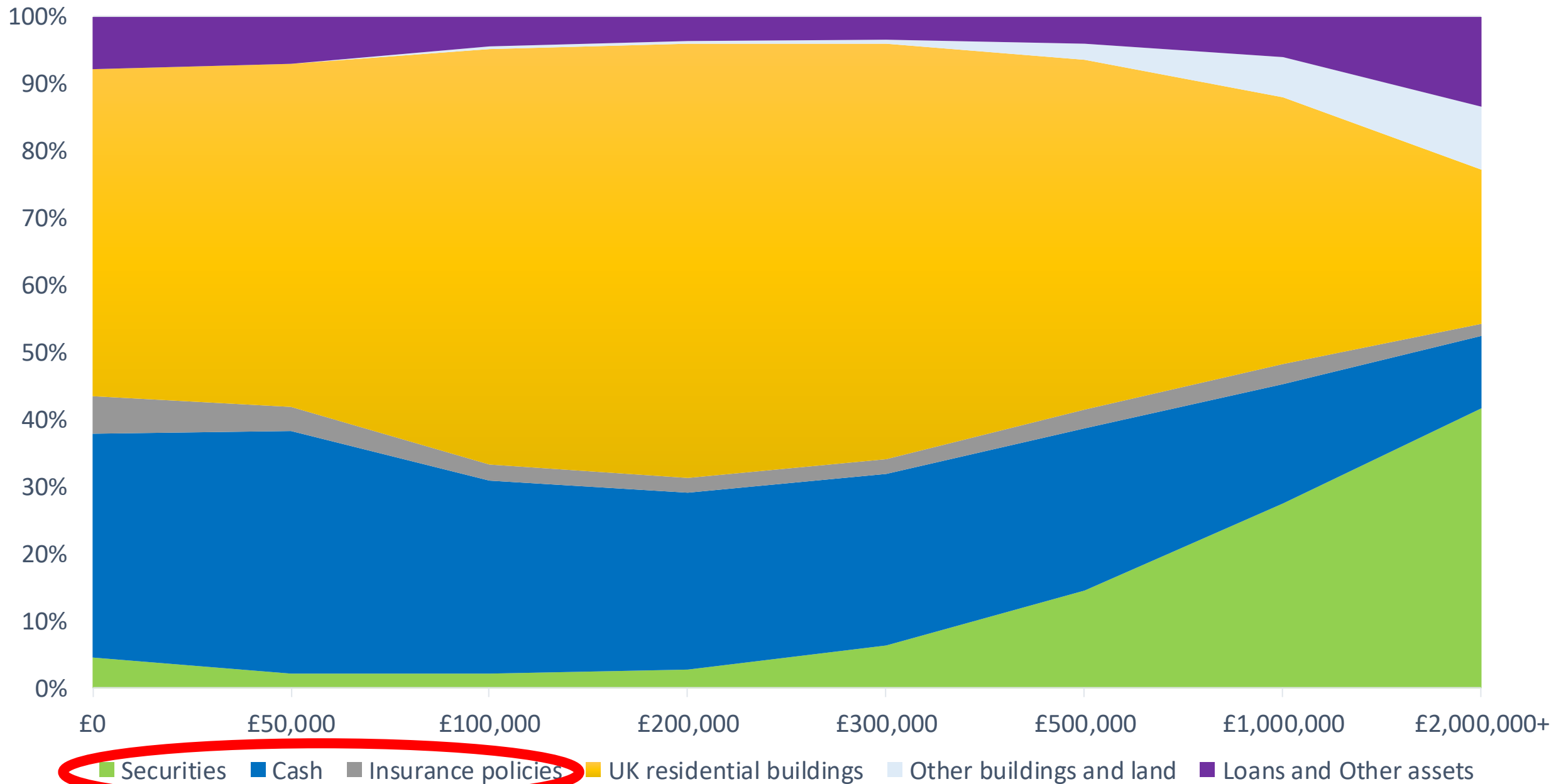


What is most common type of investment advice you provide for your SME business owner clients?

- A. Personal investment advice only
- B. Corporate investment advice only
- C. Both corporate and personal investment advice
- D. We have no SME business owner clients.

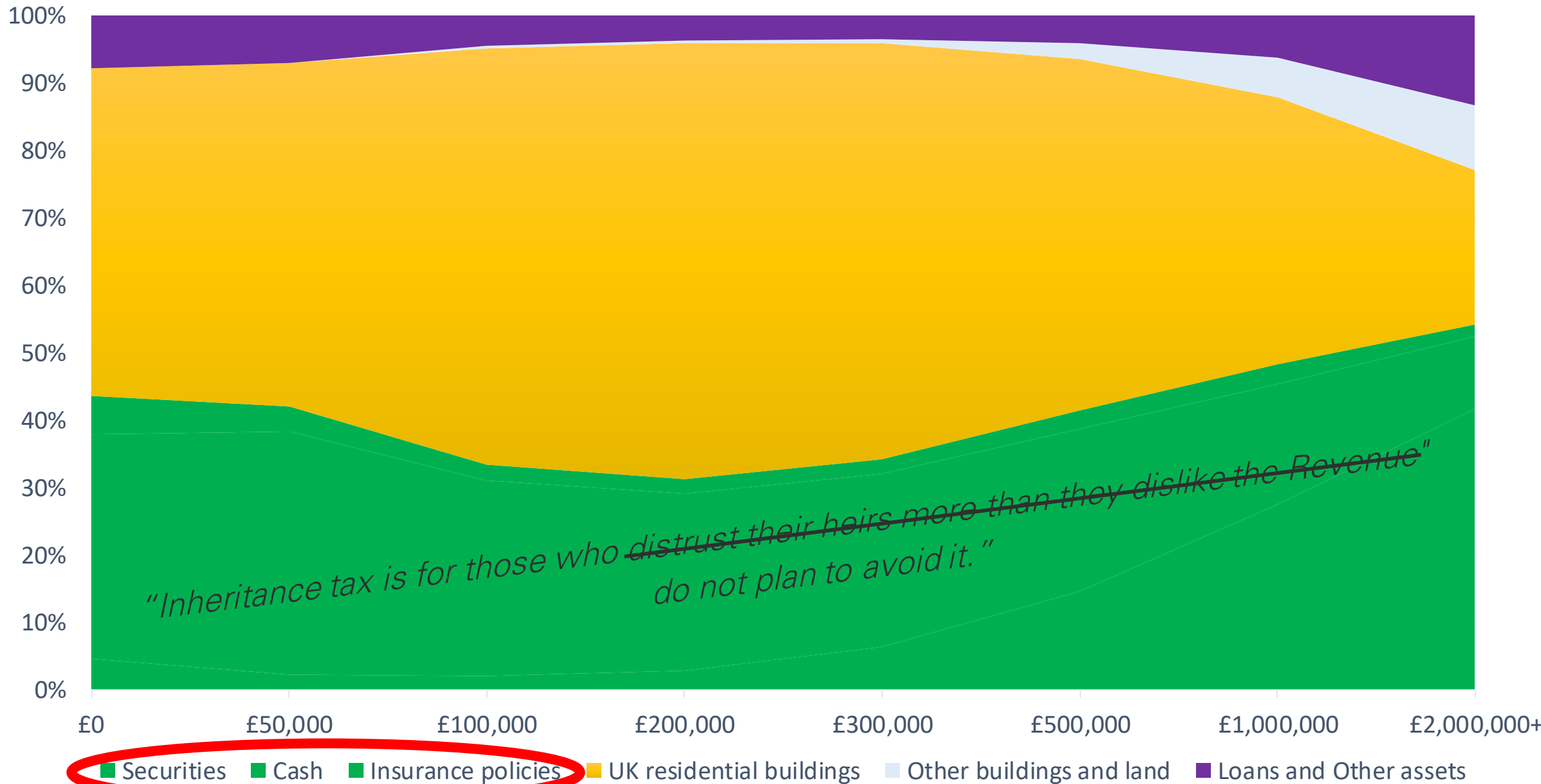


Polling Question 2



**Source:** [www.gov.uk/government/statistics/inheritance-tax-statistics-table-124-assets-in-estates-by-range-of-net-estate-and-tax-due](http://www.gov.uk/government/statistics/inheritance-tax-statistics-table-124-assets-in-estates-by-range-of-net-estate-and-tax-due)

This is just for UK advisers – it's not for use with clients



**Source:** [www.gov.uk/government/statistics/inheritance-tax-statistics-table-124-assets-in-estates-by-range-of-net-estate-and-tax-due](http://www.gov.uk/government/statistics/inheritance-tax-statistics-table-124-assets-in-estates-by-range-of-net-estate-and-tax-due)

This is just for UK advisers – it's not for use with clients

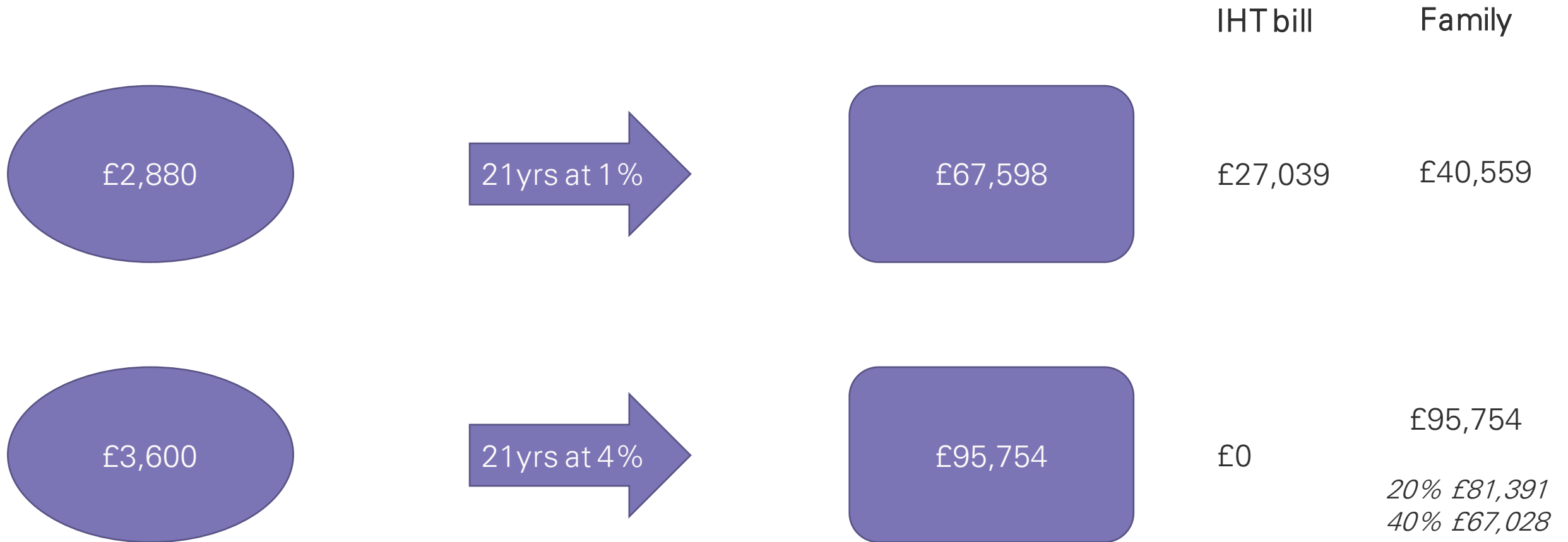
Who do you find is typically most likely to bring up the topic of intergenerational planning?

- A. Clients who are looking to cascade wealth
- B. Clients who may in the future be the recipient of that wealth
- C. Me as the adviser



Polling Question 3

# Happy birthday “£3,600 if more”



# Support for you

Adviser to client material

Intergenerational Planning Hub

Trusts and IHT modeller

Inflation Modeller

Family Wealth Unlocked Report

Extracting Company Profits Tool

**Techy Thursdays**

Adviser guide to corporate investing

Talk to a Techy

MyView

Technical Hub

# Learning Objectives



By the end of this session, you will be able to describe the impact of recent tax changes and the current economic climate on advice on:

:

Company  
Investments

Profit  
Extraction

Intergenerational  
Wealth  
Planning

# Thanks for your time

Get in touch with your usual contact if you need further help.







M&G plc is a company incorporated and with its principal place of business in England, and its affiliated companies constitute a leading savings and investments business.

M&G plc is the direct parent company of The Prudential Assurance Company Limited. The Prudential Assurance Company Limited is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America or Prudential plc, an international group incorporated in the United Kingdom